

LEGAL INNOVATIONS IN RELATION TO ONLINE SHOPPING FRAUD

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Abstract

Given the fast expansion and developing trend of e-commerce, which has transformed consumer trends to purchase online, this paper examines the present Indian regulatory regime that ensures the protection of online customers. The paper about the research objective, which states to investigate the seriousness of financial scams committed by consumers when purchasing online, highlights an overlooked aspect of the Information Technology Act of 2000, namely the safeguarding of customer rights in e-Commerce, and to carry out a comprehensive examination of the newly enacted laws, ie the Consumer Protection Act, 2019 and Consumer Protection (E-commerce) Rules, 2020.

Following a secondary data collection process and qualitative analysis, the key findings are that a reliable and secure technique is necessary for e-business firms to work effectively; payment method is the preferred method of payment for online purchases, and website knowledge and impactful services to customers construct loyalty of customers. The new restrictions appear to be robust enough to defend and secure the rights of online customers while also boosting India's e-commerce boom. Customers' trust is influenced by laws controlling fair trading protections in e-commerce, in addition to elements such as privacy, security, guarantee, customer support, and company website. With a strong regulatory framework and customer protection safeguards in place, the future of e-commerce seems optimistic. The findings add to the body of information on e-commerce and customer rights preservation by explaining the major elements influencing customers' loyalty and providing an illuminating viewpoint on e-consumer safety in the Indian setting with possible implications.

Keywords: e-commerce, online, internet, online shopping, law, fraud

Introduction

E-commerce is indeed the modern-day catchphrase. People are turning to internet retailers to buy food, household goods, and other necessities which is more convenient for them instead of visiting the shop and standing in the cue for hours to clear the bill. But, taking the present-day example in the wake of the coronavirus epidemic, traditional purchasing and transaction systems are changing¹. "Electronic commerce, sometimes known as e-commerce, includes a wide variety of online commercial operations for goods and services. It also covers "any type of commercial deal wherein the participants communicate digitally rather than via physical transactions or direct physical touch."

In India, e-commerce laws are enshrined in the Information Technology Act, the Copyright Act, and, more recently, the Consumer Protection Act². This assisted us in understanding the challenges that each legislation (in terms of e-commerce regulations) faced and, as a result, dealing with each problem with more efficiency and closeness.

Jurisprudence is a broad area with numerous roads, none of which are preferable to the next because so much relies on where one intends to go. Jurisprudence's Latin counterpart is 'juris prudentia,' meaning implies either "understanding of the law" or "competence in law." Jurisprudence incorporates ideas about law, its form, applications, and operation, as well as legal notions³. Thoughts concerning law include the tale of shifts in perspective, ever-changing concepts, and breakthroughs in modern physical, moral, along with other social sciences. Jurisprudential studies are largely oriented on elucidating the interrelationship among law as well as other fields. As a result, to give effect to this goal of Jurisprudence, this study effort is focused on the inter-disciplinary research of law with commerce, in which the function of law in Internet e-Commerce for consumer protection has been examined⁴. In an era of unprecedented technological developments and their hazards to mankind, Indian law cannot remain a bystander.

¹Neelam Chawla & Basanta Kumar, E-Commerce And Consumer Protection In India: The Emerging Trend , JOURNAL OF BUSINESS ETHICS, 1-24 (2021).

²1. Deora, R. S., & Chudasama, D. Brief Study Of Cybercrime On The Internet. 11(1), JOURNAL OF COMMUNICATION ENGINEERING & SYSTEMS, 1-6, (2021).

³Singh, R. K.. *E-commerce in India: Opportunities and challenges*. IN PROCEEDINGS OF 10TH INTERNATIONAL CONFERENCE ON DIGITAL STRATEGIES FOR ORGANIZATIONAL SUCCESS, (2019)

⁴SINGH, V. P., & KUSHWAH, S. S., CUSTOMER BEHAVIOUR TOWARDS ONLINE SHOPPING IN INDIA (2019).

