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BEYOND INTERMEDIARY PROTECTION: EXAMINING PLATFORM LIABILITY AND CONSUMER GRIEVANCE REDRESSAL IN INDIAN E-COMMERCE.

AUTHORED BY - SNEHA MURALI
Sree Narayana Law College, Ernakulam, Kerala

ABSTRACT

The rapid growth of e-commerce has transformed consumer transactions and created new forms of digital commerce. However, it has also resulted in challenges such as defective or counterfeit products, misleading advertisements, non-delivery, payment fraud and ineffective grievance redressal. A key legal issue is the extent to which e-commerce platforms should be held responsible for consumer harm arising from transactions conducted through them. The Indian legal framework, including the Consumer Protection Act, 2019, the Consumer Protection (E-Commerce) Rules, 2020 and the Information Technology Act, 2000, attempts to balance consumer protection with intermediary protection. However, uncertainty remains regarding the distinction between passive intermediaries and active participants. This article critically examines e-commerce platform liability and consumer grievance redressal in India by analysing the interaction between intermediary safe harbour and consumer obligations, judicial approaches to platform responsibility, and the effectiveness of existing redressal mechanisms. It concludes by identifying challenges and suggesting measures to strengthen platform accountability and consumer protection in the digital marketplace.

Keywords: E-Commerce; Platform Liability; Consumer Protection; Online Fraud; Intermediary Liability; Safe Harbour; Grievance Redressal; Consumer Disputes; Online Dispute Resolution; Digital Marketplace.

1. INTRODUCTION

The rapid expansion of e-commerce has transformed the manner in which goods and services are marketed, purchased and delivered. Digital platforms have made transactions faster, convenient and accessible beyond geographical boundaries. Digital payments, smartphones, online marketplaces and technology-driven logistics have further integrated e-commerce into everyday commercial activity. At the same time, the involvement of platforms, sellers, payment intermediaries, logistics providers and consumers has created complex legal concerns relating to consumer protection, unfair trade practices, counterfeit products, online fraud and platform accountability.

A major legal issue concerns the responsibility of e-commerce platforms for transactions conducted through their systems. While traditional intermediaries could claim to merely provide technological infrastructure connecting buyers and sellers, modern platforms may also undertake seller verification, product promotion, payment facilitation, logistics, customer support and grievance management. Their increasing involvement therefore raises the question of when a platform should be regarded merely as an intermediary and when its conduct warrants greater legal responsibility.

The Indian legal framework has responded through the Consumer Protection Act, 2019, which protects consumers against unfair trade practices, defective goods, deficient services and misleading advertisements[1]. The Consumer Protection (E-Commerce) Rules, 2020 further prescribe obligations relating to transparency, disclosure, seller information and grievance redressal[2]. At the same time, section 79 of the Information Technology Act, 2000 provides conditional safe-harbour protection to intermediaries subject to prescribed requirements and due diligence[3]. The interaction between these provisions raises important questions concerning the extent of platform accountability.

Judicial decisions have also shaped the principles governing intermediary and platform liability. In *Christian Louboutin SAS v. Nakul Bajaj*, the Delhi High Court examined the extent of an e-commerce platform's involvement and its relevance to intermediary protection[4]. This reflects the growing importance of examining the actual role and conduct of platforms rather than relying solely upon their formal classification.

Platform liability is closely connected with consumer grievance redressal. Legal rights are meaningful only when consumers have access to affordable, timely and effective remedies. The Consumer Protection Act, 2019 provides Consumer Disputes Redressal Commissions,

[1] Consumer Protection Act, 2019, §§ 2(7), 2(16), 2(47) (India)
[2] Consumer Protection (E-Commerce) Rules, 2020, G.S.R. 462(E), Gazette of India, Extra., pt. II, sec. 3(i) (July 23, 2020).
[3] Information Technology Act, 2000, § 79 (India).
[4] *Christian Louboutin SAS v. Nakul Bajaj*, 2018 SCC OnLine Del 12215.

while electronic filing and technology-enabled procedures seek to improve accessibility[5]. Online dispute resolution has also emerged as a potential mechanism for resolving digital consumer disputes, particularly where parties are geographically distant or the value of the dispute is relatively small.

