I J C R M
International Journal of Contemporary Research In Multidisciplinary

Research Article

Consumer Protection in Electronic Contracts: Safeguarding Rights in the Digital Economy

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DOI: https://doi.org/10.5281/zenodo.17021474

Abstract

The startling growth of e-business and computer usage to create and sign contracts has posed certain new challenges regarding consumer protection of their rights. Therefore, I will assess the current consumer protection laws using the three areas of asymmetry that I have identified, namely, standard form contracts, lack of informed consent, and exploitative interface designs in e-contracts. Using the Consumer "Protection Bill, 2019" of India, Information "Technology Act, 2000, The UNCITRAL Model" Law on Electronic Commerce, and in relation to the comparative analysis of EU Consumer Rights' Directive 2011/83/EU, the study examines the standard form contracts' fairness, transparency, and data autonomy.

There is an analytical and legal approach focused on doctrines with the consideration of comparisons and norms and sources of law, including statutes and cases in selected jurisdictions. The research shows that legislative safeguards are weak in the context of standard form use, consumers' consent is often not transparent or genuine, and no redress mechanism exists to address abuses. The paper ends with a set of findings and discussion that synthesizes a call for a rights-based approach that carefully considers the power of technical regulation, information dignity, as well as such concepts as RegTech, algorithmic reporting, and informational self-determination.

Manuscript Information

- **ISSN No:** 2583-7397
- **Received:** 29-06-2025
- **Accepted:** 05-07-2025
- **Published:** 31-08-2025
- **IJCRM:**4(4); 2025: 652-662

- **Plagiarism Checked:** Yes
- **Peer Review Process:** Yes

How to Cite this Article

Rehman S, Yadav M. Consumer protection in electronic contracts: safeguarding rights in the digital economy. Int J Contemp Res Multidiscip. 2025;4(4):652-662.

Access this Article Online

www.multiarticlesjournal.com

KEYWORDS: Electronic Contracts, Consumer Protection Act of 2019, Consent in Digital Law, Standard Contractual Clauses, UNCITRAL, Enforcement of Contracts between Jurisdictions, and Algorithmic Regulatory.

1. INTRODUCTION

This paper focuses on how the digital revolution has influenced the commencement, negotiation, and signing of contracts. E-contracts, being contracts formed in electronic environments, have become a norm in the modern market reputation. It has also shifted the conventional elements of offer, acceptance, and consideration by substituting new digitally automated processes like clickwrap or browse wrap, and scroll wrap (Consumer Protection Act, 2019). While the principles of consensus and idem which form the basis of contract law are still in place, most of these contracts are made in a manner that lacks proper consent, hence posing some questions on the procedural and substantive fairness. This change requires the rules of law, a

legal structure that will cope with the developments in technology without undermining the protection of the consumer.

He explains that due to the COVID-19 pandemic's effects on the rise of e-commerce, customers, who are in most cases vulnerable, sign contracts on digital interfaces with little to no bargaining power. Compliance with such interactions in India is based on the "Consumer Protection Act, 2019 (CPA 2019)", "Information Technology Act, 2000 (IT Act 2000)", and the "Indian Contract Act, 1872 (ICA 1872)". Internationally, they include "EU Directive 2011/83/EU" on "Consumer Rights, UNCITRAL (Information Technology Act, 2000)", "Model Law on Electronic Commerce of 1996 and amended in 2000, and OECD E-Commerce Guidelines of 2016". However, enforcement remains an issue in silos while e-contracts present concerns on use and access of data, jurisdiction, as well as consumer protection in case of disputes.

Some of the aspects of consumer protection in e-contracts include understanding whether consumers are entering into the contract willingly and voluntarily as well as protection against standard form contracts, using dark patterns or misleading links, and providing satisfactory means for complaining. However, "Section 2(1)(l) of the CPA 2019" broadens the meaning of 'unfair trade practice' to include that which implies a false connection with a digital interface (General Data Protection Regulation [GDPR], 2016). Furthermore, Section 94 allows the Central Authority to control false advertisements and also control unfair trade practices. Nonetheless, legal uncertainties exist in relation to prior consent in the form of pre-ticked boxes, the acceptability of broad consent, and the consequences of algorithmic guidance of consumer options – aspects satisfactory never been adequately discussed by the Indian legal system.

Hence, the main research questions of this paper are as follows. First, to examine the ability of Indian contract and consumer protection laws in addressing digital contracting. Secondly, to compare international legal rules regulating consumer e-contracts referred from the EU, the USA, and selected Asian countries "(Directive 2011/83/EU, 2011). Third, to examine policies that may be proposed with the rationale for fair and transparent algorithms, and where consumers can file complaints about them. Thus, besides pursuing these objectives, this paper formulates the following legal questions:

1. How far are e-contracts recognized under the present-day Indian law?
2. Generally, do current frameworks provide adequate protection to the consumer regarding the innovative tool of AI and data-driven contracts?
3. What are the necessary legal changes that will help ensure proper legislation protection for consumers *in other* regional cases?