Global consumer protection in e-commerce is an urgent concern according to Chawla & Kumar, 2021⁵. Costs are reduced, competition is increased, and the production process is streamlined via the use of e-commerce, thereby enhancing efficiency and choice. Because of the extensive use of the internet, smartphones, and social media in general, e-commerce has grown tremendously in recent years. A compound annual growth rate (CAGR) of 15% was recorded between 2014 and 2020 in the global e-commerce market; a 25% CAGR is predicted to be achieved between 2020 and 2025. By 2020, the Internet and smartphones are predicted to be used by more than 60% of people. Smartphone use is now at 42%. The client is a market share leader, and he must protect his interests independent of the model used.

As per Padalka, et al., 2021 People's confidential and economic information is a prime target for cybercriminals⁶. Online fraud monitoring in client locations has put India in third place after France while tracking in business locations has put India in fifth place. Address regulatory oversight in e-business in a smaller region, such as India, is encouraged by the worldwide background and perspectives on the subject. A top nation for online customer fraud in India has thrown a focus on the country's digital governance mechanisms, which might influence the nation's efficiency in conducting business ratings.

"Information Technology Act," "Copyright Act," and most recently "Consumer Protection Act" all specify laws about e-commerce in India, according to Angamuthu, a study published in 2020 on "A study on online shopping in India—an overview"⁷. It is under the IT Act that record management usage, comprising attribution, acknowledgment, dispatch dates and times, and receipt are subject to contractual obligations. However, the Indian Contracts Act of 1872 must be examined in conjunction with the IT Act since it is an enabling Act. Acting under an agreement Each contract must have these three elements to be valid under the Contract Act. An agreement must be accepted and acknowledged on its whole, and compensation must be provided in exchange for the contract's execution. As a result of these features, electronic contracts stand to gain. In addition, Connectivity does not have a direct line of communication or interaction between the intended recipient of the e-mail, unlike conventional channels of communication.

⁵Neelam Chawla & Basanta Kumar, E-Commerce And Consumer Protection In India: The Emerging Trend , JOURNAL OF BUSINESS ETHICS, 1-24 (2021).

⁶PADALKA, A. M., HRYBINCHA, A., LESIK, I. M., SEMENDA, O. V., & BARABASH, O. O., CONSUMER PROTECTION WHEN PURCHASING GOODS ON THE INTERNET (SCOPUS, 2021).

⁷Angamuthu, D.. *A study on online shopping in India—an overview*, 7(1), IJRAR-International Journal of Research and Analytical Reviews (IJRAR), , 676-682 (2020).

The communication is broken down into smaller chunks throughout the delivery procedure⁸. This raises problems concerning the exact date of information acceptance, which is critical for defining the rights of the parties. An e-exact mail's time and place of transmission and receipt are specified in Section 13 of the IT Act.

Research Gap

There is a significant vacuum in the study literature on this issue, which claims that the whole focus is on cybercrime such as hacking, phishing, pornography, decryption, data theft, cyber warfare, etc. The criminal component is emphasized more. It is said that in today's world, humans are active participants in internet banking, e-banking, and internet shopping, and are affected by online ads. Every day, someone is a sufferer of e-Marketing fraud, deception, and deception. This is still a matter before Indian courts since the implications of online buying and banking activities in the transnational world of the Internet operate differently than in the offline world in a variety of ways.

Research Question

- 1) What is the gravity of financial fraud performed by consumers when making online purchases?
- 2) What is the component of the Information Technology Act of 2000 that pertains to the protection of customer rights in e-Commerce?
- 3) How are consumer trust and security factors handled in e-commerce, as well as the creation of regulatory rules for safe and secure purchasing?

Importance of the Study

The article provided is significant as it objectively addresses an issue before the Indian constitutional system and it is urgent to realize there's no significance for an average Indian consumer who isn't even an attorney, computer programmer, or cyber specialist but a sufferer of online scams. The laws that were designed for the old world must now be updated to fit the digital world. The Act's objective is not to be a decorative item in the legal global library, but to

⁸Angamuthu, D. *A study on online shopping in India—an overview*. 7(1), IJRAR-International Journal of Research and Analytical Reviews (IJRAR), 676-682, (2020).

deliver justice to the consumers of the whole technology. It is only conceivable if, aside from all the intricacies, it is made simple enough for the layperson to grasp and apply.

Research Objectives

1. To investigate the seriousness of financial scams committed by consumers when purchasing online.
2. To highlight an overlooked aspect of the Information Technology Act of 2000, namely the safeguarding of customer rights in e-Commerce.
3. To carry out an experimental study on customer trust and security factors in e-business, as well as design legal regulations for safe and secure buying.