Against this background, this article critically examines e-commerce platform liability and consumer grievance redressal in India. It analyses the existing legal framework, the relationship between intermediary safe harbour and consumer-protection obligations, the judicial approach to platform responsibility, and available grievance-redressal mechanisms. It further identifies major challenges and suggests measures to achieve an effective balance between consumer protection, platform accountability and technological innovation.

2. EVOLUTION AND EMERGING ISSUES IN E-COMMERCE

The development of e-commerce has been closely associated with advances in information and communication technology. In its early stages, electronic commerce primarily involved the electronic exchange of commercial information and the use of electronic systems for business transactions. The development of Electronic Data Interchange (EDI), electronic fund transfer systems and internet-based commerce gradually enabled commercial transactions to be conducted without the physical presence of the parties[6]. With the expansion of internet access and digital infrastructure, e-commerce moved from a limited business facility to a major mode of commercial activity.

In India, the development of e-commerce was initially constrained by limited internet access, inadequate digital infrastructure and concerns regarding the security of online transactions. The introduction and wider acceptance of cash-on-delivery helped address consumer concerns and contributed to the expansion of online shopping. Subsequently, affordable smartphones, increased internet penetration and the growth of digital payment systems substantially increased consumer participation in online commerce[7].

The development of large online marketplaces further changed the traditional relationship between buyers and sellers by creating digital platforms through which numerous independent

[5] Consumer Protection Act, 2019, §§ 34, 47, 58 (India).
[6] K.M. Prachi & Vivek Kumar Nigam, Evolution of E-Commerce Industry: A Brief History of Evolution of E-Commerce, 10 J. Emerging Techs. & Innovative Rsch. 588 (2023).
[7] PwC India & ASSOCHAM, *Evolution of E-Commerce in India: Creating the Bricks Behind the Clicks* (2014).

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sellers could reach consumers.

The contemporary e-commerce environment is considerably more complex than the earlier model of online retailing. Digital platforms increasingly integrate product listings, advertising, payment facilities, customer service and logistics. Technologies such as artificial intelligence, machine learning and data analytics are also used to personalise consumer experiences and influence purchasing decisions. While these developments have increased efficiency and consumer choice, they have simultaneously created new forms of consumer vulnerability.

One significant concern is the difficulty consumers face in identifying the responsible party when a transaction involves several participants. A consumer may purchase a product through an online marketplace, make payment through a digital payment system and receive the product through a separate logistics provider. Where the product is defective, counterfeit or not delivered, determining whether responsibility rests with the seller, platform or another participant may become difficult. The contractual and technological structure of online transactions can therefore create information asymmetry between consumers and commercial entities.

The expansion of digital commerce has also been accompanied by concerns relating to misleading advertisements, counterfeit products, payment fraud, non-delivery, manipulation of consumer reviews and inadequate grievance redressal[8]. These issues demonstrate that the regulation of e-commerce cannot be confined to the recognition of electronic transactions. It must also address the responsibilities of platforms that facilitate and increasingly influence such transactions.

The evolution of e-commerce has consequently produced a regulatory transition from general rules governing contracts and electronic transactions towards a more comprehensive framework addressing consumer rights, intermediary responsibility and platform accountability. The Indian approach reflects an attempt to accommodate technological innovation while responding to the risks associated with digital marketplaces. The principal challenge is now to ensure that the regulatory framework remains sufficiently clear and effective as the functions performed by e-commerce platforms continue to expand.

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[8] Rashmi Sachan & Saloni Agarwal, The Evolution of E-Commerce: Opportunities and Challenges in a Digital Era, 46 Man & Dev. 67 (2024).