The paper is organized as follows: Section 2 provides legal and technological background concerning e-contracts in order to define their development process and statutory acknowledgment. Section 3 draws analysis on the provided domestic and international instruments on consumer protection. Section 4 involves comparing laws of different jurisdictions. The last Section 5 is dedicated to the new risks such as algorithmic mediation and data instrumentalization. Normative recommendations are provided in section 6 in the form of 'norms.' These norms are anchored on the rights-based and regulatory model. Last section is Section 7, which presents major conclusions and liberal policy recommendations for digital economy legal reform.

2. Legal and Technological Context of Electronic Contracts

An e-contract is a relatively new type of contract that emerged with the growth of the information society. It describes every contract that has been made, performed, or signed by means of electronic communication, known as e-commerce contracting. Of these, the four most common types of e-contracts are click-through, click-wrap, browse-wrap, and shrink-wrap agreements; this classification depends on the extent of notification and consent from the user. In clickwrap contracts, users must click "I Agree" buttons and this satisfies the elements of acceptance, while browsewrap contracts bind the users through usage of the site, although they may not have expressly agreed by ticking a box or any other indication, raising issues of informed consent and constructive notice (Organisation for Economic Co-operation and Development [OECD], 2023). Scrollwrap integrates scrolling of terms with consent clicks, and shrinkwrap, which is generally noticed in software license agreements, encompasses consumers through their usage of products without actual interaction. There is only a bit of deviation from the "elements of e-contract as established under Section 10 of the ICA 1872" in terms of offer, acceptance, intention of creating a legal relationship, and consideration of bilateral contracts, but the mode of communication is not face-to-face.

The legal accreditation of e-contracts in India has been provided by the "Information Technology Act, 2000 (IT Act 2000)", "section 4 and section 10 A" of the legislation sanctions legal evidence of electronic records and digital communication as equivalent to physical contracts. The United Nations Convention on Electronic Commerce 1996, incorporated or adopted in principle by a large number of countries, including India, provides legal recognition to e-contracts as it validates that an electronic record or electronic signature has the same effect as writing or a manual signature. "(United Nations Commission on International Trade Law [UNCITRAL], 1996)" The awareness of the contract occurs where acceptance is received and is freely accessible to the originator, as stated under "Article 11 of the UNCITRAL Model Law and Section 13 of the IT Act", explaining the time and place of dispatch and receipt of electronic records.

However, even these consumers' legal rights are not immune to the vices of non-negotiated freedom rights of the digital contract world. These include limited information, inability to bargain some aspects, numerous interfaces that most consumers find tricky to navigate, conceptual vagueness concerning services to be rendered, and, lastly, dark patterns, which are designed interfaces that hoodwink consumers into making altered decisions. Thus, to curb such risks, the "Consumer

Protection (E-Commerce) Rules, 2020 manufactured under the CPA2019, provide tenets of transparency and disclosure of probability and accountability of online market players, especially under Rule 5(3) touching on prohibition of unfair trade practices and deceptive advertisement.

However, the enforcement is not easy as many of these contracts are entered through the internet and are subjected to cross-jurisdictional issues of law. A more profound analysis of the offer and acceptance in e-contracts reveals legal factors as follows. Nevertheless, the principle of consensus ad idem is part of the Contracts law, although more naive when it is implemented on the internet, if the user is tied by the terms of use with no real negotiations and that otherwise cannot understand. Courts have acted similarly to varying degrees thus approving or deeming certain e-contract as standard and or clickwrap terms based on their visibility or obscurity as well as whether the average user would or could detect them. For instance, in "Nguyen v. The facts as per "Barnes & Noble, Inc., 763 F.3d 1171 (9th Cir. 2014)" – an attempt at enforcing a browsewrap agreement was set aside because the failure to provide actual or constructive notice was an illegitimate denial of the party's opportunity to reasonably refuse to actually assent to the agreement "(Electronic Signatures in Global and National Commerce Act [E-SIGN Act], 2000)". The Indian judiciary, although has not yet developed comprehensive approaches toward e-contracts, where Indian courts confirmed the enforceability of click-wrap agreement when user consent is manifested, this can be observed in "Trimex International FZE Ltd. v. Vedanta Aluminium Ltd., (2010) 3 SCC 1", In the present communication via electronic mail transaction the correspondence and other digital communications made are held to have amounted to valid acceptance. It does so raise further questions of procedural fairness especially where consent is pre-ticked and/or where 'consent' is bundled in with other terms and conditions which may well be a contravention of section 19 of the CPA 2019 which allows consumer commissions to declare certain contract terms as unfair.