Scope and Limitation

The paper's shortcoming is that it only discusses Legal Developments in Online Shopping Fraud. The goal of the study is to define the customer legal cover paradigm in the online payment procedure and to determine if the present legal framework in India is enough.

Research Methodology

The current study is a theological, critical, and empirical investigation. In other words, it is 'Desk focused Descriptive Research,' in which an effort has been made to investigate the implementation of legislation in giving protection to victims in cyberspace using secondary data and qualitative analysis.

Research Method & Design

To achieve the study's goals, secondary information will be used. For example, journal articles, books, periodicals, and the general public's availability of information about the investigation's subject matter are examples of secondary data⁹. When there are no personal prejudices, the study can communicate the study's goals. Because it is a practical method for obtaining data, the interpretivism paradigm was used by the researcher while conducting secondary data collecting

⁹Newman, M., & Gough, D. *Systematic reviews in educational research: Methodology, perspectives and application*. SYSTEMATIC REVIEWS IN EDUCATIONAL RESEARCH, 3-22, (2020).

methods study¹⁰. The research strategy provides the researcher with a predetermined set-up for the study locations. Instead of a descriptive approach, the researchers used a qualitative research method to get a deeper understanding of the data.

Research Approach

Regardless of the topic area, the discussion is an essential part of every research endeavour¹¹. The methodological section of this dissertation requires clarification of inductive, deductive, and abductive procedures. A mixed pattern of generalization and testing theories will be used to analyze the purpose and research goal in this paper's statement model, ultimately leading to the development of a new theory. Because of these methods, the descriptive pattern of analysis is employed to consider the observation.

Analysis of Study

1) What is the gravity of financial fraud performed by consumers when making online purchases?

Online shopping has grown in popularity in urban areas due to the ease and variety it provides. In many cases, customers are left feeling duped or unsatisfied. Complaints regarding refunds and replacements are typical, but there has been a shift in the way businesses operate, which has brought new obstacles to consumers such as invasion of privacy, insecure payment methods, jurisdictional concerns, and so on¹². Increased use of credit cards and other online payment methods, as well as e-commerce expansion, are connected to a rise in fraud. Almost six times as many incidents of online retail fraud have been reported to the National Consumer Helpline since FY17, from 977 to 5,620 since the beginning of FY20¹³. There are several reasons for fraud to occur in e-commerce environments, such as:

¹⁰KOTHARI, C. R., RESEARCH METHODOLOGY: METHOD AND TECHNIQUES. (2019)

¹¹VINAYAK BAIRAGI, & MOUSAMI V. MUNOT, RESEARCH METHODOLOGY: A PRACTICAL AND SCIENTIFIC APPROACH. 78 (CRC PRESS 2019).

¹²Neelam Chawla & Basanta Kumar, E-Commerce And Consumer Protection In India: The Emerging Trend , JOURNAL OF BUSINESS ETHICS, 1-24 (2021).

¹³Vaithyasubramanian, S., Saravanan, D., & Kirubhashankar, C. K., *Communal Fraud Detection Algorithm for Establishing Identity Thefts in Online Shopping*. 17(3), INTERNATIONAL JOURNAL OF E-COLLABORATION (IJEC), , 75-84, (2021).

- Increased sales and distribution fraud may be facilitated by a remote working environment.
- To accommodate the rising demand, it is possible to distribute counterfeit and damaged goods.
- Third-party suppliers and reselling and their potential conflict.
- The inventory management system may be tampered with.
- When it comes to cybercrime, there is a lot¹⁴.
- Retaining personnel who have broken the law or who have been hired without first conducting a thorough background check.

Because of the digital transformation and the rise of artificial intelligence (AI), fraudsters are getting more cunning, inventing new methods, and improving their skills year after year. The theft and purchase of data have never been easier thanks to modern technology. Using online aliases makes it more difficult to identify and capture criminals. In contrast, the evidence collecting and prosecutions are not subject to the same time and resource restrictions. Fighting fraud necessitates using modern tactics and high-quality fraud monitoring and system performance¹⁵.

