Consumer Protection in Electronic Commerce

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Abstract:

Despite the advantages of e-commerce both domestically and internationally for the parties dealing with it, it raises many legal problems, and in particular consumer protection issues pose the greatest challenge to such commerce.

Consumers' e-commerce risks are higher than those of traditional commerce The consumer cannot inspect the commodity before ordering the purchase, leaving the electronic supplier to overlook the safety and security of the consumer by inspiring it with unreal advantages in its product Consumer is an imperative issue for the development and spread of e-commerce.

Keywords: e-commerce; consumer protection; the electronic supplier; consumer safety and security.

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1. Introduction:

The digital revolution has propelled consumers to the forefront of international trade. Today's digital consumers have access to an unprecedented choice of goods and services. But just as great as the potential benefits of e-commerce to consumer welfare are the challenges faced by consumers using e-commerce: unsafe products, unfair business practices, inadequate online dispute resolution, breaches to consumer privacy, and lack of coordinated action among member States. For consumers be active players in achieving the Sustainable Development Goals, we must empower them and enhance their confidence in digital markets. Consumer policies should be reviewed to accommodate the special features of e-commerce and to ensure that both consumers and businesses are aware of their rights and obligations in the digital marketplace. (E-Commerce and Consumer Protection, 2017, p. 13)

No one denies the role of the new electronic broker in creating a lack of confidence on the part of the consumer in trade contracts. Who seeks safety and fulfillment while he is forced to meet his needs, because what is proposed by contracting through communication networks is not only the protection of the contractor, but the protection of the consumer in the event of contracting in this way, and the search for a legal system that protects him and applies to him when he needs this protection. It is required by professionals or merchants when acquiring goods or services using electronic media. (ابراهيم، 2008، صفحة 39)

Undoubtedly, the e-commerce has brought recompense and ease to the consumers in the market of purchasing and selling goods and services but at the same time it has posed a threat to consumer with the probability of gross violations of his basic rights and interest at e-commerce portal. The main opportunities and benefits provided by e-commerce to business houses and consumers include:

a) global access and greater choice, b) enhanced competitiveness and quality of service, c) mass customization and personalized products and services, d) elimination of intermediaries and product availability, e) greater efficiency and lower costs, f) new business opportunities and new products and services, etc.

However, it has raised a variety of consumers' concerns in relation to the violation of their vital rights recognized at global platform. (APEC, 2002, p. 1)

As that, the mechanism of consumer protection in electronic transactions is not robust in many countries. Because of the lack of comprehensive and robust legislation, consumers remain vulnerable in the online contractual purchase process. Moving beyond the fragmented legislation, many countries are currently mulling an all-comprehensive e-commerce law, implications of this paper will help the policymakers in identifying the focus areas. (Rakesh Belwal, Rahima Al Shibli, Shweta Belwal , 2020, p. 2)

The risks to the consumer in e-commerce contracts may be their source. The trader who represents the other party to the contractual relationship whose behavior is often characterized by fraud deception of the consumer.

The danger may also occur from others, as in the case of network penetration completed electronic data, where information is stolen and reused in a way that harms the consumer. The matter, which requires the protection of electronic transactions as well, that advertising in the scope of the electronic contract in particular may play a great role in causing the consumer to make a mistake that pushes him to contract in payment. Especially if we take into account the strength of the network.

The Internet in terms of spread, influence, publicity, advertising and the ability to access quickly and easily to the consumer until he feels trapped in his home and work. To find out too late he is the victim of two plots. The first is by means of advertising, and the second is by the merchant or producer who owns the commodity that he markets via the Internet.

The study reveals that consumer protection initiatives are well entrenched for offline transactions, but are relatively new and limited for e-commerce. In spite of the promulgation of consumer protection laws and cybercrime laws, consumer protection measures for e-commerce in Algeria do not address a large number of the global concerns necessary to build consumer confidence and trust in the online environment.

Therefore, we can pose the following problematic: **What are the consumer protection mechanisms in the context of electronic commerce?**

To answer this problematic, the following division was relied upon:

- **The concept of Electronic Commerce**
- **Scope of consumer protection in the field of electronic commerce**

In this study, we combined several integrated approaches, represented in the descriptive approach and the comparative approach. The descriptive approach is through which the legislative and regulatory texts are clarified, and the jurisprudential opinions that were mentioned in the subject of the research are presented.

