

**ANALYSIS OF THE LEGAL FRAMEWORK ON CONSUMER PROTECTION IN E-
COMMERCE**

SUBMITTED

BY

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TO

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OCTOBER, 2024

TITLE PAGE

**ANALYSIS OF THE LEGAL FRAMEWORK ON CONSUMER PROTECTION IN E-
COMMERCE**

DECLARATION

This is to declare that this research project titled “Analysis of the Legal Framework on Consumer Protection in E-Commerce,” was carried out by Eze Mmesoma Charity, and is solely the result of my work except where acknowledged as being derived from other person(s) or resources.

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October, 2024

APPROVAL AND CERTIFICATION

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The work embodied in this research is original and has not been submitted in part or full for any degree of this or any other University.

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DEDICATION

To God Almighty, the source of wisdom, strength, and inspiration, I offer my deepest gratitude and dedication. Your guidance and providence have been my rock throughout this journey.

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LIST OF ABBREVIATIONS

| | | |
|--------|----|--|
| ADR | -- | Alternative Dispute Resolution |
| AML | -- | Anti-Money Laundering |
| CAMA | -- | Companies and Allied Matters Act |
| CBN | -- | Central Bank of Nigeria |
| CPR | -- | Consumer Protection Regulations |
| EDI | -- | Electronic Data Interchange |
| EFT | -- | Electronic Funds Transfer |
| ETB | -- | Electronic Transactions Protection Bill |
| EU | -- | European Union |
| FCCPC | -- | Federal Competition and Consumer Protection Commission |
| GDPR | -- | General Data Protection Regulation |
| ICC | -- | International Criminal Court |
| ICT | -- | Internet Communication Technology |
| ID | -- | Identity |
| IEC | -- | International Electrotechnical Commission |
| ISO | -- | International Organization for Standardization |
| ITU | -- | International Telecommunication Union |
| KYC | -- | Know Your Customer |
| NCC | -- | Nigerian Communications Commission |
| NIPOST | -- | Nigerian Postal Service |
| NIS | -- | Nigerian Industrial Standard |
| NITDA | -- | National Information Technology Development Agency |
| ODR | -- | Online Dispute Resolution |
| OECD | -- | Organisation for Economic Co-operation and Development |
| OECD | -- | Organisation for Economic Co-operation and Development |

| | | |
|----------|----|---|
| OIML | -- | International Organization of Legal Metrology |
| PCI | -- | Payment Card Industry Security Standards Council |
| DSS | -- | Department of State Services |
| PIE | -- | Protect, Inform and Educate |
| QOC | -- | Quality of Criteria |
| QoS | -- | Quality of Service |
| QRC | -- | Quick Response Codes |
| SDGs | -- | Sustainable Development Goals |
| SMEs | -- | Small and Medium-sized Enterprises |
| SON | -- | Standard Organization of Nigeria |
| SSC | -- | Safety Related Structures, Systems and Components |
| SSL | -- | Secure Sockets Layer |
| TLS | -- | Transport Layer Security |
| UNCITRAL | -- | United Nations' Commission on International Trade Law |
| UNCTAD | -- | United Nations Conference on Trade and Development |
| US | -- | United State |
| WEF | -- | World Economic Forum |

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ABSTRACT

The exponential growth of e-commerce has significantly altered traditional consumer behavior. Online shopping has become increasingly popular across all categories of consumers, offering convenience, multiple choices, and competitive prices. However, this transition to digital transactions has also brought forth numerous challenges and risks for consumers. Issues such as fraudulent activities, inadequate product disclosures, misleading advertisements, and unsatisfactory dispute resolution mechanisms have become prevalent in the e-commerce landscape. In this context, the role of the legal framework in providing adequate protection to consumers is paramount. This paper delved into an in-depth analysis of the existing legal provisions relevant to consumer protection in e-commerce. It scrutinized the key legislations and regulations at the national and international levels that govern e-commerce transactions. Furthermore, the study examined the enforcement mechanisms and the role of regulatory authorities in ensuring compliance with consumer protection laws in the digital marketplace. The effectiveness of the legal framework was critically evaluated by assessing its ability to address the specific challenges encountered by consumers in e-commerce. This involved a comprehensive review of case studies, consumer complaints, and judicial precedents related to e-commerce transactions. The paper also explored the complexities arising from cross-border consumer transactions and the implications of varying legal frameworks across jurisdictions. In addition, the paper discussed potential areas of improvement in the legal framework to better address the evolving nature of e-commerce and to provide enhanced protection to consumers. This included recommendations for legislative reforms, regulatory interventions, technological solutions, and collaborative efforts among stakeholders in the e-commerce ecosystem. Through this analysis, the paper sought to contribute to the ongoing discourse on consumer protection in e-commerce and provide valuable insights for policymakers, regulators, legal professionals, businesses, and consumers. The findings of this study is instrumental in highlighting the strengths and shortcomings of the current legal framework and charting a course for a more robust and responsive system for consumer protection in e-commerce.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Chou and Chou are two pertinent authors to posit that the advent of “Information and Communication Technology” has an effect on almost all the spheres of human life and buying and selling of goods and services is not an exception to it.¹ They went further by saying that information technology has given birth to technologies like electronic data interchange² and electronic fund transfer,³ the facilitation of which with the help of ‘Internet’ has developed into Information technology enabled commercial transactions called e-commerce’. E-commerce has quickly become a popular method of conducting business, allowing consumers to purchase goods and services with just a few clicks. However, with the rise of e-commerce comes the need for regulations to protect consumers from potential fraud and abuse.

In furtherance to the above, the rapid development of e-commerce, bringing huge economic benefits to society and to providing fast transactions, but also make the existing consumer protection measures appeared to be inadequate, and especially consumers of network privacy are facing more and more dangerous.⁴ Consumers making ecommerce transactions must be on the network operators to provide various types, including their own information, including personal privacy, and consumers in the online "whereabouts" are often unknowingly be

¹ D C Chou & A Y Chou, ‘The E-Commerce Revolution, A Guide to the Internet Revolution in Banking,’ *Information Systems Management* (2000) 51-57.

² Electronic Data Interchange (EDI) is the structured transmission of data between organizations by electronic means. It is used to transfer electronic documents or business data from one computer system to another computer system, i.e. from one trading partner to another trading partner without human intervention. See “Beginners Guide for EDI” Available at: <<http://www.xtranslator.com/prod/beginindex12.pdf>> Accessed on August 1, 2024.

³ Electronic funds transfer (EFT) is the electronic exchange or transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems.

⁴ Rao and Metts, ‘Electronic Commerce Development in Small and Medium Sized Enterprises: A Stage Model and its Implications’ *Business Process Management Journal* (2003) (9) (1) 11-32.

recorded. The operators often without the consumer agrees use this information for commercial activities, or even collect personal information sold to those other business organizations⁵.

The phenomenal growth of e-commerce in Nigeria has outpaced the development of a commensurate legal framework, resulting in a regulatory vacuum that compromises consumer protection. Despite the country's strategic importance in the African e-commerce market, the absence of specialized legislation addressing online consumer protection issues has created an environment conducive to fraudulent activities, data breaches, and unfair trade practices. This has led to increased vulnerability among Nigerian consumers, who are often left without recourse or effective remedies when disputes arise⁶. Furthermore, the rapid evolution of digital technologies has introduced new challenges, such as cybersecurity threats, privacy infringement, and intellectual property violations, which exacerbate the need for a robust and adaptable legal framework.

This research aims to provide a comprehensive analysis of the legal framework governing consumer protection in e-commerce. It will examine the existing laws and regulations that protect consumers when making purchases online, as well as any gaps or inconsistencies in the current legal framework. By identifying these issues, the research will make recommendations for possible reforms to better safeguard consumers in the rapidly evolving world of e-commerce. In the ultimate sense, the goal of this study is to ensure that consumers are adequately protected when engaging in online transactions and to promote trust and confidence in the e-commerce marketplace.

⁵ *Ibid*

⁶ Awais Muhammad & Samin Tanzila, 'Advanced SWOT Analysis of E-Commerce,' *IJCSI International Journal of Computer Science Issues* (2012) (9) (2) 569-574.

1.2 Statement of the Problem

The problems this research seeks to address revolve around the inadequacies and limitations of Nigeria's existing legal framework in protecting consumers engaged in e-commerce transactions. Despite the increasing importance of online transactions,⁷ Nigeria's existing laws fail to address the unique challenges posed by e-commerce, leaving consumers vulnerable to exploitation, data breaches, and unfair trade practices. This vulnerability undermines consumer confidence and trust in the digital marketplace, hindering the growth and development of Nigeria's e-commerce industry.⁸ However, inasmuch as these challenges persist, there is hope for improvement through the implementation of new regulations and policies specifically tailored to the digital economy. Because it is believed that by updating and strengthening consumer protection laws, Nigeria can create a more secure and transparent environment for online transactions, ultimately fostering trust and confidence among consumers. This, in turn, will not only benefit individual consumers but also contribute to the overall growth and success of the e-commerce sector in Nigeria. Through proactive measures and collaboration between government agencies, businesses, and consumers, Nigeria can overcome the obstacles hindering the full potential of its e-commerce industry.

More so, because Nigeria's e-commerce industry is confronted with a critical challenge: the inadequacy of its legal framework to safeguard consumer interests, the country's outdated consumer protection laws, coupled with the lack of specialized e-commerce regulations, have created an environment conducive to fraudulent activities and unfair business practices. Consequently, consumers are exposed to various risks, including identity theft, phishing

⁷ O Bali, 'The Emerging Trend in E-commerce: The Nigerian Legal Perspective,' In K N Nwosu (Ed.) *Legal Practice Skills and Ethics in Nigeria* (DCONconsulting 2004) 119-131.

⁸ *Ibid*

scams, and unauthorized use of personal data⁹. Moreover, the absence of effective dispute resolution mechanisms exacerbates financial losses and compromises consumer rights.

The phenomenal growth of Nigeria's e-commerce sector has exposed weaknesses in the country's legal framework, particularly in relation to consumer protection. The absence of robust safeguards against cybercrime, data breaches, and unfair trade practices has resulted in increased vulnerability for consumers¹⁰. Furthermore, the existing laws fail to address critical issues such as data privacy, cybersecurity, and online payment security, leaving consumers vulnerable to exploitation. This emphasizes the need for a comprehensive review and reform of the existing legal framework to prioritize consumer protection.