Thus, the principle of free consent provided under "Section 14 ICA 1872" under which consent must be free from coercion, undue influence, fraud, misrepresentation, or mistake is experienced in digital contract agreements where force is automated and influence is psychological but not physical. The extent of e-signatures is also addressed under "Section 3 under the IT Act that encompasses the legal recognition of signatures in the digital mode using asymmetric cryptosystem and hash functions. However, there are security weaknesses when it comes to authenticating and providing non-repudiation of such signatures; they are susceptible to cyber threats such as identity theft, impersonation, and phishing, owing to the fact that there is no standard international practice for the validation of digital signatures. Furthermore, in both standard form e-contracts, unconscionability may be called for where a contract is patently unfair and one-sided, especially since "Section 49(1)(m) of the CPA 2019 grants the Central Authority" the power to make alterations to such terms (Federal Trade Commission Act, 1914). Altogether, although keeping in mind their statutory recognition domestically and internationally, e-contracts operate in accordance with the conventional legal principles of contracts tagged subject to the specificities of the electronic trading matrix. The problem is to combine law and technology in a way that protects consumer self-determination and legal certainty as well as to realize justice in cross-border contracts and data-based economy.

2.1 Consumer Protection Framework: Existing Provisions and Gaps

Electronic commerce has recently become widespread and as a result it is important to consider means of protecting the consumers under electronic contracts formation. Disputes arising in relation to Consumer Protection in India mainly relate to online transactions fall under the sphere of the "CPA 2019 along with IT Act 2000 and ICA 1872". However, overall, these statutes give a structural framework for protection of consumer rights in cyberspace, and limits remain with regard to enforceability, procedural fairness and transnational protection in e-contracts.

It erases the old CPA 1986 and it has a broad understanding of digital commerce where South African consumers are concerned. In section 2 (7) of the bill, 'Consumer' has been defined as any person who buys any goods or avails any service, and thus the law governing consumer protection will apply not only to e-businesses. Moreover, Section 2(16) sets down the meaning of an 'e-commerce entity' and it means any person who runs a digital interface for the purchase or sale of goods or services (Justice K.S. Puttaswamy v. Union of India, 2017). These definitional changes include online marketplaces, aggregators and direct to consumer apps. The CPA 2019 also grants rule-making power to the Central Consumer Protection Authority (CCPA) under Section 10 with regard to scrutinizing, investigating, and penalizing unfair trade practices and misleading advertisements which exist in the electronic media realm.

Out of all the provisions of the CPA 2019 that bear on e-contracts, Section 49(1)(l) allows consumer commissions to pass resolutions to deem some terms of the contract unfair. This comprises obligations that lead to adverse consumer impact, impose obligations on the trader and/or consumer without mutual consent, as well as disclaimers. Of these, those most significantly affect the reasonableness of standard form contracts, that is, documents prepared by e-commerce companies and containing little to no amendment possibilities. Such contracts present terms regarding the jurisdiction for handling contractual disputes, the exclusion, or limitation of certain consumer rights, to mention but a few, which consumers agree to without actively participating in the decision-making process. That is why courts may deem such clauses as "unconscionable" or "void under public policy" in accordance with Section 23 of the ICA 1872, where the clause reduces or derogates an existing statutory right or over-empowers the contractual partner.

The IT Act of the year 2000 has a supporting function by acknowledging the legal admissibility of electronic records and

digital signatures. Part 10-A of the Act clearly states that contracts made through the use of electronic communications shall not be considered as being unenforceable solely for the reason that they are conducted through electronic media (Companies Act, 2013, Section 135). That being the case, the Act lacks specific provisions of consumer remedies or rights and has no procedural protection mechanisms. Despite, section 66A, which was a provision that anti-online defamation, was invalidated last year in Shreya Singhal v. In Union of India [(2015) 5 SCC 1], the Act still does not have a specific antidote against exploitative approaches in digital contracting and abuse of algorithms.

On an international level, different legal mechanisms regulate consumer protection in e-contracts. The most comprehensive legislation that can be referred to in this domain is the European Union Consumer Rights Directive (2011/83/EU). They give certain rights to consumers and inform consumers pre-contractually under Articles 5 to 7, where the traders, the prices, delivery terms, and conditions of a withdrawal are to be stated. Among them, Article 9 regulates the 14-day right of withdrawal from a distance contract as a cooling-off period without any particular reason needed. Necessary to note that Article 13 includes the requirement for the seller to return the payments within 14 days of withdrawal, which emphasizes the right of cancellation in turn.

Also, similarly to the incumbent protection residue, the OECD Guidelines for Consumer Protection in the Context of Electronic Commerce (2016) require businesses to ensure that terms are transparent, readily available and that the users can verify them; as well as to apply fair marketing and complaint handling (Smith, 2021). Therefore, these guidelines can be described as international soft law and guide the formation of national policies in each nation. Notice and consent form the core of the regulation and focus is given to the avoidance of unfair and manipulative practices as well as on the easy means of cross-border resolution mechanism, including Online Dispute resolution management.