And because the subject has an international dimension, and its scope exceeds the borders of one country, this is what prompted us to use the comparative approach, in order to compare the various legal systems of countries that have established provisions in their legislation related to consumer protection in the field of electronic commerce.

2. The concept of electronic commerce

Electronic commerce (e-commerce) refers to companies and individuals that buy and sell goods and services from the Internet. Ecommerce operates in different types of market segments and can be conducted over computers, tablets, smartphones, and other smart devices. Nearly every potential product and service is available through e-commerce transactions, including books, music, plane tickets, and financial services such as stock investing and online banking. As such, it is considered a very disruptive technology. (Bloomenthal, Ecommerce Defined: Types, History, and Examples, 2022, p. 2)

2.1. History of E-commerce

Most of us have shopped online for something at some point, which means we've taken part in e-commerce. So, it goes without saying that e-commerce is everywhere. But very few people may know that e-commerce has a history that goes back before the internet began. (Bloomenthal, Ecommerce Defined: Types, History, and Examples, 2022, p. 2)

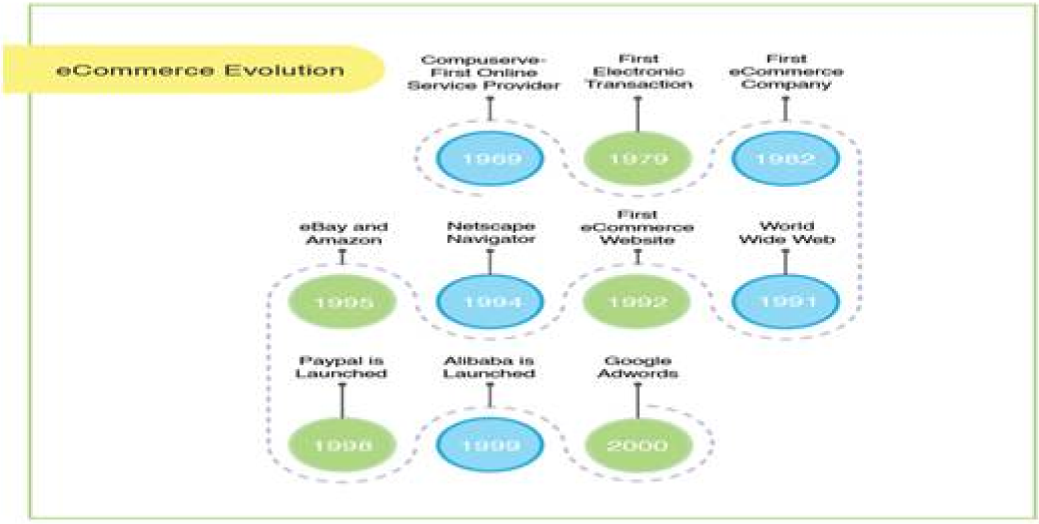
The Dawn of e-commerce, it all started in 1991 when the internet was made available for commercial use. By the year 2000, security protocols (like HTTP) and DSL (Digital Subscriber Line) were implemented. These protocols ensured secure electronic transactions and good internet access. The US and Western Europe, saw a big boom in the number of businesses that leveraged the internet to sell goods. Encouraged by people's adoption of internet selling, investors and businesses started putting their money on the internet. This period of the rise of the internet and extreme speculation in the market led to the dotcom collapse, also referred to as dotcom clash or dotcom bubble which began in the late 1990s. **(Pathak, 2019, p. 3)**

For a concept that was entirely novel back in the day, e-commerce has come a long way. And it's here to stay: What is e-commerce?

The concept of e-commerce refers to 'selling goods via the internet.' The advent of e-commerce has given rise to several e-commerce marketplaces, platforms, and websites.

E-commerce marketplace: You might have used this term interchangeably with e-commerce platforms and sites. However, all these terms differ in their meanings and purposes.

E-commerce marketplaces allow businesses to display and sell their products/services via the site. For instance, Amazon allows vendors to create "listings" for their products/services.