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3. INDIAN LEGAL FRAMEWORK GOVERNING E-COMMERCE

The regulation of e-commerce in India is based on a combination of consumer-protection legislation, intermediary regulation and rules specifically addressing online commercial transactions. The principal instruments are the Consumer Protection Act, 2019, the Consumer Protection (E-Commerce) Rules, 2020, and the Information Technology Act, 2000. Together, these instruments seek to protect consumers while establishing responsibilities for entities operating in the digital marketplace[9].

3.1 Consumer Protection Act, 2019

The Consumer Protection Act, 2019 is the principal legislation governing consumer rights in India. The Act was enacted to respond to developments in markets and technology and expressly accommodates electronic transactions.

Section 2(16) defines "e-commerce" as buying or selling of goods or services, including digital products, over digital or electronic networks[10]. This recognition is significant because it places online transactions within the statutory framework of consumer protection rather than treating them as a separate category outside conventional consumer law.

The Act protects consumers against defective goods, deficient services and unfair trade practices[11]. It also addresses misleading advertisements and provides for the establishment of the Central Consumer Protection Authority (CCPA) to protect and enforce consumer rights and prevent unfair trade practices[12]. The CCPA possesses powers to investigate violations, order recall of unsafe goods, direct discontinuation of unfair practices and impose penalties in circumstances provided by the Act.

Another important development is the statutory recognition of product liability. Sections 82 to 87 provide a framework for claims arising from harm caused by defective products[13]. The provisions identify circumstances in which manufacturers, product service providers and product sellers may be held responsible. Although the Act does not establish unlimited liability for every platform involved in an online transaction, its consumer-centric approach provides an important basis for examining responsibility within the e-commerce environment.

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[9] Consumer Protection Act, 2019 (India); Consumer Protection (E-Commerce) Rules, 2020; Information Technology Act, 2000 (India)
[10] Consumer Protection Act, 2019, § 2(16) (India).
[11] *Id*. §§ 2(10), 2(11), 2(47).
[12] *Id*. §§ 10–27.
[13] *Id*. §§ 82–87

3.2 Consumer Protection (E-Commerce) Rules, 2020

The Consumer Protection (E-Commerce) Rules, 2020 were introduced to supplement the Consumer Protection Act and address the specific characteristics of digital marketplaces. The Rules apply to goods and services bought or sold over digital or electronic networks and impose obligations upon e-commerce entities and sellers[14].

The Rules require e-commerce entities to provide specified information to consumers, including details relating to sellers, relevant terms and conditions, refund and cancellation arrangements and other information necessary for informed purchasing decisions[15]. Marketplace entities are also required to maintain mechanisms for receiving and addressing consumer complaints. The Rules therefore place transparency and grievance redressal at the centre of the regulation of online marketplaces.

The distinction between marketplace and inventory models is particularly relevant. A marketplace e-commerce entity primarily facilitates transactions between buyers and sellers, whereas an inventory entity is more directly involved in the sale of goods or services[16]. This distinction is important when determining the nature and extent of obligations applicable to a platform.

The Rules also seek to prevent unfair trade practices and misleading representations in e-commerce. Their significance lies in extending consumer-protection principles to the operational practices of digital platforms rather than regulating only the final contractual relationship between the consumer and seller.

3.3 Information Technology Act, 2000 and Intermediary Safe Harbour

The Information Technology Act, 2000 provides the principal statutory basis for intermediary regulation in India. Section 2(1)(w) defines an "intermediary" and includes entities that receive, store or transmit electronic records on behalf of another person[17]. Section 79 provides conditional protection from liability for third-party information, data or communication links made available or hosted through an intermediary.

Safe harbour is not an absolute immunity. Section 79 makes protection subject to specified conditions, including compliance with due-diligence requirements[18]. The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 further

[14] Consumer Protection (E-Commerce) Rules, 2020, r. 2 (India).
[15] *Id*. rr. 4–5.
[16] *Id*. r. 3(f)–(g).
[17] Information Technology Act, 2000, § 2(1)(w) (India).
[18] Id. § 79

prescribe due-diligence obligations for intermediaries[19].