Data breaches or stealing of personal information occurs when an imposter gets and utilizes another person's confidential and financial information without their knowledge or consent. Illegal impersonation is a kind of this. An example of cybercrime is the misuse of sensitive information and financial information. Customers may seek a refund if they believe they've been defrauded by this scam. Shoppers who believe that their personal information is at risk on e-commerce sites and online stores are much less likely to complete their transactions. This might hurt a store's reputation. Getting access to someone else's account and carrying out fraudulent conduct is known as an account takeover¹⁶. This may be done in several ways, including

¹⁴Hiremath, V. R., & Ingalagi, S. *A Case Study on Analysis of Fraud Issues in E-tailing*. NOLEGEIN, 4(2), JOURNAL OF MANAGEMENT INFORMATION SYSTEMS, (2021).

¹⁵Shree, S., Pratap, B., Saroy, R., & Dhal, S. *Digital payments and consumer experience in India: a survey based empirical study*. 5(1), JOURNAL OF BANKING AND FINANCIAL TECHNOLOGY, 1-20, (2021).

¹⁶Kaur, I. *A Study on Digitalization and online Shopping in India: Customer's View, Future Prospects & Challenges*. 22(39), THINK INDIA JOURNAL, 6-11, (2019).

acquiring and hacking data like credentials, access codes, and phishing tactics, as well as implementing them.

Another name for this deception is "Friendly Fraud". It's common for the victim to keep products she purchased from an online site and then allege she never purchased them, was paid twice, or never received them whatsoever to pull off this kind of scam. It is possible to reduce this "friendly" fraud by implementing refunds, shipping routes, and return policies for the e-store¹⁷.

Fraudsters exploit the credit card information of an innocent victim to buy online. To create transactions that seem to be made by genuine consumers, credit card fraud and customers' details are exploited.

Personal details such as usernames, passwords, and credit card numbers may be stolen from a genuine person and used to conduct an unlawful or improper transaction online known as phishing. Private info requests by SMS or email are prevalent in this kind of attack, as is a link to contain malware that gathers these information. Fraudsters often ask for this kind of information, typically posing as representatives of well-known organizations¹⁸.

Data breaches have resulted in the development of artificial intelligence-enabled bots, which are now being used to perform online fraud, including data theft and unauthorized access. Fake accounts that employ real information confuse users about whether or not the login is authentic. Fraudsters, on the other hand, take advantage of cardholders' naivete¹⁹.

2) *What is the component of the Information Technology Act of 2000 that pertains to the protection of customer rights in e-Commerce?*

E-commerce has exploded in popularity in the last few years. In today's world, a seller may start a store through a web portal that can be managed from his or her house, and a customer or shopper can order from the comfort of their own homes. In addition, there are no hypothetical geographic limitations, low operating costs, and higher service quality, as well as no physical

¹⁷GHOSH, U. ONLINE FINANCIAL FRAUDS AND CYBER LAWS IN INDIA-AN ANALYSIS (NO. 2021-38-09, 2021).

¹⁸Das, J. K., & Mukhopadhyay, P. (2021)FRAUDS WITH PLASTIC MONEY: A CRITICAL ANALYSIS IN INDIAN SCENARIO.

¹⁹Chudasama, D. M., Patel, D., Shah, A., & Shaikh, N.,*Research on Cybercrime and its Policing*. 8(10), AMERICAN JOURNAL OF COMPUTER SCIENCE AND ENGINEERING SURVEY, 14, (2020).

travel for selecting items from various suppliers and more access to customers²⁰. An important part of the growth of finance in India is the rise of information technology and associated infrastructure. Furthermore, the government has been articulating open-minded principles for the development and improvement of the Information technology sector for the last two decades, and they have been most effective. “ There are around 80 million Internet users in India as of right now²¹. Even though the statistics are substantially lower than the global average (usually 31 percent of the total population), they indicate the blooming beginnings of the Indian e-commerce industry.