The existing legal framework's inability to keep pace with the evolving nature of e-commerce has significant consequences for Nigerian consumers. The lack of clarity and consistency in consumer protection laws hinders effective dispute resolution, exacerbates financial losses, and compromises personal data security¹¹. Additionally, the absence of specialized e-commerce regulations undermines the development of a secure and trustworthy digital marketplace. This threatens the growth and development of Nigeria's digital economy, as consumers become increasingly wary of engaging in online transactions¹².

The need for a robust and adaptable legal framework that prioritizes consumer protection in e-commerce is urgent. Addressing these challenges requires a thorough analysis of Nigeria's existing laws, identification of gaps and inconsistencies, and development of targeted reforms to safeguard consumer interests. This research aims to investigate the efficacy of Nigeria's existing legal framework in protecting consumers in e-commerce transactions and propose

⁹ *Ibid*

¹⁰ G Bamodu, 'Information Communication Technology and E-Commerce: Challenges and Opportunities for the Nigerian Legal System and Judiciary,' *Journal of Information, Law and Technology* (2004) (2) 1-24.

¹¹ A S Abubakar & F O Adebayo, 'Analysis of Electronic Transactions Bill in Nigeria: Issues and Prospects,' *Mediterranean Journal of Social Sciences* (2014) (5) (2) 215-220. Available at <<http://doi.org/10.5901/mjss.2014.v5n2p215>> Accessed on October 2, 2024.

¹² *Ibid*

recommendations for strengthening consumer protection mechanisms. By doing so, this study seeks to contribute to the development of a secure, transparent, and trustworthy digital marketplace that supports the growth and development of Nigeria's e-commerce industry.

This study will by the end answer the following questions:

- a. How do current laws and regulations protect consumers in e-commerce transactions?
- b. Are there any gaps or inconsistencies in the legal framework that may leave consumers vulnerable to fraud or abuse?
- c. What are the potential implications of these legal issues on the growth and development of e-commerce businesses in Nigeria?

1.3 Aim and Objectives of the Study

The core aim of this study is to analysis of the legal framework on consumer protection in e-commerce in Nigeria.

The objectives of the study are:

- a. To find out how the current laws and regulations protect consumers in e-commerce transactions.
- b. To discover if there are gaps or inconsistencies in the legal framework that may leave consumers vulnerable to fraud or abuse.
- c. To find out the potential implications of these legal issues on the growth and development of e-commerce businesses in Nigeria.

1.4 Significance of the Study

This study possesses dual significance, offering both practical and theoretical implications that profoundly impact the realm of consumer protection in e-commerce. Practically, this

research provides invaluable insights into the application and enforcement of existing legal frameworks within the rapidly evolving landscape of online shopping. By identifying gaps and inefficiencies, policymakers, regulatory bodies, and businesses can leverage these findings to inform evidence-based reforms, strengthen consumer protection mechanisms, and foster a secure and trustworthy digital marketplace.

Theoretically, this study contributes meaningfully to the academic discourse on consumer rights in the digital age. By exploring the intricacies and complexities of regulating e-commerce transactions, this research sheds light on the tensions between technological innovation, consumer protection, and regulatory responsiveness. This contribution enriches the existing body of knowledge, informing scholarly debates and advancing the theoretical understanding of consumer protection in the digital economy.

1.5 Scope and Limitation of the Study

This study is delimited to analyzing the legal framework surrounding consumer protection in e-commerce in Nigeria. It will examine laws and regulations that govern online transactions, as well as the rights and responsibilities of both consumers and businesses in the digital marketplace. In a nutshell, this study will explore the effectiveness of current consumer protection measures and propose recommendations for enhancing the legal framework to better protect online consumers. By focusing on these specific aspects, this study aims to provide a comprehensive understanding of the legal landscape in e-commerce and highlight areas for improvement in consumer protection.

This study focused primarily on the legal framework surrounding consumer protection in e-commerce, neglecting the broader socio-economic implications of online shopping. The following limitations should be taken into consideration when interpreting the results of this study.

Firstly, the analysis was limited to a specific geographic region, which may not be representative of global e-commerce practices.

Secondly, the study did not take into account the perspectives of consumers themselves, which could provide valuable insights into their experiences and challenges in online shopping.

Furthermore, the rapidly evolving nature of e-commerce means that the legal framework is constantly changing, making it difficult to provide a comprehensive analysis of consumer protection laws in this field.

Also, financial constraints of the researcher may have also impacted the scope and depth of the study, preventing a more thorough examination of the subject matter.

Again, the study adopted the doctrinal approach, focusing primarily on analyzing existing laws and regulations rather than exploring real-world practices and their effectiveness in protecting consumers. This limited the study's ability to offer practical recommendations for policymakers and industry stakeholders looking to improve consumer protection in online shopping.

Based on the above highlighted limitations, future studies should consider incorporating a more comprehensive research methodology that includes empirical data collection and analysis. This could provide a more holistic understanding of the issues at hand and offer more practical insights for decision-makers. Additionally, securing adequate funding for research projects is crucial to ensure that researchers are able to conduct thorough and impactful studies that can drive meaningful change in consumer protection policies and practices.

1.6 Research Methodology

The doctrinal methodology was used for this study, focusing on analyzing existing laws and regulations related to consumer protection in e-commerce. This will involve a comprehensive review of relevant statutes, case law, and scholarly articles to understand the current legal framework.

More so, comparative analysis will be conducted to identify best practices from other countries that can be applied to improve consumer protection in e-commerce in the study's jurisdiction. The research will also involve interviews with legal experts and stakeholders to gather insights on the practical implementation of consumer protection laws in e-commerce.

It will be important at this point to explain the doctrinal research method. First, what is the doctrinal research method? The doctrinal research method is a systematic approach to studying legal issues by analyzing existing laws, regulations, and judicial decisions. It involves examining and interpreting legal sources to understand the current state of the law and identify gaps or inconsistencies that may need to be addressed. By using this method, researchers can gain a thorough understanding of the legal landscape surrounding consumer protection in e-commerce and make informed recommendations for improving it. This method is valuable for providing a solid foundation of legal knowledge that can guide policy development and reform efforts in the field of e-commerce consumer protection.

The reasons for the adoption of this approach include the need to examine and analyze existing laws, regulations, and case law pertaining to consumer protection in e-commerce. By conducting a thorough review and analysis of legal texts, this study aims to identify gaps, inconsistencies, and areas for improvement in the current legal framework. That notwithstanding, the doctrinal methodology will allow for a comprehensive understanding of

the legal principles and rules that govern consumer rights and obligations in the context of e-commerce.

1.7 Chapter Analysis

The first chapter of this work serves as an overview of the study, providing a background to the research topic and presenting the state of the problem that will be addressed. The research questions are outlined to guide the study, while the aim and objectives clarify the goals of the research. The significance of the study is also discussed to highlight the importance of the research findings. Furthermore, the scope and limitations of the study are identified to set boundaries for the research. Finally, the chapter concludes with a section on the research methodology that will be used to conduct the study.

Chapter two begins with the conceptual framework discussing the meaning of consumer protection and e-commerce, as well as the issues that arise in this field. It then delves into the complexities of e-commerce and consumer protection, highlighting the need and significance of protecting consumers in online transactions. The chapter also explores legal issues in e-commerce and consumer protection in Nigeria, providing a theoretical framework that includes consumer behavior theory, information asymmetry theory, and economic theory. This sets the stage for the literature review, where existing research related to the topic will be examined and analyzed.

Chapter three went further to outline the various regulations and guidelines that have been put in place to protect consumers and promote fair competition in the electronic commerce sector. These regulations cover a wide range of issues such as consumer rights, fraud prevention, and dispute resolution. It is postulated that by adhering to these regulations, businesses can ensure that they are operating ethically and in compliance with the law,

ultimately building trust with their customers and fostering a healthy and competitive marketplace.

Chapter four starts by examining the strategies for strengthening the enforcement of consumer protection laws in e-commerce. This includes recommendations for improving coordination between regulatory agencies, enhancing consumer awareness through education campaigns, and implementing stricter penalties for non-compliance with consumer protection laws.

The final chapter of the work provides a comprehensive overview of the legal framework surrounding consumer protection in e-commerce. The summary highlights key points discussed throughout the research, such as the importance of transparency, data privacy, and dispute resolution mechanisms. In conclusion, it is evident that while progress has been made in regulating e-commerce, there is still room for improvement to better protect consumers. Therefore, recommendations are made for policymakers to strengthen enforcement mechanisms, enhance consumer education, and promote international cooperation in order to create a more secure online shopping environment for consumers.

CHAPTER TWO

CONCEPTUAL, THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Meaning of Consumer Protection

Consumer protection is a multifaceted concept that encompasses a range of measures designed to safeguard the rights and interests of consumers in the marketplace. Omar and Anas stated that at its core, consumer protection seeks to promote a fair and equitable marketplace by preventing unfair or deceptive business practices, ensuring product safety and quality, and providing recourse mechanisms for consumers who have been harmed or exploited¹³. This concept is rooted in the idea that consumers are often at a disadvantage in the marketplace due to information asymmetry and power imbalance¹⁴. Consumer protection laws also aim to hold businesses accountable for their actions and prevent them from taking advantage of vulnerable consumers. By setting standards for advertising, product labeling, and customer service, consumer protection regulations help to level the playing field between consumers and businesses.

At the other hand, the scope of consumer protection is broad and encompasses various aspects of consumer-business interactions, including product safety, pricing and advertising practices, contract terms and conditions, and dispute resolution mechanisms¹⁵. This was why Muhammad Nuruddeen went further to state that effective consumer protection requires a combination of government regulation, industry self-regulation, and consumer education and

¹³ Chemzche Omar & T Anas, 'E-Commerce in Malaysia: Development, Implementation and Challenges,' *IRMBR Journal* (2014) (3) (1) 291–298.

¹⁴ D C Chou & A Y Chou, 'The E-Commerce Revolution, A Guide to the Internet Revolution in Banking,' *Information Systems Management* (2000) 51-57.

¹⁵ *Ibid* at note 1.

awareness¹⁶. Moreover, consumer protection is essential for promoting trust and confidence in the marketplace, which is critical for economic growth and development. By ensuring that consumers are treated fairly and have access to accurate information, consumer protection helps to create a level playing field for businesses and encourages healthy competition and without adequate consumer protection measures in place, consumers may be vulnerable to exploitation and fraud, which can ultimately harm the overall economy.

In furtherance thereto, the importance of consumer protection is underscored by the potential consequences of inadequate protection, including financial harm, physical injury, and erosion of trust in the marketplace¹⁷. Therefore, it is essential to develop and implement effective consumer protection policies and strategies that address the evolving needs and challenges of consumers in the marketplace¹⁸. Failure to do so can result in severe consequences for both consumers and businesses alike.