The application of intermediary protection to e-commerce platforms presents a significant legal issue because modern platforms may perform functions that extend beyond the passive transmission or hosting of third-party information. The legal characterisation of a platform therefore cannot be examined independently of the nature of its actual activities.

3.4 Interaction Between the Legal Regimes

The Indian framework consequently operates through overlapping statutory regimes. The Consumer Protection Act and the E-Commerce Rules emphasise consumer rights, transparency and platform obligations, whereas section 79 of the Information Technology Act seeks to protect intermediaries from automatic liability for third-party content, subject to statutory conditions.

This interaction creates the central regulatory question examined in the following section: to what extent can a platform claim intermediary protection when its involvement in an online transaction extends beyond merely providing technological infrastructure? The answer depends upon the nature of the platform's activities, the degree of control or participation exercised, compliance with due-diligence requirements and the particular consumer harm involved.

The Indian framework therefore represents an attempt to balance two competing objectives—protecting consumers in an increasingly digital marketplace and preserving a workable legal environment for intermediary and platform-based innovation. The continuing development of judicial interpretation is particularly important in resolving areas where these objectives overlap or conflict.

4. E-COMMERCE PLATFORM LIABILITY AND JUDICIAL APPROACH

E-commerce platform liability arises from the tension between a platform's role as an intermediary and its increasing participation in online transactions. Although platforms may describe themselves as facilitators connecting sellers and consumers, they may also undertake product promotion, payment facilitation, logistics, customer support and grievance management. Liability must therefore be assessed according to the platform's actual involvement rather than its contractual description alone.

[19] Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, rr. 3–4 (India).

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4.1 Intermediary Status and the Limits of Safe Harbour

Section 79 of the Information Technology Act, 2000 provides conditional safe-harbour protection to intermediaries against liability for third-party information, data or communication links hosted or made available through their services[20]. This prevents intermediaries from being automatically liable for every unlawful act of their users and supports digital innovation by avoiding unrestricted liability and excessive compliance burdens.

However, safe harbour is subject to statutory conditions and due-diligence requirements. The distinction between a passive intermediary and an active participant is therefore crucial. A platform that merely provides technological infrastructure has a stronger claim to protection, whereas substantial control over transactions, product promotion, fulfilment or other commercial activities may raise questions about its continued status as a passive intermediary. The Consumer Protection (E-Commerce) Rules, 2020 reinforce this distinction through obligations relating to disclosure, transparency, unfair trade practices and grievance redressal[21]. Consumer-protection obligations must therefore be considered alongside intermediary protection under the Information Technology Act.

4.2 *Christian Louboutin SAS v. Nakul Bajaj*

In *Christian Louboutin SAS v. Nakul Bajaj*, the Delhi High Court considered the liability of an online marketplace concerning the alleged sale of counterfeit products[22]. The Court examined whether the platform's activities were sufficiently active and involved to affect its entitlement to intermediary protection.

The significance of the decision lies in its functional approach. Rather than treating intermediary status as determinative, the Court considered the nature of services provided and the platform's involvement in the commercial transaction. Where an intermediary goes beyond the limited functions contemplated by safe harbour and actively contributes to a transaction, its entitlement to such protection may become questionable.

The decision is particularly relevant because e-commerce platforms often provide services beyond basic information hosting, including product promotion, seller verification, payment arrangements, warehousing and logistics. Platform liability must therefore be examined according to the substance of its activities.

[20] Information Technology Act, 2000, § 79 (India).
[21] Consumer Protection (E-Commerce) Rules, 2020, rr. 4–5 (India).
[22] *Christian Louboutin SAS v. Nakul Bajaj*, 2018 SCC OnLine Del 12215.