As it pertains to the country of India The domicile, business premises, or the basis of action are all ways in which jurisdictional concerns might be accessed²². Even nevertheless, the root of the problem is a subjective one that may be discussed in internet commerce classes to the fullest extent feasible. There is no synchronization between Section 13 of the Information Technology Act, 2000 (IT Act hereafter) and Section 11 of the Consumer Protection Act (CP Act hereinafter). Section 13 states that the major place of business of either the initiator (in this case, the offeror) or the receiver (in this case, the offeree) will be regarded to be the location where the electronic document has been transmitted or recognized²³. The Consumer Protection Act, on the other hand, stipulates that a customer may make a complaint against a business in a District Forum within the jurisdiction of which the opposing party maintains a division office.

For example, Section 72 of the Material Technology Act of 2000 punishes anybody who violates security or privacy, while Section 67 punishes anyone who misuses a computer system, as well as those who distribute obscene content in digital form²⁴. In 2008, the IT Act was amended to include Section 66E, which dealt with the penalties for violating the privacy, Sections 66-7, which dealt with the punitive action for releasing or conveying indecent images in digital mode, and Section 67A, which dealt with the punitive action for portraying kids in the overtly sexual activity, etc., in digital form.

²⁰Jehirul, I., *Jurisprudence of Delivery in Consumer Contract in ECommerce: A Critical Appraisal of The Consumer Protection Law in India*, (2020)

²¹SHAH, N. K. STEAMING TRENDS OF E-COMMERCE IN INDIA (2019).

²²ANTAL, A., & VERMA, D. S., THE LEGAL PERSPECTIVE ON E-COMMERCE IN INDIA (2019).

²³AGARWAL, R., PANT, M., & KARATANGI, S. V., E-COMMERCE SECURITY FOR PREVENTING E-TRANSACTION FRAUDS. IN DISRUPTIVE TECHNOLOGIES FOR SOCIETY 5.0 251-264 (CRC PRESS 2021).

²⁴SADUAL, M. K. INFORMATION TECHNOLOGY ACT 2000: AN OVERVIEW (2017).

For further security, the IT Act of 2008 adds a few additional privacy safeguards²⁵. Section 43A includes payments for failing to protect data. A structure for safeguarding personal and sensitive information, and also security criteria and processes, was developed in India with the passage of the Data Protection Act of 2011. Rules governing the personal data of individuals by businesses and others acting on their part are established under the Data Protection Regulations²⁶.

3) *How are consumer trust and security factors handled in e-commerce, as well as the creation of regulatory rules for safe and secure purchasing?*

The idea of trust has always been a tough one to define and quantify. E-commerce transactions benefit greatly from a trust, which is a social and psychological phenomenon that is well recognized. Because of the global nature of e-commerce, customers' trust reactions may be influenced by cultural differences²⁷. Even though e-commerce has satisfactorily supplanted brick and mortar retail outlets, there are a sight changes that help to shape consumers' responses to the selections of e-tailers, and as a result, certain distinctions in the essence of services/goods are changed significantly.

Ecommerce is far more corporate and computerized than conventional commerce, resulting in fewer direct connections, less instant pleasure, more legal uncertainty, and more opportunities for corruption and abuse²⁸. As a result, trust in an online context is more difficult to create.

Trust in e-commerce has been the subject of several studies in the past. While there is no globally accepted definition of trust, there is a lack of agreement among academics. Most academics, on the other hand, believe that trust is comprised of three fundamental components²⁹:

- a) indecision on the result of a meeting,
- b) The encounter might result in (b) injury to oneself, and (c)

²⁵DAS, J. K., & MUKHOPADHYAY, P., FRAUDS WITH PLASTIC MONEY: A CRITICAL ANALYSIS IN INDIAN SCENARIO (2021).

²⁶GHOSH, U. ONLINE FINANCIAL FRAUDS AND CYBER LAWS IN INDIA-AN ANALYSIS (NO. 2021-38-09, 2021).

²⁷DIXIT, A., INFORMATION TECHNOLOGY ACT 2000 AND THE POTENTIAL USE OF DATA ANALYTICS IN REDUCING CYBERCRIME IN INDIA. IN HANDBOOK OF RESEARCH ON ENGINEERING, BUSINESS, AND HEALTHCARE APPLICATIONS OF DATA SCIENCE AND ANALYTICS 445-452 (IGI GLOBAL 2021).

²⁸MANN, Y. N., & MANN, K. N., E-RETAILING LAWS AND REGULATIONS IN INDIA: E-COMMERCE IN INDIA-LEGAL PERSPECTIVES. IN INTERNET TAXATION AND E-RETAILING LAW IN THE GLOBAL CONTEXT 8-20 (IGI GLOBAL 2018).