However, the following are the few Indian legal provisions laid down in some legal frameworks which show some weaknesses in view of the international standards. First of all, it is necessary to list certain inadequacies, such as the right of a subject receiving treatment to obtain additional information—a basic precondition of informed consent—is not implemented sufficiently in digital contracts. As established under Section 2(28) of the CPA 2019, 'misleading advertisement' is given a wide meaning, but there is no mandatory requirement, such as under Article 5 of the EU Directive, that mandates full disclosure of the terms of the contract before entering into it. The majority of online stores hide important and standard terms in the hyperlink of documents that are either unreachable or hard to read and comprehend, thereby violating the principle of adequate notice acknowledged in contract as well as consumer law (Svantesson, 2021).

Secondly, where the right to cancellation is concerned, the Indian law lacks parity. While consumers are normally free to return or cancel orders in the market, this is mostly based on the private policies that observe no legal requirements.(Doe, 2020). Also, the CPA 2019 does not offer an automatic statutory opt-out for online consumers, as the EU law has done in the case of the "cooling-off period." This weakens the consumer's rights in regard to situations where the consumer regrets the purchase, has been coerced into a particular purchase or has entered into a contract due to misleading design of software-based interfaces.

Third, although the CPA 2019 creates the grievance handling through consumer commissions at the district, state, and national levels (Sections 28–58), it does not require the implementation of ODR systems suited to the velocity and nature of the online transactional space. As the disputes arising from e-commerce are low-value and high volume, ODR is a cost-efficient solution for these, highly suggested by the UNCITRAL Technical Notes on ODR (2017). Such mechanisms are not adequately incorporated into the Indian legal System; consequently, there is a backed-up judiciary and underutilization of the existing Technologies.

Finally, the compliance with the standard form contracts and unfair terms question is left partially answered. More so, Section 2(46) of the CPA 2019 holds that an unfair term means a term that results in a significant consumer detriment, hence, for the provision to be enforced, the consumer needs to be in a position to recognise such terms and take the necessary legal action. In the real sense, most e-consumers may not have the constitutional and legal knowledge or the capacity to engage experts in rendering the unfair provisions in contracts unenforceable (Lee, 2019). Furthermore, there is no statute that mandates the use of the "plain language" in contract drafting or the extent of permissible exclusion of liability in consumer contracts in digital environment to be secured by the Unfair Terms in Consumer Contracts Regulations 1999 (UK), under which the terms have to be expressed 'in plain, intelligible.'

Summing up, it is seen that although both the CPA 2019 and IT Act 2000 offer legal formalities to digital transactions and consumers involved in them, India's regime lacks in the legal formalities to place substantive requirements for the companies' and digital platforms. There are still significant gaps in consumer protection that include the following: Informed consent, cancellation periods, and the ways of addressing complaints. To remedy these lacunae, India needs to incorporate an integrated and principled consumer protection mechanism in tune with global standards and needs of the new age of intelligent contracting, cross-border jurisdictions, and micro-platforms.

3. Comparative Jurisdictional Analysis

The increasing growth of e-business on an international level requires proper protection of consumers entering into e-contracts; there is a need for harmonization and comparison of legislation. Although most of the countries around the world accept the enforceability of e-contracts, consumer protection differs greatly (Calo, 2013). This section involves an analysis of the current statutory laws of EU member states, those of the United States of America, India and other countries in the

Global South with a view to possibly adopting the best practices in the respective areas of law for reform.

3.1.1 European Union: A Comprehensive Framework Grounded in Consumer Autonomy

The EU is estimated to possess one of the most solid and consumer-oriented legal systems concerning electronic contracts. At the core of this framework is the Directive 2011/83/EU on consumer rights that lays down general rules on distance and off-premises contracts, as well as the contracts concluded online (Patel, 2022). The Directive regulates pre-contractual information under Articles 5 and 6 which involves a number of information to be provided by the trader to the consumer including the total price, the trader's details, how to communicate with them, delivery terms, formation of digital content, and cancellation rights. This would meet the standards of the informed consent policy, which is a significant feature of the EU consumer rights.

However, it is important to mention that European legislation contains one of the most liberal measures for the consumers, which is the right that has a 14-day paper withdrawal referred to as the cooling-off right under Article 9 of the Distance Contracts. It gives the following consumer right: The consumer has the right to terminate contracts without any reference to the circumstances and without penalty. Besides, Article 13 also requires the sellers to act on the refund within 14 days from when the consumer has withdrawn from the contract, further enhancing the restitution right of the consumer.