Source: A brief timeline of e-commerce evolution : https://translatebyhumans.com/blog/history-and-evolution-of-ecommerce/

2.2. The Algerian E-commerce

Algeria, with its 41.6 million inhabitants and an Internet penetration rate that exceeds slightly the regional average, is a mid-sized online market. The country had 18.6 million Internet users at the end of 2017 (Internet World Stats) (21 million according to Hootsuite), accounting for 44.2% of the Algerian population and 4.1% of the internet user population in Africa.). (E-commerce in Algeria, E-commerce in Algeria:, 2023, p. 2)

The Algerian e-commerce market is growing, but it is relatively limited in scope. According to the trade group GIE Monetique, there were 291 online retailers in Algeria by the end of 2022. They processed approximately 22 million payments worth $120 million in 2022. According to the Algerian National Association of Traders and Craftsmen, the market potential is estimated to be $5 billion. The government is seeking to increase the rate of Internet penetration and bandwidth to boost e-commerce. While the first Algerian online markets appeared in 2009, e-commerce began to take off in 2014 with the arrival of the Pan-African site Jumia, which remains the country's most popular online sales site. OuedKniss, Batolis, and IdealForme are the leading local online sales sites besides Jumia. Note that the payments are made in cash upon delivery of items.

In February 2018, the Algerian government adopted a law that defined its first e-commerce regulations, stipulating that online markets must host their website in Algeria and register with the Algerian Commercial Registry. The law prohibits online purchasing of tobacco and alcoholic beverages, medicines, gambling, and gaming services. Under the current law, Algerian citizens cannot buy items online from abroad. Businesses, however, may buy foreign items via online for internal use. businesspeople who are interested in online sales should note that personal credit cards are very limited in Algeria. Algerians have only recently started to use international credit cards (e.g., MasterCard and Visa) issued by local banks and accepted for usage abroad. There are very few merchants who accept these cards in Algeria. (e-Commerce, 2023, p. 3)

It should be noted that, the number of e-commerce customers is reported to have reached 2.45 million in 2017 - 6% of the country's population - according to Hootsuite and Jumia surveys.

The Algerian e-commerce market does not have a perfect gender balance: while 9% of the total male population are reported to shop online, that rate goes down to 2% in the female population. The growth in e-commerce sales is expected to be boosted by mobile in the upcoming years as the smartphone penetration rate rose to 32.4% in 2017, reaching over 13 million devices (Newzoo Global Mobile Market Report) and 61% of Jumia custumers use their phones to access the platform. Electronic devices, telephones, house and cleaning products as well as clothing items are among the most popular types of products on online marketplaces. E-payment systems were introduced in the country at the end of 2016, and since then online shopping has grown rapidly. Following that trend, Algérie Poste (Algerian National Postal Services) is set to introduce an electronic wallet in 2018 to facilitate online purchases, which should further boost e-commerce. Currently, cash on delivery is the preferred payment method among Algerians, as in most countries in the Arab world and Northern Africa. (E-commerce in Algeria, 2023, p. 4)

Notably, e-commerce registered a significant boost in 2020, as consumers chose to shop online to avoid exposure to COVID-19. While value sales are still relatively low, present value growth grew by more than half in 2020. There was a high level of transactions especially in early closings when there were shortages of items such as cleaning products due to stockpiling and the online consumer looking to get these products and purchase them through sites such as Jumia. (Euromonitor, 2021, p. 4)

3. Scope of consumer protection in the field of electronic commerce:

The use of technology in electronic contract requires the institution of a supplementary protection, notably for the consumer who constitutes the feeble part in these new types of contracts. These technologies have indeed increased unbalanced contracts which appeared with consumers' contract. The consumer who is the axis of the consumption operation finds himself in a feeble situation, contrary to the tradesman who constitutes the strong part, that results from his mastery of the mechanisms of management of the electronic trade. In fact, the need for additional consumers' protection laws has become a necessity in order to face the malevolent practices in the world of trade, offer confidence to the consumers, and establish a balanced relation between these last and the tradesmen. (حوالف, 2016, p. 1)

3.1. Consumer protection in Algerian legislation: (Zakaria MOULAY , Karim KHDIM, 2020, p. 14)

Consumer protection is through Law No. 09-03 related to consumer protection And Law No. 09-18 of 06-10-2018 amending and supplementing Law No 03-09 of the suppression of fraud of 25-02-2009 on consumer protection and fraud suppression Article 19 of the aforementioned law states: "The product provided to the consumer shall not prejudice its material interest and shall not cause moral harm to him.