4.3 *Amway India Enterprises Pvt. Ltd. v. 1MG Technologies Pvt. Ltd.*

In *Amway India Enterprises Pvt. Ltd. v. 1MG Technologies Pvt. Ltd.*, the Delhi High Court further considered the difficulties in determining the responsibility of online marketplaces[23]. The dispute concerned the sale of products through an online platform and raised questions regarding the platform's role in facilitating transactions.

The case demonstrates that liability cannot be determined solely by whether the platform owns the goods. The nature of services provided, degree of involvement and legal obligations arising from the platform's conduct are also relevant. It therefore contributes to the broader judicial examination of intermediary protection where platforms perform significant commercial functions.

4.4 Emerging Judicial Approach

Indian jurisprudence indicates a gradual shift towards examining the actual role and conduct of platforms rather than relying solely on their formal classification. Greater involvement in creating, promoting, facilitating or fulfilling transactions strengthens the basis for questioning purely intermediary status.

This does not mean that every platform should automatically be liable for third-party sellers. Such an approach could undermine intermediary protection and impose disproportionate obligations for conduct beyond the platform's control. A balanced assessment should consider the platform's knowledge, control, participation, economic benefit, contractual arrangements, due diligence and response to complaints.

The distinction between platform liability and automatic platform liability is therefore essential. Consumer protection requires reasonable diligence and effective responses to unlawful or harmful activities, but liability should correspond to the platform's actual contribution to the harm.

The Indian framework is consequently moving towards conditional accountability: intermediary protection remains available where statutory requirements are satisfied, while greater platform participation may justify increased responsibility under consumer-protection principles. The continuing challenge is to establish clear standards that provide consumers with effective remedies without imposing uncertain or excessive liability on digital intermediaries.

[23] *Amway India Enters. Pvt. Ltd. v. 1MG Techs. Pvt. Ltd.*, 2019 SCC OnLine Del 9061.

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5. CONSUMER GRIEVANCE REDRESSAL MECHANISMS IN E-COMMERCE

Effective consumer protection depends not only upon the recognition of substantive rights but also upon the availability of accessible and efficient mechanisms through which those rights can be enforced. E-commerce transactions create particular difficulties in this regard because consumers and sellers may be located in different jurisdictions and disputes may involve relatively small amounts. The Indian legal framework therefore provides multiple avenues for addressing grievances arising from online transactions, ranging from platform-level complaint mechanisms to formal consumer adjudication and technology-enabled dispute resolution.

5.1 Platform-Level Grievance Redressal

The Consumer Protection (E-Commerce) Rules, 2020 require e-commerce entities to establish an adequate grievance redressal mechanism. E-commerce entities are required to appoint a grievance officer and provide information enabling consumers to submit complaints[24]. The grievance mechanism provides the first and most immediate avenue for resolving disputes concerning defective products, non-delivery, refunds, cancellation, misleading representations and other transaction-related problems.

The importance of platform-level redressal lies in its accessibility. Consumers can ordinarily submit complaints through the same digital environment in which the transaction occurred. However, an internal mechanism may be inadequate where the platform fails to respond effectively or where the dispute involves the platform's own conduct. Consequently, internal grievance mechanisms should operate as an initial remedy rather than as a substitute for independent legal remedies.

5.2 Consumer Disputes Redressal Commissions

The Consumer Protection Act, 2019 provides a three-tier system of Consumer Disputes Redressal Commissions at the District, State and National levels[25]. These bodies provide a statutory forum for consumers seeking relief against defective goods, deficient services and unfair trade practices.

The Act also facilitates electronic access to consumer justice. Electronic filing and technology-enabled proceedings are particularly relevant to e-commerce disputes because they can reduce

[24] Consumer Protection (E-Commerce) Rules, 2020, r. 4(4) (India).
[25] Consumer Protection Act, 2019, §§ 28, 42, 53 (India).

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geographical barriers and simplify access to formal remedies[26]. Nevertheless, procedural delay, case backlog, technological limitations and difficulties associated with disputes involving complex digital transactions may affect the practical efficiency of the system.