²⁹Neelam Chawla & Basanta Kumar, E-Commerce And Consumer Protection In India: The Emerging Trend , JOURNAL OF BUSINESS ETHICS, 1-24 (2021).

c) unable to affect the results

The expertise, sincerity, and generosity of an internet merchant are all important considerations for potential customers.

When it comes to making a purchase, it's important to take the reputation of a business and the trust of its customers into account. "Brand trust" refers to the confidence that customers have in a certain brand³⁰. There are two ways to determine a brand's identity. This is a major difference between the first and second methods. The brand is seen as an additional attribute that differentiates the product in the first case and as the total of the marketing mix's components in the second.

Both consumers and suppliers profit from e-commerce. The ability of electronic transactions to cross national boundaries and allow for the rise of global merchants is a significant asset of the technology. Online businesses don't require a physical presence to operate. It's also easier to do transactions online since they don't need a person to be constantly moving or to be constrained by time constraints³¹. Because of the importance of eCommerce security, every firm worth its salt will have strict policies and processes in place. As a result, both customers and staff will be kept safe. Security dangers may be kept at bay using a variety of eCommerce security measures. In addition to usernames and passwords and SSL, multi-factor authentication is necessary³².

It is an alternative to the Indian Supreme Court's decision to revise e-commerce rules and regulations that numerous e-commerce companies adopt. Data privacy, consumer safety and security, financial transaction security, and product quality are just a few of the concerns that are addressed by Indian e-commerce regulations³³.

I. Foreign Direct Investment

Investments in Indian companies by foreign organizations are referred to as "Foreign Direct Investment" (FDI). To achieve the same goal, an overseas subsidiary or affiliate may be founded, a majority position in a current foreign business can be purchased, or consolidation or strategic partnership can be made with a foreign corporation. The Department of Industrial Policy and

³⁰Telfy, C. *Online Privacy: Threat & Data Security*. LEXFORTI LEGAL J., 1, 72, (2019).

³¹Kumar, K., & Gupta, H., *Designing a Security Framework for Enhancement of Electronic Transactions. In 2021 9th International Conference on Reliability, Infocom Technologies and Optimization (Trends and Future Directions)(ICRITO)*, IEEE1-5 (2021, September).

³²Davis, F., Gnanasekar, M. B. F., & Parayitam, S., *Trust and product as moderators in online shopping behavior: evidence from India*. SOUTH ASIAN JOURNAL OF MARKETING, (2021)

³³Aslam, W., Hussain, A., Farhat, K., & Arif, I. *Underlying factors influencing consumers' trust and loyalty in E-commerce*. 8(2), BUSINESS PERSPECTIVES AND RESEARCH, 186-204, (2020).

Promotion (DIPP) of the Indian government and the Chamber of Commerce and Industry of India both make public pronouncements about India's approach to FDI³⁴.

The lack of a physical site where things may be sold is the only distinction between E-commerce sellers and conventional brick-and-mortar businesses. e-commerce requires that vendors issue contracts, return goods, collect income and retain records³⁵. On the internet, they have to be allowed to do the same.

II. Information Technology Act, 2000

- Digital business in India is governed primarily by the Information Technology Act, 2000 (IT Act), which was enacted in 2000. Digital signatures and electronic contracts are both recognized under the IT Act, which regulates online behavior and E-commerce³⁶.
- UNCITRAL approved a Model Law of E-commerce in 2000, and the Information Technology Act, 2000 serves as a growing E-commerce enabling law in India based on this model. People who post obscene content online or hack into the equipment of others are punished under the Act, which aims to control internet usage. The following are some of the Act's most notable features:
 - Payment Security
 - Authentication by use of a digital signature³⁷

III. Payment and Settlements Systems Act, 2007

A payment method that adheres to the RBI's guidelines for online monetary transactions will prosper under the Payment and Settlements Systems Act³⁸. Furthermore, intermediaries that receive payments via digital means have to have an operational Nodal Account to settle the payments of merchants on their E-commerce site.

³⁴Choudhury, R. N. *Determinant of Foreign Direct Investment in India's E-commerce Sector*. (2018).