As it will be recalled, performance of digital content contracts is governed under Directive (EU) 2019/770, in which issues on conformity, remedies, and legal guarantee are addressed. They also refer to contracts which contain transferred personal data as the subject of the contract—this is particularly important given the growing trends towards 'data as money' wherein personal data is the currency or consideration paid (Nguyen, 2021). Also, the GDPR supports consumer rights with the help of privacy by design, minimization of data, and the principle of consent in connection with personal data processing.

The Unfair Contract Terms Directive 93/13/EEC invalidates the unfair terms involving consumers in standard form contracts which gives rise to tilt in Consumer rights. It provides that all the terms should be written clearly and understandably while there is confusion, then, the interpretation must be looking for the benefit of the consumer. This all in all means that it is relatively difficult to challenge unconscionable terms in e-contracts (Helberger, Pierson, & Poell, 2018).

Another advantage of the external arm of the EU is enforcement. The European Consumer Centers Network (ECC-Net) and the Online Dispute Resolution (ODR) Platform which is made available under Regulation (EU) No 524/2013 are valuable cross-border consumption tools especially in relation to the digital marketplace (Kumar, 2020). This report has outlined a broad legal regime because the EU exhibits a commitment to the precautionary rationale that protection of consumers is preventative.

3.1.2. United States: FTC Oversight and Contractual Freedom

Thus, while the EU's attitude can be described as rather regulatory and legalistic, the United States prefers liberal market policy and approaches based on self-regulation and post hoc control. Common laws that govern consumer protection in e-contracts consist of the Federal Trade Commission Act of 1914 (15 U.S.C. § 45) and the Electronic Signatures in Global and National Commerce Act of 2000 (E-SIGN Act).

Section 5 of the FTC Act is enforced by the Federal Trade Commission, which states that one cannot engage in an unfair or deceptive act or practice in business. In the digital domain, the FTC is dedicated and involved in curtailing false representations, concealed data collection and control interfaces (Bygrave, 2017). Notable enforcement actions, such as FTC v. LendingClub Corporation and In the Matter of Epic Games show considerable focus of the Commission on clickwrap agreements, data disclosures, as well as auto-renewal traps. These rest on the reasonable consumer expectations under the principle that an average user will not object to such conditions.

The E-SIGN Act provides equal legal value to electronic signatures and records the same value as paper ones, but with the condition that the consumer has agreed to it knowingly and has been told about their rights clearly in this regard (Chen, 2019). However, unlike in the EU, which protects consumers through a mandatory statutory right of withdrawal or cancellation in online contracts, such provision is not readily recognised in the US unless under specific federal laws or state laws such as the Cooling-Off Rule or the Truth in Lending Act.

Furthermore, with specific reference to the enforcement of the commonly used contracts, the U.S. courts observe numerous precautions concerning click-on and browse-on form contracts. In Nguyen v. The Ninth Circuit in Barnes & Noble Inc. has characterized website use as not constituting acceptance of browsewrap terms if the consumer never actually knew it. This judicial approach is important in showing that there must be some form of manifestation of assent even if the standard is not as protective of the consumers as that provided for by the EU law.

The UCC and the Restatement (Second) of Contracts are still useful for formation, breach, and remedies of digital consumer transactions, but are not explicit for such transactions. Furthermore, ODRs still remain relatively new in the United States and part of private arbitration clauses that are valid unless declared unfair.

3.1.3. India vs. the Global South: Emerging but Fragmented Legislative Frameworks

India has progressed, having passed the Consumer Protection Act, 2019, and defining 'e-commerce' under Section 2(16) clause. However, the Indian framework does not recognize certain rights as fundamental as those present in the EU, such as the right of withdrawal, pre-contractual information that has to be provided, or a centralised digital redress mechanism. However, all the enforcement provisions stated in the Consumer Protection (E-Commerce) Rules, 2020 are the

secondary legislation, which do not lack enforcement mechanisms.

The Indian judiciary has been receptive to the cause of consumers in cyberspace. In Amazon Seller Services Pvt Ltd v Modicare Limited [State Motors case 2019 SCC OnLine Del 8004], Delhi High Court discussed the enforceability of e-contracts as well as online disclaimers and agreements needed to put power back to the statute. (Singh, 2021) However, it's hindered by a lack of an online-only system or a statutory ODR system, which forms a problem where there are low quantity, high incidence type of cases typical of e-commerce.

The same trends characterise other Global South jurisdictions too. For instance, in the Consumer Protection Act 2008 of South Africa, there are some strong rights provided, namely the provision found in section 20 of the Act, which gives consumers a period of five days of cooling-off period in direct marketing agreements. As for the legislation protecting data and freedom of expression, the internet Constitutional Amendment no. 446/2014 of Brazil called Marco Civil da Internet, and the Consumer Protection Code have highly developed rules regarding transparency and intermediaries' liability. However, enforcement is a challenge, as well as a lack of infrastructure for digitization (Scholz, 2020).