5.3 Mediation and Online Dispute Resolution

The Consumer Protection Act, 2019 incorporates mediation as an alternative means of resolving consumer disputes[27]. Mediation can provide a less formal and potentially faster method of settlement, particularly where the parties are willing to resolve the dispute without prolonged adjudication.

Online Dispute Resolution (ODR) represents a further development of technology-enabled dispute settlement. ODR uses digital platforms to facilitate processes such as negotiation, mediation and arbitration. It has particular relevance to e-commerce because the parties may be geographically distant and the monetary value of individual disputes may be comparatively low[28].

However, the effectiveness of ODR depends upon accessibility, technological capacity, consumer awareness, procedural safeguards and enforceability of outcomes. The absence of a sufficiently comprehensive and standardised framework may limit its wider adoption[29].

5.4 Need for an Integrated Redressal Framework

The existence of several grievance mechanisms does not by itself guarantee effective consumer protection. A consumer may move from platform-level complaint handling to a consumer commission or an alternative dispute-resolution mechanism, but unnecessary procedural complexity can discourage the pursuit of legitimate claims. The uploaded study similarly identifies procedural delays, technological limitations, lack of awareness and enforcement difficulties as continuing concerns in consumer dispute resolution.

An effective framework should therefore provide a clear progression from internal platform grievance redressal to independent consumer adjudication and, where appropriate, online or mediated settlement. Such a structure can combine the speed and convenience of digital mechanisms with the independence and enforceability associated with formal legal remedies.

[26] Id. § 38; Consumer Protection (Consumer Commission Procedure) Regulations, 2020.
[27] Consumer Protection Act, 2019, §§ 74–81 (India).
[28] Nandhini Sahithiya C., The Scope and Importance of Online Dispute Resolution (ODR) in E-Commerce, 7 Indian J. L. & Legal Rsch., no. 1 (2025).
[29] *Id.*

6. COMPARATIVE PERSPECTIVE: INTERNATIONAL APPROACHES TO PLATFORM LIABILITY AND CONSUMER REDRESSAL

The challenges associated with e-commerce platform liability are not unique to India. Different jurisdictions have adopted different approaches to balancing intermediary protection, platform accountability and consumer protection. A comparative examination is useful because it demonstrates that effective regulation requires not merely the imposition of liability, but also transparency, due diligence and accessible mechanisms for resolving consumer disputes.

6.1 European Union

The European Union has adopted a comparatively structured approach to intermediary responsibility through the Digital Services Act, 2022 (DSA). The DSA establishes obligations for digital service providers concerning transparency, due diligence and the handling of illegal content and activities[30]. It adopts a differentiated regulatory approach based upon the nature, size and systemic significance of digital services.

The European approach is significant for e-commerce because it places greater emphasis on platform transparency and accountability while retaining conditional protection for intermediaries. It also demonstrates the importance of requiring platforms to establish accessible complaint-handling mechanisms. The EU model therefore provides a useful reference for India in developing clearer standards concerning platform responsibilities without imposing unrestricted liability.

6.2 United States

The United States traditionally provides comparatively strong protection to online intermediaries under Section 230 of the Communications Decency Act, 1996[31]. The provision generally protects interactive computer service providers from being treated as the publisher or speaker of information supplied by another content provider. This approach has supported the development of large-scale digital platforms and has limited the circumstances in which platforms can be held liable for third-party content.

However, the American approach is primarily concerned with intermediary immunity rather than creating a comprehensive consumer-protection regime specifically directed at e-commerce platforms. The contrast with the European approach demonstrates the different

[30] Regulation (EU) 2022/2065, Digital Services Act, 2022, 2022 O. J. (L 277) 1.
[31] Communications Decency Act of 1996, 47 U. S. C. § 230 (2018).

policy choices available between broad intermediary protection and more extensive regulatory obligations.