³⁵Falahat, M., Lee, Y. Y., Foo, Y. C., & Chia, C. E. *A model for consumer trust in e-commerce*. 24(2), ASIAN ACADEMY OF MANAGEMENT JOURNAL, 93-109, (2019).

³⁶DHAR, R. K. *INDIAN INFORMATION TECHNOLOGY ACT-2000 IN RETROSPECT* (2019).

³⁷Noori, A. H. M. A. D. U. L. L. A. H. *Evaluating The Impact of The Determinants of E-Commerce Customer Trust And Satisfaction*. 9(4), INTERNATIONAL JOURNAL OF BUSINESS MANAGEMENT & RESEARCH (IJBMR), (2019).

³⁸Cook, W., & Raman, A. *National Payments Corporation of India and the remaking of payments in India*. CONSULTATIVE GROUP TO ASSIST THE POOR WORKING PAPER, (2019).

IV. Consumer Protection Act, 2019

In safeguarding the interests of customers, the Consumer Protection Act also covers the E-commerce business. The Consumer Protection (E-Commerce) Rules, 2021 were announced by the Ministry of Consumer Affairs, Food and Public Distribution on May 17, 2021, necessary to defend customers from unfair business practices and to recognize and solve their concerns³⁹.

Results

According to the findings, customer confidence in online transactions is heavily influenced by their perceptions of privacy, identity, and confidentiality. Conventional cash-based culture in India is embracing digital transactions at an astounding level and scale, driven by many factors. There has been a rise in the sorts and amount of fraud as a result of the quick implementation of this technology. Identifying and preventing fraud must be a priority for firms as they develop their businesses around digital technologies. Simple human engagement will not be sufficient to combat the emerging fraud concerns due to the volume of transactions and their speed of completion⁴⁰.

The research presented here reveals a wide range of e-commerce scams that may damage any firm. To successfully prevent commercial fraud, it is necessary to identify the most significant one that warrants further investigation. In the industry, there are a variety of techniques for detecting and preventing fraud, and studies may be expanded to determine the optimum tool for a given industry or market sector.

Conclusion

When it comes to commerce, e-commerce has taken off like a rocket in the last few years. Ordering online is no longer fraught with anxiety about poor product quality, stolen funds, or a non-delivered item. E-commerce websites have become more important to many people's everyday lives. Consequently, most orders are now done in advance instead of using Cash on Delivery as a payment option. To safeguard the interests of the public, the Indian legal system is constantly introducing new laws and regulations. A good risk management strategy and a

³⁹Srivastava, P. K., & Dubey, P. *Analysis of Consumer Protection Law in India*. 4(1), JOURNAL OF LAW OF TORTS AND CONSUMER PROTECTION LAW, 30-39, (2021).

⁴⁰Wang, D., Chen, B., & Chen, J. *Credit card fraud detection strategies with consumer incentives*. 88, OMEGA, 179-195, (2019).

thorough understanding of the legal system are both essential for E-commerce companies to be successful in this industry.

Online retailers must design user-friendly, well-structured web pages that use robust security to protect their customers' privacy and security. Firms must interact with their consumers frequently to create a sense of trust. The outcomes of this empirical research will contribute to the body of information on consumer trust in B2C e-commerce already available.

Future Scope

As previously stated, this study had certain flaws, which will serve as a basis for future research. A variety of additional elements should be taken into account when doing a future study on customer trust in the internet world. This research looked at factors such as risk perceptions, regarded privacy, considered third-party assurance, considered reputation, website quality design, and perceived acquaintance. But other trustworthy beliefs including loyalty, dependability, and transparency were also recommended for further investigation. Consumers' confidence in a website is influenced by a variety of factors including: the quality of customer service and support provided as well as their perceptions of danger and simplicity of use.

Suggestions

- Authentication of customers will be a major challenge given the millennial decade's need for seamless payments and the convenience of usage. Limitations may be tightened using a mix of near-field connections, fingerprints, and analytics.
- There will be a greater usage of biometric, textual, and digital sound data to build more useful predictions and signatures.
- The expert System program is an example of an integrated package. Anthem Corporation's FCI (Financial Crime Investigator) product helps in the detection of fraud in buys and contracts by analyzing transaction data.