Modification is the right of the consumer to retract the acquisition of a product without a reason. The consumer has the right to refrain from acquiring a product within the respect of contracting conditions and without additional expenses.

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It specifies the conditions and how to exercise the right to change, as well as the terms and list of products through regulation" meaning that legislator wants to protect consumer in the phase of formation of contract also penalize the electronic supplier according to article 78 bis of Law No. 18-09 amending and supplementing Law No. 09-03 on Consumer Protection and Fraud Suppression .Anyone who violates the provisions relating to the right of injustice stipulated in Article 19 shall be liable to a fine of fifty thousand dinars (50,000 dinars) to 500,000 dinars. Any person who violates the provisions relating to the right of retract provided for in Article 19 from the previous law. The right of retraction is considered one of the most important means created by modern legislation in order to protect the consumer in the post-contract phase. This option is particularly important in electronic consumption contracts, the consumer usually rushes to conclude the contract in an atmosphere where the producer incites him to buy under the influence of advertising means. (Zakaria MOULAY , Karim KHDIM, 2020, p. 14)

Algerian legislator mentions in Law No. 09-03 on the protection of consumers and the suppression of fraud specifies a set of obligations for the intruder, and includes the establishment of criminal and civil liability in case of violation.

The effects of civil liability are to compensate the consumer for the damage he has suffered as a result of acquiring defect good or service in other hand, we can based our civil liability by two legal references; the article 124-18 from Algerian civil law (Tort liability) and Contractual liability based on breach of contractual obligation. As for the effect of the criminal responsibility, it is the fine and imprisonment of the interferer.

The study of commitment to electronic media prior to contracting via the Internet provides effective protection for those who cooperate over electronic communication networks from the risks that may be exposed to it.

Moreover, law number 18-05 relating electronic commerce states some effects of criminal liability in chapter three named Crimes and penalties in article N°37 says that Without prejudice to the application of the harsher penalties stipulated in the legislation in force, a fine of 200,000 DZD to 1,000,000 DZD shall be imposed on anyone who offers to sell electronic products or services mentioned in Article 03 of this law.

Judges can order that the website can be closed for a period from 01month to 6 months. Article 38 of the aforementioned law states without prejudice to the application of the harsher penalties stipulated in the applicable legislation, the penalty shall be from 500,000 DZD to 1.000,000 DZD whoever violates the provisions of Article 05 of this law. The judge can order the closure of the website and the removal from the commercial register.

Article 39 of the previous law stipulates that it is punishable by a fine of 50,000 DZD to 500,000 DZD for every electronic resource that violates one of the obligations stipulated in Article 11 and 12 of this law. The judicial authority before which the lawsuit was filed may also order the suspension of its access to all platform's electronic payment for a period not exceeding 06 months.

Article 40 of the same law stipulates that without prejudice to the rights of victims to compensation, a fine of 50,000 to 500,000 dinars shall be imposed for anyone who violates the provisions of Articles 30, 31, 32 and 34 of this law.

Article 41 of the aforementioned law stipulates a fine of 20,000 dinars for each electronic resource that violates the provisions of Article 25 of this law. What is the commitment to electronic media before contracting via the internet?

The commitment to electronic media via the internet is one of the most important legal guarantees to achieve equality in knowledge and knowing between the two parties to the relationship and the integrity of their will, and that the contract is between a professional contractor and a buyer or consumers who need the protection of the law.

The electronic media can be defined before contracting via the internet is that it is a legal obligation prior to the conclusion of the electronic contract whereby one of the parties who possesses essential information regarding the contract intended to be concluded, is provided by electronic media in a timely manner and in all transparency and honesty to the other party who cannot know about it by its own means.

3.2. Consumer Protection in E-Commerce Transactions: The International Perspective:"""""2

Various researchers have emphasized on the need of balancing the pros and cons of every system to the larger benefits of the society, as Furmstone **(Michael Furmstone, 2003, p. 22)** has exemplified that "the aim of contract law should be protected of the contractual relationship and the balancing of the involved interests which is attainable through the articulation of legal standards." Applying the same balancing theory 34 in solving the fissure of consumer protection in e-commerce transactions, it is argued that the role of consumer protection law should be "to regulate market practices and social practices for controlling distressing consequences of probable violation of consumer protection with a view of ensuring adequate consumer protection along with the growth of e-commerce market".