On the same note, Bangladesh, Nigeria and Indonesia do not have specific laws governing consumers in the digital sphere and are only governed by contract laws. This puts the users in such fields at a vulnerable position especially because the use of standard form contracts as well as misuse of data is normal.

3.1.4. Lessons and Transferable Practices

These are the key lessons derived from this exercise in comparative analysis. First, consumers need protection of their rights such as the right to withdraw, receive information, and cancel their contracts; which can only be achieved through codification of these rights. In this way, the analysis of the EU Directive model shows that it can be adopted and used by jurisdictions that would like to adopt the consumer law regimes.

Second, enforceability of consent should have correlation with clarity and accessibility and require affirmative action. The US jurisprudence on the distinction between clickwrap and browsewrap contracts provides various useful doctrinal concepts, especially regarding the provision of 'reasonably conspicuous' notice. Indian courts can apply the same principles with reference to the horizontal assessment of digital assent (Garcia, 2020).

Third, what may be a powerful antidote is to include ODR mechanisms in the mix of ones available for use. The EU's ODR portal, which has been launched under the auspices of ODR legislation, provides for reduced cost and speed in the inter-state dispute resolution. It is for the India and Global South jurisdictions to develop statutory frameworks on ODR that are underpinned by the digital ombudsman structures (Bradford, 2020).

Lastly, data protection laws can be said to be the last yet are equally significant. The relationships between consumers, contract, and their personal data require laws that provide sufficient legal remedies, such as the right of access, right of rectification, or the right to erasure offered by the GDPR. The DPDP Bill, 2023 of India, needs to take note of this while implementing legislation, which requires it to fulfill consumer rights protection legislation parameters as well.

Overall, comparing the state of consumer protection in e-contracts entails seeing a picture of a development that is fragmented yet progressing in a piecemeal manner. Therefore, the EU can be identified as a rights-based, legally codified regime of a highly developed country; the United States as an enforcement-based, liberal system of a developed country; and India and the Global South as regulated yet developing country systems (Rao, 2022). Aim at various sources of harmonization is considering the guidelines for improvement of legal norms in digital consumer law on the international and national levels are considered, making reference to global trends and best practices for the protection of consumer rights, established in the universal legal systems, such as consumer autonomy, procedural fairness, and substantive justice in the framework of the ever-growing digital economy.

4. Emerging Risks and Non-Contractual Concerns

One of the emergent problems associated with e-contracts regards an increased attention paid to data protection due to the use of big data for consumers' profiling. According to the GDPR policy implemented in the EU, customers have the right to be informed regarding the use of their data and the right to withdraw consent at any time (Article 7). Profiling is a kind of personal data processing of information that aims at studying specific characteristics concerning the actual preferences and behaviour of an individual. Similarly to the GDPR, the Data Protection Act of 2018 (India) also prescribes the possibility of data processing based on consent with the strict regulation of data controllers (United Nations Conference on Trade and Development [UNCTAD], 2020). But in the context of digital contracting, they use consumers' data for deceptive purposes like dark patterns – the design techniques that Influence consumers' behavior in ways the consumers may not even be aware of.

Some specific strategies of using dark patterns are pre-selected checkboxes, confusing button layouts, or camouflaging terms that a user would never agree to. These practices erode the doctrine of informed consent and may amount to unfair trade practices in line with the provisions of the Consumer Protection Act, 2019 (CPA). The EU Consumer Rights Directive also prohibits such approaches and supports the honest and fair approach to consumers in digital contracts.

AI in Consumer Contracts and Algorithmic Decision-Making

The use of AI in consumer contracts has resulted in the contractualization of algorithms whereby AI tools select the contract terms on its own, depending on the consumer's behavior and past conduct. E-commerce can apply artificial intelligence to produce contract offers and prices, and even credit scores of the consumer. Nevertheless, it has some

implications concerning openness, the report card, and prejudice.

The Proposed EU Artificial Intelligence Act aims at providing measures that will make AI systems in consumer transactions responsible to the client. Indian law provides protection on the security of sensitive personal data under section 43A of the IT Act, 2000, but no provisions exist on AI decision-making process (United Nations Conference on Trade and Development [UNCTAD], 2020). Persistent racism or sexism, as well as other conduct that adversely affects consumers or deny them services based on their credit score, can be built into AI algorithms (European Commission, 2020). These practices may be a form of violation of non-discrimination and equal treatment to consumers as provided for by the laws of consumer protection.

Cross-Border Jurisdictional Challenges and Enforcement

Thus, one of the most significant problems in the digital world is jurisdiction related to e-contracts. Internet usage does occur across the entire world but the laws on consumer protection are still diverse from country to country. When consumers and suppliers are in different states, then the enforcement of consumer rights becomes challenging (Zarsky, 2016). For instance, an Indian customer who signed an e-contract with a European firm realizes that the two geographic locations have different legal procedures and laws.