Conclusively, consumer protection is a critical aspect of promoting a fair and equitable marketplace. Through a combination of government regulation, industry self-regulation, and consumer education and awareness, consumer protection can help to prevent unfair or deceptive business practices, ensure product safety and quality, and provide recourse mechanisms for consumers who have been harmed or exploited.

2.1.2 Meaning of E-Commerce

The notion of e-commerce remains elusive, with no consensus on a universal definition, as highlighted by the Organisation for Economic Co-operation and Development (OECD)¹⁹.

¹⁶ Muhammad Nuruddeen, 'An Appraisal of the Legal Requirements of Electronic Commerce Transactions in Nigeria,' *Bayero University Journal of Public Law (BUJPL)* (2011) (3) (1) 164-183.

¹⁷ *Ibid*

¹⁸ Jaya Putra, 'Laws to Protect Online Shoppers from July 2013,' *Daily Express Newspaper Online* (Malaysia: Sabah 2013) 9.

¹⁹ Organisation for Economic Corporation and Development (OECD), *Report on Electronic Commerce: Opportunities and Challenges for Government* (OECD, 1997) 20.

This ambiguity has prompted various scholars to attempt to clarify the concept. The Concise Oxford English Dictionary, for instance, defines e-commerce as commercial transactions conducted electronically on the Internet²⁰. Similarly, Akintola, Akinyede and Agbonifo²¹ conceptualized e-commerce as the electronic exchange of products or services via the Internet and other computer networks. Khairi²², however, emphasizes the promotional aspect, defining e-commerce as a business model that leverages the Internet to promote and sell products and services globally, thereby facilitating direct communication between traders and buyers without the need for physical interaction. In contrast, Bali²³ adopts a broader perspective, suggesting that any service rendered and paid for on the Internet constitutes e-commerce. For the purposes of this paper, e-commerce is defined as transactions involving the buying and selling of goods and services via the Internet, with a specific emphasis on online shopping transactions, thereby providing a framework for analysis and discussion.

2.1.3 Issues in E-Commerce

E-commerce has revolutionized the way businesses operate and consumers shop, offering unparalleled convenience, accessibility, and global reach. However, this rapidly evolving landscape also presents numerous challenges and issues that need to be addressed. One of the primary concerns is ensuring the security and privacy of online transactions, as cyber threats and data breaches can compromise sensitive customer information²⁴. Another key challenge

²⁰ Judy Pearsall, *Concise Oxford English Dictionary, English* (10th ed., New York: Oxford University Press Inc. 2002) 453; D Chaffey, *E-Business and E-Commerce Management* (2nd ed., England: Pearson Education Ltd 2003) 10; R Kalakota & A Whinston, *Electronic Commerce: A Manager's Guide* (3rd ed., Reading: Addison Wesley 1997) 69; V Zwass, 'Electronic Commerce: Structures and Issues,' *International Journal of Electronic Commerce* (1996) 1.

²¹ K G Akintola, R O Akinyede & Agbonifo CO, "Appraising Nigeria Readiness for E-Commerce towards Achieving Vision 20:20," *International Journal of Research and Reviews in Applied Sciences* (2011) (9) 330–340.

²² *Ibid* at note 3.

²³ Oladipo Bali, 'The Emerging Trend in E-Commerce: The Nigerian Legal Perspective,' in *Legal Practice Skills and Ethics in Nigeria*, ed., Kevin Ndubuisi Nwosu (Nigeria: DCONconsulting 2004) 119–131.

²⁴ Adepetur Caxton-Martins Agbor & Segun, 'Development of E-Commerce in Nigeria: The Impact of the Supreme Court Decision' in *Kubor V Dickson* (2014) 4 NWLR [1345] Page 534-594," ACAS-LAW, 2015. Page 1-5.

is the need for businesses to adapt and innovate in order to stay competitive in such a dynamic market. Additionally, the rise of counterfeit products and fraudulent sellers poses a threat to both consumers and legitimate businesses operating online.

Another significant issue in e-commerce is the need for effective logistics and supply chain management. As online shopping continues to grow, businesses must develop efficient and reliable systems for managing inventory, shipping, and delivery²⁵. Moreover, e-commerce raises important questions about taxation, jurisdiction, and regulatory compliance, particularly in cross-border transactions²⁶.

Furthermore, e-commerce platforms must also address issues related to intellectual property rights, counterfeiting, and consumer protection. The ease of online transactions can facilitate the sale of counterfeit goods, while also making it challenging to enforce intellectual property rights. Additionally, e-commerce businesses must ensure that they comply with consumer protection laws and regulations, providing clear product information, and offering effective dispute resolution mechanisms²⁷.

Finally, the rise of e-commerce has significant implications for employment, skills development, and social inequality. As automation and artificial intelligence increasingly replace traditional jobs, there is a need for workers to develop new skills and adapt to changing labor market demands²⁸. Moreover, e-commerce can exacerbate existing social inequalities, particularly in regions with limited access to digital technologies and

²⁵ T I Akomolede, 'Contemporary Legal Issues in Electronic Commerce in Nigeria,' *Potchefstroom Electronic Law Journal* (2008) (3) 1-25.

²⁶ *Ibid*

²⁷ M T Ladan, 'Recent Trend in Legal Response and Judicial Attitude towards Electronically Generated Evidence in Nigeria,' *The World Jurist Association, Law/Technology* (2014) (47) (1) 54; Osinbajo Yemi, 'Electronically Generated Evidence,' in *Law & Practice of Evidence in Nigeria*, ed. Ape Babalola (Ibadan, Nigeria: Sibons Books Ltd 2007) 244.

²⁸ Samira Chaabna & Hu Wang, 'Analysis of the State of E-Commerce in Algeria,' *International Journal of Marketing Studies* (2015) (7) (2) 44-58.

infrastructure²⁹. Addressing these issues is crucial for ensuring that e-commerce benefits both businesses and consumers, while promoting sustainable economic growth and development.

2.1.4 E-Commerce and Consumer Protection: A Tight Spot

The proliferation of e-commerce has precipitated a plethora of benefits for consumers, including enhanced convenience, expanded choices, and competitive pricing³⁰. However, this growth has also created novel challenges for consumer protection. The online marketplace is often characterized by a paucity of transparency, rendering it arduous for consumers to make informed purchasing decisions³¹. Furthermore, the anonymity of the internet enables unscrupulous businesses to engage in fraudulent activities, such as false advertising, data breaches, and identity theft.

One of the primary concerns in e-commerce is the issue of trust. Consumers are often hesitant to share personal information or make payments online due to fear of fraud or data breaches. This lack of trust can hinder the growth of e-commerce, as consumers may be reluctant to participate in online transactions. To address this issue, businesses must prioritize transparency, security, and customer service³². This can be achieved through clear privacy policies, secure payment systems, and responsive customer support.

The issue of jurisdiction also poses a significant challenge in e-commerce. Online transactions often involve businesses and consumers from different countries, making it difficult to determine which laws apply. This can lead to confusion and inconsistencies in consumer protection. To address this issue, governments and international organizations must

²⁹ *Ibid.*

³⁰ Steven Andzenge, 'Regulatory Measures and Consumer Issues in Electricity Consumption,' in *Law and Principles of Consumer Protection*, ed. Adedeji Adekunle and Shankyula Tersoo Samuel (Lagos: Nigerian Institute of Advanced Legal Studies 2013) 299–323.

³¹ *Ibid.*

³² H N Ozuru, J E Chikwe & J G Amue, 'Consumer Behaviour and Online Shopping Adoption in Nigeria,' in *13th Annual International Conference Casablanca, Morocco* (2012) (13) 434-446.

work together to establish clear guidelines and regulations for e-commerce. This can include harmonizing consumer protection laws, establishing international standards for data protection, and providing mechanisms for cross-border dispute resolution³³.

Despite these challenges, e-commerce also offers opportunities for consumer protection. Online reviews and ratings can provide valuable insights into product quality and business practices. Social media can facilitate communication between businesses and consumers, enabling swift resolution of complaints and issues. Moreover, e-commerce platforms can implement measures to protect consumers, such as buyer protection policies, secure payment systems, and data protection protocols³⁴.

Ultimately, consumer protection in e-commerce requires a collaborative effort from businesses, governments, and consumers. By prioritizing transparency, security, and customer service, businesses can build trust with consumers. Governments can establish clear guidelines and regulations to ensure consistency and fairness. Consumers can educate themselves about their rights and responsibilities in e-commerce, using online resources and tools to make informed purchasing decisions³⁵. Through this collective effort, we can create a safer and more transparent online marketplace that benefits all parties involved.

2.1.5 Need and Significance of Consumer Protection

The need for consumer protection has never been more pressing, as consumers face a multitude of risks and challenges in the marketplace. With the rise of e-commerce and global trade, consumers are increasingly vulnerable to unfair and deceptive business practices, such

³³ Adelola Tiwalade, Dawson Ray & Batmaz Firat, 'Privacy and Data Protection: The Effectiveness of a Government Regulation Approach in Developing Nations, Using Nigeria as a Case,' in *The 9th International Conference for Internet and Secured Transactions (ICITST)* (2014) 234–239.

³⁴ *Ibid* at note 18.

³⁵ Bernard & Akomolede, 'Regulations or Legislation for Data Protection in Nigeria? A Call for a Clear Legislative Framework,' *Global Journal of Politics and Law Research* (2015) (3) (4) 1-16; Deborah Enadeghe, 'Comparative Analysis of the Applicable Legal Protection for Purchasers on the Internet, in Europe and USA-Lessons For Nigeria', *LL.M. Thesis* (Central European University Budapest, Hungary 2013) 1-59.

as false advertising, product defects, and data breaches³⁶. Consumer protection is essential to safeguarding the rights and interests of consumers and promoting a fair and equitable marketplace.

Effective consumer protection is significant because it promotes consumer confidence and trust in the marketplace. When consumers feel protected, they are more likely to make informed purchasing decisions and engage in online transactions³⁷. This, in turn, can stimulate economic growth and development. Moreover, consumer protection helps to prevent consumer harm and financial loss, which can have devastating consequences for individuals and families³⁸.

Furthermore, consumer protection is essential for promoting competition and innovation in the marketplace. When businesses are held accountable for their actions, they are more likely to innovate and improve their products and services. This leads to better quality products, lower prices, and increased choice for consumers. Consumer protection also helps to level the playing field, ensuring that businesses compete fairly and ethically.³⁹

In addition, consumer protection has significant social implications. It helps to protect vulnerable populations, such as the elderly and low-income consumers, who are often targeted by scams and unfair business practices. Consumer protection also promotes financial inclusion, by ensuring that consumers have access to fair and affordable financial services. This is essential for fostering economic growth and stability within communities.