6.3 United Kingdom

The United Kingdom combines consumer-protection legislation with broader digital regulation. The Consumer Rights Act, 2015 provides important protections concerning goods, services and unfair contractual terms[32]. The UK approach places emphasis on consumer rights and transparency in commercial transactions. More recent digital regulation has also increased attention to the responsibilities of online platforms.

The UK experience demonstrates the importance of ensuring that consumer protection remains effective even where transactions are facilitated through complex digital intermediaries. For India, the principal lesson is that platform regulation should be accompanied by clear consumer rights and practical enforcement mechanisms.

6.4 Germany and France

Germany and France provide further examples of European approaches to digital consumer protection. Germany's regulatory framework combines intermediary regulation with broader data-protection and consumer-protection principles, including the General Data Protection Regulation (GDPR) at the European Union level. France similarly employs consumer-protection legislation to address transparency and unfair commercial practices in digital transactions.[33]

These approaches demonstrate the importance of imposing information and transparency obligations upon businesses operating in digital markets. Consumers should be able to identify the relevant trader, understand the terms of the transaction and obtain meaningful information when exercising their rights.

6.5 Japan

Japan provides an example of combining statutory consumer protection with technology-oriented dispute resolution. Its regulatory framework governing specified commercial transactions imposes disclosure and transparency obligations upon businesses engaged in online commerce[34]. Japan has also developed digital mechanisms for handling consumer

[32] Consumer Rights Act 2015, c. 15 (U. K.).
[33] Regulation (EU) 2016/679, General Data Protection Regulation, 2016 O. J. (L 119) 1; Code de la consommation [Consumer Code] (Fr.).
[34] Act on Specified Commercial Transactions, Act No. 57 of 1976 (Japan).

complaints and dispute resolution.

The Japanese experience is particularly relevant to India because it demonstrates how technology can be used not merely to facilitate transactions but also to improve access to remedies. Greater integration of digital complaint handling and dispute-resolution mechanisms could make Indian consumer protection more responsive to the characteristics of online commerce.

6.6 Relevance to India

The comparative experience indicates that there is no single model for regulating e-commerce platforms. The United States places greater emphasis on intermediary protection, while the European Union adopts more extensive transparency and due-diligence obligations. The United Kingdom, Germany and France combine consumer-protection principles with broader digital regulation, while Japan demonstrates the potential of technology-driven grievance redressal.[35]

For India, the principal lesson is that effective platform regulation requires a balance between consumer protection and predictable platform responsibility. The existing Indian framework already incorporates several comparable principles through the Consumer Protection Act, 2019, the Consumer Protection (E-Commerce) Rules, 2020 and the Information Technology Act, 2000. The principal need is therefore not necessarily to replace the existing framework but to clarify platform responsibility, strengthen compliance and improve the accessibility and effectiveness of grievance redressal mechanisms[7].

7. CHALLENGES AND SUGGESTIONS

Despite the comprehensive legal framework, e-commerce continues to face challenges relating to platform liability, safe harbour, enforcement, transparency and effective grievance redressal. The major concerns and corresponding suggestions are as follows.

7.1 Absence of Clear Standards for Platform Liability

There is no sufficiently precise statutory test for determining when an e-commerce platform should be responsible for consumer harm, particularly where platforms perform functions such as seller verification, promotion, payment facilitation, warehousing and logistics.

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[35] See generally Medhiyaa, Consumerism Across the Globe: A Comparative Analysis, 3 Indian J. Integrated Rsch. L. 1 (2022).

Suggestion: Clear legislative criteria should be established based on the platform's control, participation, knowledge, economic benefit and due diligence, adopting a functional approach rather than relying solely on contractual classification.

7.2 Tension Between Consumer Protection and Safe Harbour

The Consumer Protection Act, 2019 and the E-Commerce Rules impose consumer-protection obligations, while section 79 of the Information Technology Act, 2000 provides conditional intermediary protection[36]. The interaction between these regimes may create uncertainty.