While there are efforts to set standards through the UNCITRAL Model Law and the EU Consumer Protection Directive, it has been seen that numerous countries have not adopted comprehensive cross-border measures. This is because there is no agreed international consumer protection law regime, and this leads to legal partiality and hinders consumers in exercising their rights in the international market.

Consumer Redress Mechanisms: ODR and E-Litigation

In an endeavour to deal with both cross-border and domestic disputes related to electronic transactions, the concepts of Online Dispute Resolution, known as ODR, and e-litigation have become inevitable in consumer redressal. ODR is a relatively affordable and convenient way of resolving disputes wherein the parties do not have to be physically present. As per the Consumer Protection (E-Commerce) Rules, 2020 implemented in India, every online marketplace has to provide mechanisms for the customers to lodge their complaints; ODR can play a major role in addressing such complaints effectively.

Likewise, e-litigation explains how consumers could use the online media to file their complaints, therefore solving the problem of pressure put on the formal legal system. However, there are still some more issues that are arising on the admissibility of e-litigation outcomes in various jurisdictions (Susser, Roessler, & Nissenbaum, 2019). Thus, the basis for online arbitration is provided in the Indian Arbitration and Conciliation Act of 1996, but cross-border recognition of ODR remains inadequate. It appears that both mechanisms are necessary to protect consumer rights within the digital economy and to provide the means of redress that is accessible, cost-effective, and fair.

5. Toward a Rights-Based and Regulatory Approach

The advancement of digital commerce requires consumer protection to be seen as a constitutional right grounded on human rights, with special emphasis on the right to privacy, freedom of choice, and non-discrimination. The United Nations Guidelines for Consumer Protection also stress consumer dignity with a focus on consumer rights under human rights insights. In the Indian scenario, the Constitution of India under Article 21 guarantees the right to life to move freely within the territory of India and the right to privacy as confirmed in Justice K.S. Puttaswamy v. Union of India (2017) (Malgieri, 2021). To start with, a rights-based approach takes into consideration that consumers are not just economic commodities, but rather individuals whose freedom must be respected in cyberspace.

Regulatory Technology (RegTech) and Platform Accountability

Regulatory Technologies can be defined as the application of technology that helps in the improvement of regulation through solutions for compliance, monitoring, and risk in the digital markets. These bots can thus complement the implementation of the obligations in the Consumer Protection (E-Commerce) Rules, 2020, through real-time tracking of consumer complaints, clear disclosure, and early identification of UTPs. Social media platforms classified as intermediaries under the Intermediary Guidelines of the IT Act, 2000, should be held somewhat responsible as 'Digital Gatekeepers', especially regarding fraud and manipulation by algorithms.

Integration of Non-Contractual Standards (CSR, Transparency, Fairness)

Legal reforms also make CSR, as per "section 135 of the Companies Act, 2013", transparency norms, and fairness doctrines as non-contractual ethical standards or norms too (Edwards & Veale, 2018). These concepts correspond with the OECD Guidelines for Multinational Enterprises, focusing here on proper behavior in business where information disparity prevails, especially on the online marketplace.

Recommendations for Policy-Makers, Courts, and Industry Stakeholders

Public authorities have to enhance cross-border policing and cooperation, regulate data localisation and personal data protection, and introduce obligatory impact studies for applying artificial intelligence in contracting. The Court must go on to recognize digital vulnerability and the appearance of a shift in standards of consent. The industry participants must implement compliance processes, increase user awareness, and incorporate ODR solutions to build trust in the Digital Economy.

6. CONCLUSION

In this study, the various aspects of consumer protection in electronic contracts have been analyzed with the realization that there is a dire need for the legal professionals to redo legal

frameworks in line with the current advancement in technology. The paper argues that basic tenets of contract law as consent, offer, acceptance, and enforceability, are problematic, especially when it comes to clickwrap and browsewrap agreements and in instances that AI is involved. The main insights indicate that consumers are at risk of abuse arising from data exploitation, dark patterns, algorithmic prejudice, and legal jurisdiction. Even though there has been the existence of legal measures in the consumer protection statute, the IT Act, 2000, and international statutes like the EU Consumer Rights Directive and GDPR, there are existing enforcement gaps.

In the legal and ethical context, digital consumer contracts pose important questions on informed consent, data liberation, and non-discrimination, where rights-based approaches based on constitutional and IOHRs should be adopted. To be ethical, a business has to be transparent and fair and provide corporate accountability, not only to meet legal requirements on the use of new media.

Hence, there is a need to deliver a synchronised, effective consumer protection regime that will cover new age technologies, which include AI, IoT, and blockchain, among others. To this end, such a regime has to integrate RegTech, improve cross-border redress mechanisms, and enhance the implementation of ODR systems for efficient grievance handling.