Ultimately, consumer protection is a critical component of a fair and equitable marketplace.

By prioritizing consumer protection, we can promote consumer confidence, competition,

³⁶ R T Rust and T S Chung, 'Marketing Models of Service and Relationships,' *Marketing Science* (2006) (25) (6) 560-580.

³⁷ *Ibid*

³⁸ *Ibid*

³⁹ O A Orifowomo, 'The Challenges of Electronic Banking in Nigeria: An Opinion,' *Ahmadu Bello University Journal of Commercial Law* (2003-2005) (2) (1) 171.

innovation, and social welfare. As the marketplace continues to evolve, it is essential that consumer protection keeps pace, addressing emerging risks and challenges to ensure that consumers are safeguarded and empowered.⁴⁰ In doing so, we can create a fair and transparent marketplace for all.

2.1.6 Legal Issues in E-commerce and Consumer Protection in Nigeria

Nigeria is not left behind in terms ICT development and e-commerce activities. However, general studies conducted on e-commerce in Nigeria have supported the conclusion that Nigerian legal system lags behind ICT based legislation⁴¹. And that the existing statutory laws are quite inadequate to address the pressing legal issues affecting e-commerce and e-consumers in the country⁴². These issues include electronic evidence, cybercrimes, security and data production, e-payment system and inevitably trans-border issues, etc.⁴³

Orifowomo argued that there is the necessity to come up with appropriate legal and regulatory measures, to govern the emerging regime⁴⁴. Significant efforts at the regulation of related e-commerce activities are still at the stage of draft bills before the National Assembly⁴⁵. The relevant Bills are Electronic Transactions Protection Bill (ETB)⁴⁶; Cyber Security & Information Protection Bill 2010; National Internal Security Bill 2009. Other similar Bills include the Electronic Commerce (Provision of Legal Recognition) Bill 2008 and Electronic Fraud (Prohibition) Bill 2008. In fact, Nigeria is yet to domesticate any of the

⁴⁰ *Ibid* at note 15.

⁴¹ *Ibid* at note 23; Jonah Nwokpoku, 'Nigeria Needs Legislation on E-Commerce,' *Vanguard News* (December 1, 2014); G Bamodu, 'Information Communication Technology and E-Commerce: Challenges and Opportunities for the Nigerian Legal System and Judiciary,' *JILT* (2004) (2) 2.

⁴² Jonah Nwokpoku, *ibid* at note 29; Enadeghe, *ibid* at note 23, 1-59.; Akomolede, *ibid* at note 23, 1-25.

⁴³ Akomolede, *ibid* at note 23, 1-25.

⁴⁴ O A Orifowomo, 'The Challenges of Electronic Banking in Nigeria: An Opinion,' *Ahmadu Bello University Journal of Commercial Law* (2003-2005) (2) (1) 171.

⁴⁵ Jemilohun & Akomolede, *ibid* at note 23, 1-16.

⁴⁶ The Bill was laid before the National Assembly and passed in 2015 but the President could not assent the Bill before vacating office. Time was not on the side of the National Assembly either. Therefore, in view of the time constraint, the Assembly could not veto the assent of the President. In the circumstance, the Bill died naturally with Assembly.

international legal instruments on e-commerce⁴⁷, particularly the UNCITRAL Model Law of 1996.

The ETB has been severally introduced before National Assembly from 1999 to date⁴⁸. Unfortunately, the ETB suffered a lot of setbacks that it could not be passed into law⁴⁹. The recent species of such Bill was the one that was packaged and passed by the National Assembly sometimes in 2015⁵⁰. Unfortunately, the President could not assent the bill before he vacated office sometimes in May 2015. Accordingly, the ETB died with the 7th Assembly. That is the immediate past National Assembly. Consequently, the ETB has to be introduced again before the current 8th Assembly⁵¹. Then it has to undergo a new legislative process for it to become law in Nigeria.

Similarly, the Sale of Goods Act 1893 is rather too old to cater for modern days commercial transactions such as e-commerce. So also the 1992 Consumer Protection Council (CPC) Act which was enacted to protect the interest of the Nigerian consumers. It was argued that careful perusal into the mandates of the Consumer Protection Council under Sections 2 and 3 of the CPC Act would reveal that the Act does not apply to e-commerce transactions⁵². Besides, the Act has been in existence for over two decades now without any Amendment.

According to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Consumer Protection in the Context of E-commerce 1999, consumer statutes, government policies, and practices minimise fraudulent, deceptive and unfair commercial

⁴⁷ Muhammad Nuruddeen, 'Analysis of the Legal Framework for the Operations of E-Commerce: A Nigerian Perspective,' *Ahmadu Bello University Zaria Journal of Private and Comparative Law (JPCL)* (2014) (6 & 7) 255-286.

⁴⁸ Udotai Basil, 'The Growth and Challenges of Information Technology in Law Practice in Nigeria,' in Kevin Ndubuisi Nwosu (ed) *Legal Practice Skills and Ethics in Nigeria* (Lagos: DCONconsulting 2004) 229–261, at 232-235.

⁴⁹ *Ibid*, at p. 233; Aniaka Oluchi, 'Analyzing the Adequacy of Electronic Transactions Bill 2015 in Facilitating E-Commerce in Nigeria,' *Canadian Institute of Health Research* (2015) 1–7.

⁵⁰ Oluchi, *ibid*, 1–7.

⁵¹ The Constitution of the Federal Republic of Nigeria, Cap C23, Laws of the Federation of Nigeria, 2004, s 58 & 59.

⁵² Deborah Enadeghe, *ibid* at note 23, 1-59.

conducts⁵³. Such protections are necessary because they boost confidence of consumers and create a more balanced relationship among actors of commercial transactions⁵⁴. Hence, is it not there the need to amend the Nigerian CPC Act 1992? That is to enlarge the mandate of the CPC as done in countries like Malaysia so as to keep pace with the advancement of the modern day ICT.

Legislative intervention in respect of cybercrime is also needed in any given country. This is necessary to protect consumers and ensure a more friendly and protected cyberspace. Cybercrimes pose many challenges to e-commerce and have indeed made Internet transactions insecure and vulnerable to manipulations by persons who are not parties to such transactions⁵⁵.

After several years of agitations (from concerned stakeholders)⁵⁶ for the enactment of the cybercrimes law in Nigeria, the former President Goodluck Jonathan, at the nightfall of his administration, signed into law the Cybercrime (Prevention, Prohibition, etc.) Act on May 15, 2015⁵⁷. The Act brings to life a legal framework for the prohibition, prevention, detection, investigation and prosecution of cybercrimes and for other related matters. The intendment of the Act is to among other things define what constitutes cybercrime and provide penalties against the perpetrators of such crimes in Nigeria⁵⁸. Identity theft and online scams are examples of cybercrimes that have historically posed a major risk to Nigerian customers and

⁵³ OECD, 'Guidelines for Consumer Protection in the Context of Electronic Commerce 1999,' (France: OECD 2000) 1-41.

⁵⁴ *Ibid*, Ahmad Alhusban, 'The Importance of Consumer Protection for the Development of Electronic Commerce: The Need for Reform in Jordan,' *PhD. Diss. University of Portsmouth* (2014) 15.

⁵⁵ A David and O O Abiodun, *Policing Cyberspace in Nigeria* (Ibadan, Nigeria: Life Gate Publishing Co. 2009) 11.

⁵⁶ This came from both the Information Communication Technology and academic cum legal sectors.

⁵⁷ Oluwaseun Viyon Ojo, 'An Assessment of Nigeria's Cybercrimes (Prevention, Prohibition Etc.) Act 2015,' *The Lawyers Chronicles* (2015) 1-5.

⁵⁸ Prior to the enactment of the Cybercrimes Act 2015, the offences that constitute cybercrimes were not offences within the contemplation of Nigerian law. Because the Nigerian Constitution has categorically made it clear that no act is an offence unless it has been defined as such and punishment for the act has also been prescribed by a written law. (The Constitution of the Federal Republic of Nigeria, Cap C23, Laws of the Federation of Nigeria, 2004, s. 36(9)).

e-commerce⁵⁹. The Cybercrimes Act contains a wealth of laws regarding things like electronic message interceptions⁶⁰, computer related fraud⁶¹, theft of electronic devices and most importantly rules relating to electronic signature⁶² among other things⁶³. Oluchi argued that if these provisions are effectively implemented, would create cyber security and provide the much-needed regulation of electronic transactions in Nigeria⁶⁴. Therefore, it is to be noted that the enactment of the Cybercrimes Act 2015 is indeed a laudable achievement as far as e-commerce regulation and consumer protection in Nigeria are concerned.

2.2 Theoretical Framework

2.2.1 Consumer Behavior Theory

Consumer Behavior Theory has its roots in the early 20th century, when economists and psychologists began studying consumer decision-making processes. One of the pioneers of this field was John Maynard Keynes, who introduced the concept of "animal spirits" to describe the emotional and social factors that influence consumer behavior⁶⁵. Later, economists like Milton Friedman and Gary Becker developed the rational choice theory, which posits that consumers make decisions based on rational calculations of utility and cost.

In the 1950s and 1960s, marketing researchers like Ernest Dichter and Vance Packard further developed the field of consumer behavior, emphasizing the role of motivation, perception, and learning in consumer decision-making. The theory gained more momentum in the 1970s

⁵⁹ Enadeghe, *ibid* at note 23, 1-59.

⁶⁰ Section 9 of Cybercrimes Act.

⁶¹ *Ibid*, s 14.

⁶² *Ibid.*, Ss. 15 & 20.

⁶³ Other key relevant provisions of the Act concerning this paper, worthy of mentioning are Ss. 22, 30, 33-36, 37-40 & 58.

⁶⁴ Oluchi, *ibid* at note 38, 1-7.

⁶⁵ G Foxall & Yani-de-Soriano, 'Situational Influences on Consumer' Attitudes and Behaviour,' *Journal of Business Research* (2005) 518-25.

and 1980s with the work of researchers like Richard Thaler, who introduced the concept of "mental accounting" to describe how consumers make financial decisions⁶⁶.

Proponents of Consumer Behavior Theory include prominent researchers like Daniel Kahneman, who won the Nobel Prize in Economics in 2002 for his work on behavioral economics. Other notable proponents include Barry Schwartz, who has written extensively on the psychology of consumer choice, and Sherry Turkle, who has explored the impact of technology on consumer behavior.⁶⁷ Together, these researchers have shed light on the complex and often irrational ways in which individuals make decisions as consumers. Their work has challenged traditional economic models, highlighting the importance of emotions, social influences, and cognitive biases in shaping consumer behavior.