The laws and other regulatory mechanisms should not only ensure the welfare of consumers, but should also support the free will of consumers in conducting e-commerce without any intimidation of loss of basic consumer's rights in the e-commerce transactions. (Ramsay, 2007, p. 14)

Sahoo and Chaterjee (Sahoo And Chatterjee, 2009), were of the view that where in online business transactions (e-commerce) unfair and deceptive seller's market strategy and practice may not only infringe basic consumer protection standards but also is likely to diminish the growth of e-commerce market. In the light of this, it may further be argued that the legal arrangement of the electronic marketplace under the perspective of consumer protection and growth of e-commerce will support the reconsideration of consumer protection rules and mandates to be applicable in cyberspace at the more efficient, convincing and rewarding approach to consumer protection in e-commerce (Supra note 35).

Many organizations are working for the protection of the consumers. Some of them are— Economic Cooperation and Development, International Chamber of Commerce and international Consumer Protection and Enforcement Network: (Subhalagna Choudhury, 2016, p. 25)

❖ **Economic Cooperation and Development {OECD}:**

The guidelines sanctioned after intense negotiation in the context of e-commerce, proved much helpful to the government, consumers, businesses and became practically feasible. They embraced flexibility in response to the development of age. The guidelines also achieved a benchmark for consumer protection in the online marketplace. They facilitate online trade, thereby not implementing any of the restrictive trade policies. Some of its universal guidelines for consumer protection in e-commerce are as follows.

- E-commerce should get an equal protection, when shopping online or when buying the same goods from a local store.
- There should be a complete disclosure about the goods and services rendered. The customers should be aware of the transaction; They should have a complete knowledge of what they are buying and the transaction they are dealing with.
- The confirmation process for sale should give a fair chance to the consumer for reviewing the products that he intends to buy, in case there is any cancellation.
- Most importantly, the system of payments must be secure and reliable.
- In the case of an international transaction, if a dispute arises, it becomes difficult to redress. Thus, Alternative Dispute Resolution system is recommended here.

❖ **International Chamber of Commerce:** It was in 1996 that the organization released 'guidelines on advertising and marketing on the internet'. The guidelines issued by the ICC were meant to be applied to all promotional activities like marketing and advertising on the internet. They set standards of ethical conduct to be observed by all involved in the above activities. Its specific objectives with respect to consumer protection in the sphere of e-commerce can be checked out at a glance:

- Improve and instill the public confidence in advertising and marketing via the new system.
- To safeguard optimal freedom of expression for advertisers and markers.
- To minimize the need for governmental legislation or regulation.
- Meet the consumer privacy expectation.

❖ **International Consumer Protection and Enforcement Network:** The ICPEAN aims to preserve and protect the interests of the consumers all over the world. It shares information about activities taking place across borders which may be of use to the consumers and promote their welfare to encourage global cooperation among law enforcement agencies.

4. Conclusion:

Technology has invented business transactions with the advent of e-commerce transactions. In the current scenario, Computer use and e-commerce via Internet, gave the new Transaction heights on a global platform (Andreas B, Eisingerich and Tobias Kretschmer, 2008). New impact technological advances and the massive convergence of e-commerce transactions, attracted the attention of individual consumers, business Companies, governments and international organizations not only to facilitate business endeavor growth but also presents a variety of challenges and faces different segments of social and individual interests such as data protection, consumer protection, privacy violations, etc (Elizabeth Goldsmith and Sue L.T. McGregor, 2000, pp. 124-127)

Today, consumers can shop and do all their businesses and banking transactions from home. It can work and pay electronically by computer without effort. Large and rapid electronic progress has had an impact on the world's networking process.

But as soon as it emerged, this network was accompanied by large waves of unexpected violations and attacks. This has caused many new forms of crime and fraud. This has led to vigorous attempts to seek ways and means to reduce these violations.

Suggestions and recommendations:

- Developing and raising awareness among the Arab electronic consumer.
- Enhancing media integration between government agencies concerned with consumer awareness and protection electronically and between the media.
- Develop campaigns, awareness programs and media plans to raise awareness of the electronic consumer and educate him about his rights.
- Addressing the clear veto in the field of e-consumer awareness with the relevant government agencies through the latest means of mass communication.
- Focusing on the use of social media, which is the most widely used by the middle age groups.
- Adopting awareness in the educational system in schools, institutes and colleges.

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