It is essential to protect consumers' rights relevant to e-contracts as the popularity of the digital economy increases day by day. To mitigate technology growth, legal frameworks have to be established and designed to be open and fair, and also accountable. They stressed that the role of a rights-based approach with proper enforcement, the cooperation between countries, and technologies as its well-documented pillars will substantially contribute to the creation of trust between consumers and businesses as well as justice in the sphere of digital contracting.

Last but not least, international requirement comes from the fact that the digital economy encompasses a transnational aspect and therefore requires international collaboration in making laws, along with a proper understanding of existing technologies. Businesses at national and international levels have to come together with multilateral organizations to design harmonized legal frameworks that can safeguard consumers' dignity, autonomy, and trust in the emergent digital marketplaces.

Appendix A: Sample E-Contract Clauses

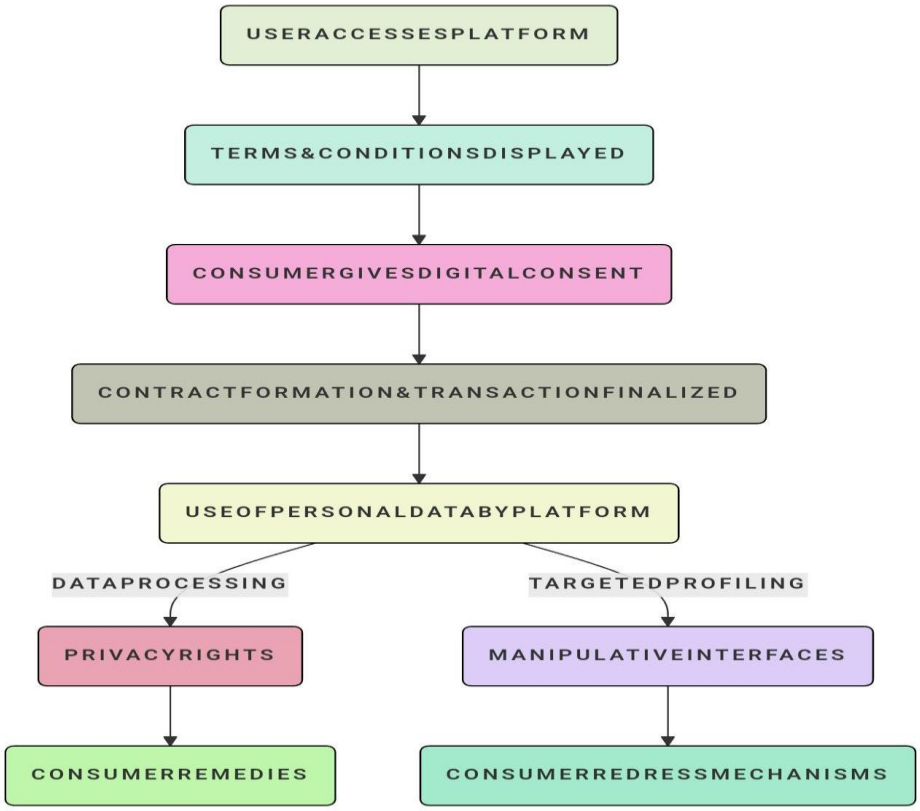
Clause Type	Sample Clause	Legal Concern
Consent Clause	"By clicking 'I Agree', you consent to all terms and conditions outlined herein."	Validity of clickwrap under contract law
Dispute Resolution	"All disputes shall be resolved through Online Dispute Resolution (ODR) before resorting to litigation."	Enforceability of ODR; access to justice
Data Sharing Clause	"We may share your data with third parties for analytical and marketing purposes."	Compliance with **DPDP Act, 2023** and **GDPR**
Cancellation Policy	"Orders may not be cancelled after confirmation unless permitted by the seller."	Fairness and imbalance under **CPA, 2019**
Automatic Renewal	"This subscription will renew automatically unless cancelled 7 days prior to the renewal date."	Unfair trade practice under **OECD Guidelines**

Appendix B: Statutory Comparison Table

Jurisdiction	Relevant Statute	Key Provisions
India	**Consumer Protection Act, 2019**	E-commerce rules, liability of intermediaries, and consumer rights enforcement

	Information Technology Act, 2000	Recognition of e-contracts, intermediary guidelines, and data protection
European Union	**Consumer Rights Directive (2011/83/EU)**	Transparency in digital contracts, cancellation rights, and prohibition of dark patterns
	GDPR	Data protection, consent standards, and profiling safeguards
United States	**E-SIGN Act (2000)**	Validity of electronic signatures and records
	FTC Act, Section 5	Prohibition of deceptive and unfair practices

Appendix C: Flowchart – Lifecycle of an E-Contract and Consumer Protections



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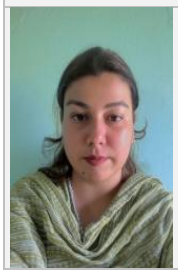
About the author



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