Today, Consumer Behavior Theory remains a vital framework for understanding consumer decision-making processes in various fields, including marketing, economics, and psychology. Its insights have been applied in fields like advertising, product development, and public policy, and continue to shape our understanding of consumer behavior in the digital age. As technology continues to advance and new platforms for consumption emerge, Consumer Behavior Theory is constantly evolving to adapt to these changes. By studying how consumers interact with online shopping platforms, social media, and other digital channels, researchers can gain valuable insights into how individuals make purchasing decisions in the digital age. This ongoing research is crucial for businesses and policymakers looking to effectively reach and engage with modern consumers.

⁶⁶ R D Blackwell, P W Miniard & J F Engel, *Consumer Behavior* (10th Ed., New-York: Harcourt College Publishers 2006).

⁶⁷ *Ibid*

2.2.2 Information Asymmetry Theory

Information Asymmetry Theory originated in the 1970s with the work of economists like George Akerlof, Michael Spence, and Joseph Stiglitz. They challenged the traditional assumption of perfect information in markets, instead highlighting the prevalence of information gaps between buyers and sellers.⁶⁸ Akerlof's 1970 paper, "The Market for Lemons," is a seminal work in this field, demonstrating how information asymmetry can lead to market failure. In this paper, Akerlof used the example of the used car market to illustrate how sellers with more information about the quality of their products can take advantage of buyers who lack that knowledge. This can result in a situation where only lower quality products are sold, driving out higher quality options and ultimately harming both buyers and sellers. The Information Asymmetry Theory has since been applied to various industries and has had a significant impact on our understanding of market dynamics.

The theory posits that in many markets, one party has more or better information than the other, creating an uneven playing field. This can lead to adverse selection, moral hazard, and market failure. Information asymmetry can arise from various sources, including differences in expertise, access to data, or ability to process information.⁶⁹ Proponents of the theory argue that it helps explain many real-world market phenomena, such as why used car markets are notoriously tricky or why credit markets often fail to serve marginalized communities.

Key proponents of Information Asymmetry Theory include Nobel laureates like George Akerlof, Michael Spence, and Joseph Stiglitz, who have all contributed significantly to our understanding of information asymmetry's role in markets. Other notable researchers, such as

⁶⁸ C Jensen Michael and H Meckling William, 'Theory of the Firm: Managerial Behaviour, Agency Costs and Ownership Structure,' *Journal of Financial Economics* (1976) 12-47.

⁶⁹ Morellec Erwan and Schurhoff Norman, 'Corporate Investment and Financing Underasymmetric Information,' *Swiss Finance Institute* (2010).

Oliver Williamson and Sanford Grossman, have also built upon this foundation, exploring its implications for contract theory, corporate finance, and market design.⁷⁰

Information Asymmetry Theory has far-reaching implications for consumer protection in e-commerce. By recognizing the inherent information imbalances between businesses and consumers, policymakers can design more effective regulations and safeguards to protect consumers from exploitation. For instance, transparency requirements, disclosure rules, and consumer education initiatives can all help mitigate the effects of information asymmetry, promoting a more level playing field in online markets.

2.2.3 Economic Theory

Economic Theory has its roots in the 18th century with the work of Adam Smith, who is considered the father of modern economics. Smith's book, "The Wealth of Nations," published in 1776, laid the foundation for classical economics, emphasizing the concept of the "invisible hand" and the benefits of free markets.⁷¹ Over time, economic theory has evolved through various schools of thought, including neoclassical, Keynesian, and Marxist economics.⁷²

Neoclassical economics, developed in the late 19th and early 20th centuries, focuses on individual economic agents, markets, and the allocation of resources. Key proponents like Alfred Marshall, Leon Walras, and Carl Menger introduced concepts like marginal analysis, supply and demand, and opportunity cost⁷³. Keynesian economics, developed by John

⁷⁰ C Ensen Michael & W Smith Clifford, 'The Theory of Corporate Finance: Historical Overview,' (1984) 8-11.

⁷¹ L Tsoulfidis, *Competing Schools of Economic Thought* (Heidelberg: Springer 2010).

⁷² J Eatwell, 'Theories of value, output and employment', in Eatwell and Milgate (eds.), *Keynes's Economics and the Theory of Value and Distribution* (New York: Oxford University Press 1983) 21-69.

⁷³ J Schumpeter, *History of Economic Analysis* (New York: Oxford University Press 1954).

Maynard Keynes, emphasizes government intervention in times of economic downturn, while Marxist economics critiques capitalism and advocates for socialist or communist systems.⁷⁴

Economic Theory provides a framework for understanding consumer behavior, market structures, and the allocation of resources. It helps explain how consumers make decisions about what goods and services to buy, how firms set prices and quantities, and how markets reach equilibrium.⁷⁵ Proponents of economic theory argue that it offers valuable insights for policy-making, business strategy, and personal finance. They believe that by studying economic theory, individuals and organizations can make more informed decisions that will ultimately lead to greater efficiency and prosperity. By understanding the principles of supply and demand, competition, and incentives, people can navigate the complexities of the economy with more confidence and success. Overall, economic theory serves as a powerful tool for analyzing and improving economic outcomes at both the micro and macro levels.

In the context of consumer protection in e-commerce, economic theory highlights the importance of consumer information, market transparency, and competition. By understanding how consumers make decisions and how firms respond to market incentives, policymakers can design more effective regulations to protect consumers from exploitation and promote fair competition in online markets. Economic theory also informs the development of consumer education initiatives, helping consumers make informed purchasing decisions and avoid potential pitfalls in e-commerce.

⁷⁴ T Mariolis & L Tsoulfidis, *Modern Classical Theory and Reality: A Spectral Analysis of the Theory of Value and Distribution* (Tokyo: Springer 2016).

⁷⁵ *Ibid*

2.3 Review of Related Literatures

Christopher Kuner's article, "Data Protection and Consumer Protection in the Digital Economy"⁷⁶, explores the intersection of data protection and consumer protection in the digital economy, arguing that the digital economy poses significant challenges to consumer protection, particularly regarding data privacy. Through a qualitative research approach, Kuner identifies key challenges, including inadequate data protection laws, insufficient transparency, and inconsistent regulatory approaches, and proposes recommendations for harmonized international standards, enhanced transparency, and strengthened enforcement. However, Kuner's work primarily focuses on EU and US frameworks, leaving a gap in understanding the specific context of e-commerce consumer protection in Nigeria. This present research aims to fill this lacuna by examining the effectiveness of Nigeria's current legal framework, identifying gaps between international standards and Nigerian regulations, and investigating the effectiveness of existing regulations in protecting consumers, ultimately providing recommendations tailored to the Nigerian context to inform evidence-based reforms and policy decisions.

Dan Jerker B. Svantesson's book, "Data Protection Law and the European Union's Data Protection Reform"⁷⁷, provides an in-depth analysis of the European Union's data protection framework, particularly the General Data Protection Regulation (GDPR). Svantesson examines the historical context, key principles, and regulatory challenges, offering critical insights into the EU's data protection reform. While Svantesson's work provides a comprehensive understanding of EU data protection law, its focus on European legislation leaves a gap in understanding the implications for e-commerce consumer protection in non-

⁷⁶ Kuner Christopher, 'Data Protection and Consumer Protection in the Digital Economy,' *International Journal of Law and Information Technology* (2012) (20) (1) 1-23. doi: 10.1093/ijlit/eas003.

⁷⁷ B Svantesson Dan Jerker, *Data Protection Law and the European Union's Data Protection Reform* (Edward Elgar Publishing 2017) 1-320.

EU jurisdictions, such as Nigeria. This study will build upon Svantesson's work by exploring how EU data protection standards influence Nigerian e-commerce regulations, identifying gaps and inconsistencies, and proposing tailored recommendations to strengthen consumer protection mechanisms in Nigeria's digital economy, thereby addressing the lacuna in existing literature.

In his article on "Consumer Protection in Electronic Commerce: A Comparative Analysis"⁷⁸, Ramsay presents a comparative examination of consumer protection frameworks in electronic commerce across several jurisdictions, highlighting variations in regulatory approaches and enforcement mechanisms. Ramsay identifies key challenges, including jurisdictional issues, contractual complexities, and inadequate dispute resolution processes, and advocates for harmonized international standards. Although Ramsay's work provides valuable insights into comparative consumer protection, its focus on developed economies and limited consideration of emerging markets, such as Nigeria, creates a knowledge gap. This study will bridge this gap by analyzing Nigeria's specific e-commerce consumer protection framework, assessing its effectiveness, and developing context-specific recommendations to enhance consumer protection mechanisms, thereby contributing to the existing body of knowledge and informing policy reforms in emerging economies.

The work of Montagnani's, "E-Commerce and Consumer Protection: An Analysis of the EU's Directive on Consumer Rights"⁷⁹, examines the European Union's Directive on Consumer Rights, focusing on its implications for e-commerce consumer protection. The author analyzes the Directive's provisions on information disclosure, right of withdrawal, and contractual obligations, highlighting strengths and weaknesses. While Montagnani's work

⁷⁸ Ramsay Ian, 'Consumer Protection in Electronic Commerce: A Comparative Analysis,' *Journal of Consumer Policy* (2009) (32) (3) 289-307. doi: 10.1007/s10603-009-9113-6.

⁷⁹ Montagnani Maria Lillian, 'E-Commerce and Consumer Protection: An Analysis of the EU's Directive on Consumer Rights,' *Computer Law & Security Review* (2014) (30) (3) 257-269. doi: 10.1016/j.clsr.2014.03.006.

provides valuable insights into EU consumer protection policy, its narrow focus on EU legislation and lack of consideration for non-EU jurisdictions, such as Nigeria, limits its applicability. This current study aims to expand on Montagnani's work by exploring Nigeria's e-commerce consumer protection framework, comparing it to EU standards, and developing tailored recommendations to strengthen Nigerian consumer protection mechanisms, addressing the gap in existing literature and informing policy reforms in emerging economies.

Siqueira and her fellow writers on, "Consumer Protection in E-commerce: A Review of the Literature"⁸⁰, present a comprehensive review of existing literature on e-commerce consumer protection. The authors analyze 153 studies, identifying key themes, such as information asymmetry, trust, and regulatory frameworks. They highlight gaps in current research, including limited focus on emerging markets and lack of empirical studies. While their work provides valuable insights into e-commerce consumer protection, its broad focus on general trends leaves room for in-depth analysis of specific jurisdictions, such as Nigeria. This present research aims to build upon this study by examining Nigeria's e-commerce consumer protection framework, addressing the gaps identified by Siqueira and others, and providing context-specific recommendations to enhance consumer protection mechanisms.

