

CONSUMER PROTECTION AGAINST UNFAIR AND EXPLOITATIVE PRACTICES IN THE DIGITAL AGE

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Abstract

This study examines the evolving nature of consumer exploitation in both traditional and digital marketplaces. With the rise of e-commerce and AI-driven trade, the traditional doctrine of caveat emptor has become inadequate. The research analyzes unfair trade practices such as misleading advertisements, predatory lending, and digital “dark patterns.” Through doctrinal and comparative analysis of the Consumer Protection Act, 2019, along with EU and US frameworks, the study identifies enforcement gaps and challenges such as digital illiteracy and procedural delays. It concludes with policy recommendations aimed at strengthening regulatory mechanisms and promoting a consumer-centric digital economy.

1. Introduction

Consumer protection has become a critical area of legal regulation due to increasing market complexity and technological advancement. In India, the shift from physical markets to digital platforms has widened the power imbalance between consumers and corporations.

The Consumer Protection Act, 2019 marked a significant transformation by introducing product liability, regulating e-commerce, and establishing the Central Consumer Protection Authority (CCPA). However, despite these advancements, consumers continue to face exploitation due to lack of awareness, procedural inefficiencies, and emerging digital risks.

2. Need and Significance of the Study

The modern consumer is vulnerable to exploitation due to:

Information asymmetry

Aggressive digital marketing

Lack of legal awareness

This study is significant as it addresses:

Digital exploitation (dark patterns, algorithmic pricing)

Legal gaps in enforcement

Need for consumer empowerment in a tech-driven economy

3. Conceptual and Legal Framework

Consumer protection law has evolved from caveat emptor (buyer beware) to caveat venditor (seller beware).

3.1 Consumer and Unfair Trade Practices

Under the Consumer Protection Act, 2019:

A consumer includes users of goods/services for consideration

Unfair trade practices include misleading advertisements, false claims, and deceptive conduct

3.2 Types of Exploitative Practices

Product-based: defective or adulterated goods

Information-based: misleading advertisements

Market-based: price manipulation, hoarding

Digital exploitation: dark patterns, fake reviews

3.3 Digital Challenges

E-commerce has introduced:

Algorithmic price discrimination

Data exploitation

Subscription traps

4. Comparative Jurisprudence

4.1 European Union Model

Preventive (ex-ante) regulation

Strong consumer rights (withdrawal rights, repair rights)

Strict compliance requirements

4.2 United States Model

Enforcement-based (ex-post) approach

Heavy reliance on litigation and class actions

Sector-specific regulation

4.3 Indian Model

India follows a hybrid system:

Statutory protections (CPA 2019)

Administrative authority (CCPA)

However, enforcement remains weak due to delays and limited resources

5. Enforcement Mechanisms and Challenges

5.1 Role of CCPA

The CCPA:

Investigates unfair practices

Regulates misleading advertisements

Orders recall of unsafe products

Imposes penalties

5.2 Three-Tier Redressal System

District Commission

State Commission

National Commission

5.3 Key Challenges

Judicial delays and backlog

Lack of awareness among consumers

Digital divide in accessing remedies

Enforcement difficulties in cross-border e-commerce

6. Key Findings

Strong legislation but weak implementation

Digital exploitation is increasing rapidly

Consumer awareness remains low

Redressal mechanisms are slow and inefficient

India lags behind global standards in enforcement

7. Recommendations

Codify digital unfair practices like dark patterns

Strengthen CCPA with greater enforcement powers

Promote digital literacy among consumers

Introduce AI-based grievance redressal systems

Improve infrastructure of consumer courts

Encourage mediation for faster dispute resolution

8. Conclusion

Consumer protection in India has undergone significant transformation with the enactment of the Consumer Protection Act, 2019. However, the rise of digital markets has created new forms of exploitation that existing frameworks struggle to address effectively.

The future of consumer protection lies in:

Strengthening enforcement



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Adapting to technological changes

Promoting awareness and accessibility

A balanced approach combining legal reform, technological integration, and consumer education is essential to ensure a fair and transparent marketplace