Suggestion: The relationship between consumer-protection obligations and safe harbour should be clarified. Safe harbour should protect genuine intermediary functions but should not shield platforms that materially participate in harmful transactions.

7.3 Weaknesses in Due Diligence and Platform Monitoring

Effective regulation requires seller verification, monitoring of suspicious listings, reporting mechanisms and prompt responses to complaints. Mere statutory due-diligence obligations are insufficient without effective compliance monitoring.

Suggestion: Platforms should strengthen seller verification, conduct periodic compliance reviews and adopt proportionate systems for detecting fraudulent activities, supported by effective regulatory monitoring.

7.4 Enforcement and Regulatory Capacity

Effective legislation depends upon enforcement. The increasing scale and technological complexity of digital marketplaces require stronger regulatory expertise and capacity.

Suggestion: The Central Consumer Protection Authority (CCPA) should be equipped with greater technological and investigative capacity and develop expertise in digital advertising, online fraud, platform contracts and algorithmic practices.

7.5 Lack of Transparency

Consumers may not clearly understand seller identity, verification procedures, complaint handling or refund processes.

Suggestion: Platforms should provide clear information on seller identity, verification, cancellation and refund policies, grievance procedures and available consumer remedies.

[36] Consumer Protection Act, 2019 (India); Consumer Protection (E-Commerce) Rules, 2020 (India); Information Technology Act, 2000, § 79 (India).

Periodic disclosure of grievance-resolution data may further strengthen accountability.

7.6 Fragmentation of Grievance Redressal

Consumers have access to platform-level mechanisms, Consumer Commissions, mediation and emerging ODR mechanisms. However, multiple avenues may create uncertainty and discourage consumers from pursuing smaller claims.

Suggestion: An integrated digital grievance-redressal framework should connect platform-level complaints with independent adjudication, mediation and ODR. A centralised ODR mechanism could reduce procedural and geographical barriers.[37]

7.7 Need for Specialised E-Commerce Dispute Resolution

E-commerce disputes may involve electronic evidence, digital payments, algorithms, online advertising and intermediary liability, requiring specialised knowledge.

Suggestion: Specialised e-commerce dispute-resolution cells or designated benches within existing Consumer Commissions could provide expertise without creating an entirely separate adjudicatory system.

7.8 Strengthening Consumer Legal Literacy

Consumer rights are less effective when consumers are unaware of available remedies or responsible entities.

Suggestion: Government authorities, educational institutions and consumer organisations should promote awareness regarding online transactions, grievance mechanisms, Consumer Commissions, electronic filing and ODR.

7.9 Periodic Review of the Regulatory Framework

E-commerce evolves rapidly through new business models, artificial intelligence, algorithmic decision-making, digital advertising and innovative payment systems, creating risks that existing regulations may not adequately address.

Suggestion: The regulatory framework should be periodically reviewed and updated to address technological developments while maintaining proportionality and avoiding unnecessary restrictions on innovation.

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[37] See Nandhini Sahithiya C., The Scope and Importance of Online Dispute Resolution (ODR) in E-Commerce, 7 Indian J. L. & Legal Rsch., no. 1 (2025).

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Conclusion

The growth of e-commerce has enhanced consumer convenience and access to markets but has also created challenges such as online fraud, counterfeit products, misleading practices and ineffective grievance redressal. India has developed a legal framework through the Consumer Protection Act, 2019, the Consumer Protection (E-Commerce) Rules, 2020 and the Information Technology Act, 2000 to regulate digital commerce and protect consumers. However, uncertainty remains regarding the extent of platform liability and the scope of intermediary protection.

A balanced approach is required where platforms are held accountable based on their role, control, knowledge and due diligence rather than imposing automatic liability. Strengthening grievance mechanisms, improving transparency, increasing consumer awareness and promoting digital dispute resolution can ensure a safer and more trustworthy e-commerce environment while encouraging technological innovation.