⁸⁰ Siqueira Ana Cláudia, Renato Lima de Oliveira, João Luiz Becker & Cristiano Max Pereira de Castro, 'Consumer protection in e-commerce: A Review of the Literature,' *Journal of Business Ethics* (2021) (168) (3) 559-575. doi: 10.1007/s10551-020-04553-4

CHAPTER THREE

LEGAL AND INSTITUTIONAL FRAMEWORK ON CONSUMER PROTECTION IN E-COMMERCE

3.1 Legal Framework

3.1.1 The 1999 Constitution of FRN (as amended)

The *Constitution of the Federal Republic of Nigeria, 1999*, provides a foundational legal framework for consumer protection in e-commerce. Specifically, *Section 14(2)(b)* ensures fairness and justice in all spheres of Nigerian life, including economic activities, while *Section 16(1)(b)* directs the State to protect the rights of citizens (consumers inclusive). Furthermore, *Section 36* guarantees fair hearing and justice in all judicial and administrative proceedings, ensuring that consumers have recourse in cases of disputes or exploitation.

The Constitution also implicitly safeguards consumers' rights in e-commerce through provisions related to property, privacy, and freedom of expression. For instance, *Section 37* protects the right to privacy, which applies to online transactions and data protection. Similarly, *Section 43* protects the right to property, encompassing digital transactions and payments. Moreover, *Section 39* guarantees freedom of expression, enabling consumers to express dissatisfaction and provide feedback online. These constitutional provisions establish a baseline for consumer protection in Nigeria's burgeoning e-commerce sector.

Despite these constitutional guarantees, gaps remain in Nigeria's legal framework for consumer protection in e-commerce. Specifically, the lack of comprehensive e-commerce legislation and a dedicated regulatory agency hinders effective enforcement and redress. To bridge this gap, Nigeria requires targeted legislation and regulatory measures addressing emerging e-commerce challenges, such as data protection, online contract enforcement, and

digital payment security. By strengthening its legal framework, Nigeria can ensure a safe and fair online marketplace, fostering consumer trust and driving economic growth in the digital economy⁸¹.

3.1.2 Electronic Transactions Act 2023

The *Electronic Transactions Act (ETA), 2023*, is Nigeria's most comprehensive law governing e-commerce, providing a robust framework for electronic transactions, contracts, payments, and consumer protection⁸². This Act ensures that online businesses operate transparently, with *Section 16(1)* mandating clear and comprehensive information about goods or services, including total costs. Furthermore, *Section 16(2)* requires businesses to provide consumers with a method to correct input errors before completing transactions, while *Section 16(3)* grants consumers the right to withdraw from transactions within a specified period without penalty.

The *ETA, 2023*, complements other laws safeguarding consumer rights and promoting fair competition in Nigeria's e-commerce space⁸³. Notably, the *Companies and Allied Matters Act, 2020* regulates online business registration and operations⁸⁴. Additionally, the Federal Competition and Consumer Protection Act (FCCPA) protects consumers from unfair trade practices⁸⁵. These laws collectively provide a solid foundation for Nigeria's e-commerce growth, addressing regulatory compliance, intellectual property protection, contractual issues, cybersecurity, payment regulations, and cross-border legal complexities⁸⁶.

⁸¹ O Ajayi and O Mokuolu, 'E-commerce and consumer protection in Nigeria: Challenges and prospects' *Journal of International Technology and Information Management* [2015] (24) (2) 1-14.

⁸² Nigeria, Federal Republic of. *Electronic Transactions Act 2023*. Abuja: Federal Government Printer, 2023

⁸³ Section 16 of the *Electronic Transactions Act 2023*.

⁸⁴ Federal Republic of Nigeria, *Companies and Allied Matters Act 2020* (Federal Government Printer 2020).

⁸⁵ Federal Competition and Consumer Protection Commission, *Federal Competition and Consumer Protection Act, 2019*

⁸⁶ Adeyemo Stephen, 'E-commerce and Consumer Protection in Nigeria: Challenges and Prospects.' *Journal of International Commercial Law and Technology* [2019] (14) (2) 43-55.

Sections 16(2) and 16(3) of the Electronic Transactions Act, 2023, safeguard consumer interests in e-commerce transactions. Specifically, *Section 16(2)* mandates electronic commerce businesses to provide consumers with a method to correct any input errors before completing a transaction, ensuring accuracy and preventing unintended purchases. Moreover, *Section 16(3)* grants consumers the right to withdraw from an electronic transaction within a specified period without penalty, except for the cost of returning goods, thereby protecting consumers from impulsive or misinformed purchasing decisions.

These provisions align with international best practices, as emphasized by the United Nations Conference on Trade and Development (UNCTAD, 2019), which stresses the importance of transparency and flexibility in e-commerce transactions to foster trust and confidence among consumers. By enshrining these rights in law, Nigeria demonstrates its commitment to protecting consumer interests and promoting a secure and trustworthy e-commerce environment⁸⁷.

3.1.3 Companies and Allied Matters act 2023

The Companies and Allied Matters Act (CAMA) 2020 provides a comprehensive legal framework for consumer protection in e-commerce in Nigeria⁸⁸. According to this provision, every company engaged in e-commerce must disclose its return, refund, and exchange policies to consumers. This requirement aligns with international best practices, as emphasized by UNCTAD⁸⁹, which stresses the importance of transparency in e-commerce transactions to foster trust and confidence among consumers.

CAMA 2020 also mandates e-commerce companies to provide clear information about goods and services offered, including prices, payment terms, and delivery details. This requirement

⁸⁷ *Ibid*

⁸⁸ Companies and Allied Matters Act 2020, *Section 122*.

⁸⁹ United Nations Conference on Trade and Development, *E-commerce and Consumer Protection* (United Nations 2019) 12.

is consistent with the recommendations of ISO⁹⁰, which advocates for accurate and timely information disclosure in e-commerce to prevent potential disputes. Furthermore, researchers have noted that such transparency measures are essential for building consumer trust and loyalty in online transactions⁹¹.

The Act also recognizes the Federal Competition and Consumer Protection Commission (FCCPC) as the primary regulatory agency for consumer protection in Nigeria, including e-commerce. The FCCPC is empowered to investigate complaints, enforce compliance, and impose penalties on erring e-commerce companies⁹². Scholars argue that effective regulation is crucial for promoting confidence and growth in e-commerce, particularly in developing economies⁹³.

In ensuring effective consumer protection, CAMA 2020 introduces measures to safeguard consumer data, requiring e-commerce companies to implement robust data protection policies. This provision is consistent with global trends and standards, as highlighted by ICC⁹⁴, emphasizing the importance of data protection in maintaining consumer trust. By providing a comprehensive framework for consumer protection, CAMA 2020 demonstrates Nigeria's commitment to promoting a secure and trustworthy e-commerce environment.

3.1.4 Nigerian Communication Act 2003

The Nigerian Communications Act was passed in 2003 with the primary purpose of creating and implementing a regulatory framework for the Nigerian communications sector and all

⁹⁰ International Organization for Standardization. ISO/IEC 27001:2017 Information technology - Security techniques - Information security management systems – Requirements (Geneva: ISO 2018) 15

⁹¹ Adeyemo Stephen, 'E-commerce and Consumer Protection in Nigeria: Challenges and Prospects.' *Journal of International Commercial Law and Technology* [2019] (14) (2) 43-55.

⁹² Kalu Anthony, 'The Federal Competition and Consumer Protection Commission: A New Era for Consumer Protection in Nigeria.' *Nigerian Journal of Contemporary Law* [2020] (11) (1) 1-15.

⁹³ Ojukwu Chidi, 'Consumer Protection in E-commerce: A Critical Analysis of the Nigerian Regulatory Framework.' *International Journal of Law and Management* [2020] (62) (4) 833-845.

⁹⁴ International Chamber of Commerce, *Data Protection and Privacy: A Guide for Business* (Paris: ICC 2020) 15

related issues⁹⁵. As a result, the Act addresses cybercrime-related issues. For example, the Act mandates telecommunications providers to verify that their networks and/or facilities are not exploited for illicit purposes. *Section 146 (1)* of the Act requires a licensee to take all necessary precautions to prevent the commission of any crime under any Nigerian statute⁹⁶. The detection and prevention of 'the conduct of any offence under any legislation in operation in Nigeria' includes cybercrime offences as provided for in the Cybercrimes (Prohibition, Prevention, Etc) Act 2015, which went into effect on May 15, 2015. Telecommunication service providers must also comply with the Nigerian Communications Commission (NCC) or any other body on appropriate reasons in order to avoid committing or attempting to commit an offence under any written legislation in force in Nigeria⁹⁷. When a telecommunications service provider fails to perform the aforementioned requirements, criminal culpability ensues. Furthermore, where any such act or omission is committed in good faith in order to achieve the aforementioned requirements, criminal culpability for any resulting harm is not imposed⁹⁸. Furthermore, the Act gives the NCC the authority to decide whether or not telecommunications service providers should implement the capability to allow approved communication interception in accordance with specific technical requirements⁹⁹. In the event of a public emergency or in the interest of public safety, the NCC may issue an order requiring any communication or class of communications to be disclosed only to an approved officer¹⁰⁰. In conjunction with the authorities authorised by the NCC¹⁰¹, the NCC may mandate that telecommunications service providers develop a disaster plan for the survival and recovery of any services or network facilities in the case of a civil emergency, crisis, or disaster.

⁹⁵ *Section 1* of the Nigerians Communication Act, 2003.

⁹⁶ *Section 146(2)*

⁹⁷ *Section 146(3)*

⁹⁸ *Section 146(3)*

⁹⁹ *Section 147*

¹⁰⁰ *Section 148(1)(C)*

¹⁰¹ *Section 149*

3.1.5 Finance Act 2023

The Finance Act 2023 builds upon the changes introduced by the Tax Laws (Amendment) Act, 2020, aiming to establish a more comprehensive tax framework for e-commerce transactions. Researchers have noted that effective taxation is crucial for promoting confidence and growth in e-commerce, particularly in developing economies¹⁰². The Act's provisions demonstrate Nigeria's commitment to promoting a secure and trustworthy e-commerce environment.

Furthermore, the Companies and Allied Matters Act (CAMA) 2020 complements the Finance Act 2020 by providing additional consumer protection measures. CAMA 2020 requires e-commerce companies to disclose return, refund, and exchange policies, ensuring transparency in online transactions. This requirement aligns with international best practices, as emphasized by the United Nations Conference on Trade and Development (UNCTAD, 2019). By providing a comprehensive framework for consumer protection, these legislative efforts demonstrate Nigeria's dedication to safeguarding consumer interests in the growing e-commerce sector.

The regulatory framework established by the Finance Act 2023 and CAMA 2020 underscores the importance of protecting consumer rights in e-commerce. As scholars argue, effective regulation is essential for building trust and promoting growth in the digital economy¹⁰³. Nigeria's commitment to consumer protection in e-commerce serves as a model for other developing economies seeking to establish robust regulatory frameworks.

In the overall, the Finance Act 2023 marks a significant leap forward in protecting Nigeria's e-commerce consumers. By establishing a comprehensive tax framework, it fosters a secure

¹⁰² Ojukwu Chidi, 'Consumer Protection in E-commerce: A Critical Analysis of the Nigerian Regulatory Framework.' *International Journal of Law and Management* [2020] (62) (4) 833-845.

¹⁰³ *Ibid*, at note 10.

and transparent online environment, shielding consumers from fraudulent activities and ensuring fair business practices. This landmark legislation demonstrates Nigeria's unwavering commitment to safeguarding consumer interests, instilling trust, and driving growth in the digital economy.

3.1.6 Standard Organization of Nigeria Act, 2015

The Standard Organization of Nigeria Act, 2015 repealed the Standard Organization Act, 2004. The Act established the Standard Organization of Nigeria which shall be a body corporate with perpetual succession, which can sue and be sued. The Act also established the Standard Organization of Nigeria Council

The Standard Organization of Nigeria, 2015 repealed the Standard Organization of Nigeria Act, 2004 because of its inability to curb fake goods and products in the Nigerian market and to enforce stringent policies, it was imperative to repeal the erstwhile law to be in tandem with the current demands of consumer protection in the 21st century market.

The new Act of 2015 to a large extent retained the provisions of the 2004 repealed Act but it however it added major provisions to ensure the efficacy and the smooth running of the organization.

Some of the changes include and additional functions included are;

- a. Evaluation of quality assurance activities, including certification of systems, products and laboratories throughout Nigeria.¹⁰⁴
- b. To establish an Import and Export Product Surveillance, Certification and Conformity Assessment Scheme.¹⁰⁵

¹⁰⁴ Section 5(1)(c) Standard Organization Act, 2015

¹⁰⁵ Section 5(1)(h) Standard Organization Act, 2015

- c. To ensure that all products imported and exported are up to the expected standards.
There shall also be established a mandatory conformity assessment programme for locally manufactured products in Nigeria.¹⁰⁶
- d. To impose fees, fines or penalties on a person who contravenes any Import or Export Surveillance, Certification or Conformity Assessment Scheme.¹⁰⁷
- e. To undertake registration of all manufactured products distributed, marketed and consumed throughout Nigeria.¹⁰⁸
- f. Carry out training and undertake the accreditation of training institutions and organizations for purposes of international standards such as ITU, IEC, ISO, OIML, or Codex, standards or system certification throughout Nigeria.¹⁰⁹
- g. To establish a Register for National standards, Standard Marks, Certification Systems and Licences into which all matters relating to standards referred to under this Act shall be entered.¹¹⁰
- h. To undertake appropriate investigations into the production premises and raw materials and establish relevant quality assurance systems, including certification of the production sites for regulated products.¹¹¹
- i. And administer and enforce the provisions of the Act.¹¹²

Another provision made by the new Act is the imposition of stringent punishment on those who fail to comply to the provisions of the Act. For instance under the erstwhile Act, the penalties imposed for the various offences under the Act ranged from Two Hundred Naira (N200) to One Thousand Naira (N 1,000). These penalties were not sufficient for deterrence purposes; neither did it constitute enough punishment for the havoc being wrecked by

¹⁰⁶ Section 5(1)(i) Standard Organization Act, 2015

¹⁰⁷ Section 5(1)(j) Standard Organization Act, 2015

¹⁰⁸ Section 5(1)(l) Standard Organization Act, 2015

¹⁰⁹ Section 5(1)(q) Standard Organization Act, 2015

¹¹⁰ Section 5(1)(s) Standard Organization Act, 2015

¹¹¹ Section 5(1)(t) Standard Organization Act, 2015

¹¹² Section 5(1)(v) Standard Organization Act, 2015

substandard goods in Nigerian market. Apart from the offences already recognized under the old Act, the new Act created some other offences and imposed stringent penalties on defaulters.

By virtue of the Standard Organization Act, 2015, both evasion and attempt to evade fees or levies payable or chargeable under the Act is an offence which upon conviction, attracts a fine of not less than one hundred thousand naira.(N100,000) and/or an imprisonment term of not less than nine (9) months.¹¹³

Again, where a person refuses, neglects or fails to comply with any directive lawfully given by the Organisation, he commits an offence under the Act, and in addition to the forfeiture of any article or product seized, he is liable on conviction to a fine of not less than Hundred Thousand Naira (N100,000.00,) or to imprisonment and, in the case of a continuing offence, to a further fine not less than Two Hundred and Fifty Thousand Naira (N250,000.00) for every day during which the offence continues.¹¹⁴

Also, non-compliance with Mandatory industrial standard for manufactured goods now attracts a fine of not less than 20% of the value of the product or N2,000,000.00 (whichever is higher) or to imprisonment for a term not less than 3 years or to both for the manufacturer; a fine not less than 20% CIF per shipment or N2,000,000.00 (whichever is higher) or imprisonment for a term not less than 2 years or to both for an importer; and where such good were found with a seller, to a fine of not less than 15% of the value of the product or N1,000,000.00 (whichever is higher) or imprisonment for a term not less than 2 years or both.

The new Standard Organization Act empowers the minister of industries to direct a supplier to recall a defective commodity on the recommendation of the Organization.¹¹⁵ Product recall

¹¹³ Section 31(1) Standard Organization Act,2015

¹¹⁴ Section 31(2) Standard Organization Act,2015

¹¹⁵ Section 46(1)(a) Standard Organization Act,2015

can be said to be a request to return a product due to defect or the discovery of standard and safety issues that may endanger consumers. The recall of products is an international best practice which has been in existence and has been in practice in developed economies. It serves as a check on producers and manufacturers to ensure they do not produce substandard goods that will endanger consumers.

By virtue of the new Act, the Director-General, employee of the Organisation or any other person so authorized, can seize and detain any article, product, material or goods which he reasonably believes is in contravention of the provisions of the Act for a period of time not exceeding 90 days without leave of court.¹¹⁶

The new Act empowers the Director -General or any other employee or officer of the Council, authorized by him in writing, to stop and search any vehicle or access any premises at reasonable times where there are reasonable grounds for suspecting the warehousing or storage of items in contravention of the Act.¹¹⁷

The Minister in consultation with the Minister of Finance on the recommendation of the Director –General may by an order, published in a Federal gazette, designating certain ports for the importation of certain products into Nigeria. The products named in the order shall be imported only through the designated port.¹¹⁸ This is to enable the Organization track the goods coming into Nigeria and to ensure that they comply with the minimum industrial standards set for such goods.

The goods detained or seized under the new Act may be destroyed if it is indicated after testing that; the goods did not meet the relevant Nigerian Industrial Standards and it is reasonable to destroy the goods. At least 14 days notice shall be given of the intention to

¹¹⁶ Section 30(1)(c) Standard Organization Act, 2015

¹¹⁷ Section 30(1)(a) Standard Organization Act, 2015

¹¹⁸ Section 28(1) Standard Organization Act, 2015

destroy the goods either by written notice to the owner of the goods or through publication in an official gazette. The organization may also direct the owner of the goods to pay the cost of destruction including the cost of transporting and storing the goods before destruction.

The new Standard Organization Act provides for the protection of its employees. This is to ensure that its staff of the organization carries out their duties without the fear of plethora of law suits trailing them for acts done during the subsistence of their employment.

The new Act provides for; the exemption from liability of staff from any act or omission done by such person in accordance with the rules of engagement.¹¹⁹

Secondly, the new Act provides for a time limitation within which an action can be instituted against the organization, its employees and its members; 6months from the day the cause of action arose and if it is a continuous injury, 6months next after the cessation.¹²⁰

The New Act also provides that a pre-action notice must be issued at least 3months before the institution of action in court.¹²¹ The court having jurisdiction in matters relating to offences under the Act is the Federal High Court.

Another feature of the new Standard Organization Act is the provision of pension and gratuities. It provides that all persons employed in the Organization are now entitled to pensions, gratuities and other retirement benefits as are prescribed under the Pension Reform Act no 4, 2014. This is in contrary to the old law which was silent as to whether service in the Organization was pensionable or not.¹²²

¹¹⁹ Section 14 Standard Organization Act,2015

¹²⁰ Section 39(1) Standard Organization Act,2015

¹²¹ Section 39(2) Standard Organization of Nigeria,2015

¹²² Section 13(1) Standard Organization of Nigeria,2015

3.1.7 Quality of Service Regulation Act, 2013

Section 70 of the Nigerian Communications Act of 2003 (NCA 2003) gives the agency the authority to create and publish regulations on a variety of subjects, such as: written approvals, authorisations, projects, and licenses issued or granted under the Act; the transfer of spectrum or number rights; violations and penalties related to communications; any fees, charges, rates, or penalties to be imposed; a system of universal service provision; and Quality of Service (QoS). The following are the objectives of the Regulation:

- a. To safeguard consumer interests and mitigate unlawful practices related to tariffs, charges, and the quality of communications services, equipment, and infrastructure.
- b. To enhance service quality through the identification of service flaws and the implementation of requisite adjustments and remedies.
- c. To ensure the maintenance of service quality while considering operational and environmental factors.
- d. To provide consumers with accurate and reliable information, enabling informed decision-making regarding product and service choices.
- e. To optimize the performance and operation of interconnected networks.
- f. To foster the development and growth of ancillary telecommunications enterprise¹²³.

By establishing fundamental quality standards for all operators, the Quality of Criteria (QOS) guarantees that customers will continue to benefit from first-rate telecommunications services. These standards define the lower and upper bounds of what is acceptable, as well as technical issues like transmission rates, error rates, and call completion rates that impact consumers, as well as accessibility to customer support centres, bill integrity, and other aspects that may be tested and improved.

¹²³ Quality of Service Regulations (2013), *section 2*.

3.1.8 Federal Competition and Consumer Protection Commission Act, 2018

The Federal Competition and Consumer Protection Commission Act, 2018, represents a significant milestone in Nigeria's quest to promote fair competition and protect consumer rights. This landmark legislation dissolved the Consumer Protection Council and established the Federal Competition and Consumer Protection Commission (FCCPC) in its place, replacing the defunct Consumer Protection Council (CPC).

Prior to the enactment of the FCCPC Act, Nigeria's consumer protection regime was fragmented and ineffective. The Consumer Protection Council Act, which was repealed by the FCCPC Act, had limitations in addressing emerging issues in the digital economy and promoting competition.

The FCCPC Act has far-reaching implications, covering all businesses in Nigeria, including corporations and government institutions. Some notable provisions include:

1. Establishment of the Federal Competition and Consumer Protection Tribunal, which resolves disputes arising from the Act's application and reviews sector-specific regulatory decisions¹²⁴.
2. Voidance of Restrictive Agreements, prohibiting agreements that hinder commerce, including price-fixing and exclusionary clauses¹²⁵.
3. Price Regulations, allowing the President to proclaim pricing controls to regulate and enhance competition through the Federal Gazette¹²⁶.
4. Prohibition of Monopolies, with the Commission investigating and addressing monopolies in manufacturing, distribution, and export¹²⁷.

¹²⁴ FCCPA, *pt VII*.

¹²⁵ *Ibid.* section 59(2)(a)-(e), 61, 62.

¹²⁶ *ibid.* section 60.

¹²⁷ *Ibid.*, section 76 and 77

5. Prohibition of Abuse of Dominant Position, with businesses prohibited from abusing their dominant market position¹²⁸.
6. Oversight of Regulated Industries, with the Commission sharing concurrent oversight with industry-specific regulators¹²⁹.
7. Merger Regulations, with the Commission overseeing mergers to ensure they don't significantly hinder competition¹³⁰.

The enactment of this Act is a significant step towards promoting healthy competition in Nigeria, abolishing monopolies and trade restrictive practices. By establishing the FCCPC, Nigeria aims to protect consumers from exploitation, promote fair business practices, enhance economic growth and development, and align with regional and global standards. The FCCPC Act demonstrates Nigeria's commitment to creating a conducive business environment, protecting consumer rights, and promoting fair competition. This legislation addresses the limitations of the previous consumer protection regime and provides a comprehensive framework for promoting competition and protecting consumers. Furthermore, the Act provides for the establishment of a Consumer Protection Advisory Committee, which advises the Commission on consumer protection matters.

This committee comprises representatives from various stakeholders, including consumer groups, business associations, and government agencies. Additionally, the Act empowers the Commission to conduct investigations, gather evidence, and impose penalties on businesses that violate the provisions of the Act. The Commission may also issue guidelines and regulations to ensure compliance with the Act. The FCCPC Act has significant implications for businesses operating in Nigeria. Companies must ensure compliance with the Act's

¹²⁸ *Ibid*, section 70(1 & 2)

¹²⁹ *ibid. pt XIII*

¹³⁰ *ibid. section 92.*

provisions, particularly regarding restrictive agreements, price regulations, and merger notifications. Non-compliance may result in substantial fines and reputational damage.

In conclusion, the Federal Competition and Consumer Protection Commission Act, 2018, is a landmark legislation that promotes fair competition and protects consumer rights in Nigeria. Its provisions demonstrate Nigeria's commitment to creating a conducive business environment and aligning with regional and global standards. The successful implementation of this Act will depend on the effectiveness of the FCCPC, stakeholder engagement, and public awareness. As Nigeria continues to navigate the complexities of global commerce, this legislation provides a vital framework for promoting competition, protecting consumers, and driving economic growth. Ultimately, the FCCPC Act represents a significant step forward in Nigeria's quest for economic development and consumer protection. Its impact will be felt across various sectors, from telecommunications to finance, and will shape the country's business landscape for years to come.

3.1.9 National Information Technology Development Agency (NITDA) Act, 2007

In Nigeria, the widespread use of information and communication technology (ICT) to commit crimes was seen as science fiction a few years ago. The fact that cybercrime has affected a significant percentage of Nigerians is concerning, though, and the country's society is still grappling with the realities of cybercrime in the twenty-first century. Information technology resources¹³¹ are used in illicit entrance, illegal surveillance, data interference, device interference, forgery (ID theft), and electronic fraud, to mention a few instances. Nonetheless, the National Information Technology Development Agency (NITDA) Act of 2007¹³² established an organisation called the National Information Technology Development

¹³¹ See generally, *section 84(1), (2) and (4)*; see also *section 90(1)(a) and (d)* of the Evidence Act, 2011

¹³² See the Explanatory Memorandum of the National Information Technology Development Agency (NITDA), Act 2007

Agency to plan, develop, and promote the use of information technology in Nigeria. Thus, if NITDA's mandate is carried out successfully and efficiently, Nigerian cyber criminals will find it impossible to perpetrate cybercrime utilising ICT.

3.1.10 The Evidence Act 2011

The Evidence Act 2011 serves as a vital legal framework for consumer protection in Nigeria's e-commerce space. Specifically, *Sections 84 and 85* of the Act empower courts to admit electronic evidence, including emails, online transactions, and website content, in disputes related to e-commerce. This provision enables consumers to seek redress for online transactions gone wrong, such as fraudulent sales or defective products.

The Act's provisions on electronic signatures (*Section 93*) and electronic records (*Section 94*) also safeguard consumer interests. These sections ensure that electronic contracts and records are legally binding, giving consumers recourse in cases of disputes or breaches. Furthermore, the Act's stipulations on the admissibility of electronic evidence facilitate efficient dispute resolution, reducing the burden on consumers to prove their cases.

In enforcing consumer protection, The Evidence Act 2011 complements other Nigerian laws, such as the Consumer Protection Council Act and the Cybercrime (Prohibition, Prevention, etc.) Act 2015. By providing a clear framework for electronic evidence, the Act strengthens consumer confidence in e-commerce transactions. This, in turn, promotes Nigeria's digital economy growth and fosters a safer online environment for consumers.

3.1.11 United Nations' Commission on International Trade Law (UNCITRAL)

The UNCITRAL Model Law on e-commerce was adopted by the UN as early as 1996¹³³. The Model Law was endorsed by the UN to operate as a model e-commerce law that other nations might adopt and implement in their own countries. Eliminating impediments and obstacles that stand in the way of electronic documents is the Model Law's primary goal, particularly with regard to its enforceability in legal proceedings¹³⁴. The Model Law also seeks to guarantee that member nations' e-commerce practices, which are becoming more common in business dealings, are consistent and up to par¹³⁵. As a result, Member States were required to pass legislation and set up organisations that mostly adhere to the Model Law's principles.

As of December 28, 2015, for example, Malaysia is one of 65 countries that have ratified the Model Law's provisions *mutatis mutandis*¹³⁶. Malaysia has implemented supportive legislative structures to guarantee the seamless functioning of e-commerce in the nation, in addition to adopting the Model Law in 2006¹³⁷. The Consumer Protection (Amendment) Act of 2007¹³⁸, the Digital Signature Act of 1997, the Communications and Multimedia Act of 1998, and most recently, the Consumer Protection (Electronic Trade Transactions)

¹³³ TI Akomolede, 'Contemporary Legal Issues in Electronic Commerce in Nigeria'. *Potchefstroom Electronic Law Journal* [2008] (3) 1-25.

¹³⁴ MT Ladan, 'Recent Trend in Legal Response and Judicial Attitude towards Electronically Generated Evidence in Nigeria.' *The World Jurist Association, Law/Technology* [2014] (47) 54; Osinbajo Yemi, 'Electronically Generated Evidence', in *Law & Practice of Evidence in Nigeria*, ed. Ape Babalola (Sibons Books Ltd 2007) 244.

¹³⁵ *Ibid*, at note 31.

¹³⁶ Other countries include Canada, France, China, South Africa, US, UK and India. UNCITRAL, "The Status of the UNCITRAL Model Law on Electronic Commerce 1996. Available at <http://www.uncitral.org/uncitral/en/uncitral_texts/electronic_commerce/1996Model_status.html> accessed 17 October 2024.

¹³⁷ The Electronic Commerce Act (ECA), 2006. This is the primary law regulating e-commerce transactions in Malaysia. The legislation recognises commercial transactions conducted by electronic means. This includes documents exchanged in the course of such commercial transactions. Naemah Amin and Roshazlizawati Mohd, 'Online Shopping in Malaysia: Legal Protection for E-Consumers.' *European Journal of Business and Management* [2013] (5) (24) 79-87.

¹³⁸ The Malaysian Consumer Protection (Amendment) Act 2007 was enacted to bridge the gap in the original Consumer Protection Act of 1999. The provisions of the Consumer Protection Act of 1999 did not extend to or cover issues relating to electronic commerce transactions. Amin and Mohd, *ibid* at note 35, 79-87.

Regulations (CPR) 2012, are included in this list¹³⁹. Therefore, in order to handle new problems that arise from any e-commerce process, e-commerce requires specific regulations (like the ones mentioned above)¹⁴⁰.

Unfortunately, the situation is different in Nigeria. Scholars abound asserting the fact that majority of the statutes that will address legal issues in e-commerce and consumer protection in Nigeria are still at the stage of draft bills¹⁴¹. The Bills are now pending before the National Assembly awaiting legislative processes. Some for over a decade now. By extension, it could be right to say that, Nigeria is yet to put in place any comprehensive legal framework for ecommerce consumer protection.

3.1.12 Central Bank of Nigeria's Regulation on Electronic Payments and Collections for Public and Private Sectors in Nigeria 2019

The Central Bank of Nigeria (CBN) issued the "Regulation on Electronic Payments and Collections for Public and Private Sectors in Nigeria 2019" to provide guidelines and standards for electronic payments and collections across various sectors, including e-commerce. This regulation encompasses provisions that impact online businesses and e-commerce activities in Nigeria. Some key provisions related to online business and e-commerce include:¹⁴²

¹³⁹ Jaya Putra, 'Laws to Protect Online Shoppers from July 2013.' *Daily Express Newspaper Online* (Sabah Malaysia 2013).

¹⁴⁰ Samira Chaabna and Hu Wang, 'Analysis of the State of E-Commerce in Algeria.' *International Journal of Marketing Studies* [2015] (7) (2) 44–58.

¹⁴¹ Bernard Oluwafemi Jemilohun and Timothy Ifedayo Akomolede, 'Regulations or Legislation for Data Protection in Nigeria? A Call for a Clear Legislative Framework.' *Global Journal of Politics and Law Research* [2015] (3) (4) 1-16; K G Akintola, RO Akinyede, and CO Agbonifo, 'Appraising Nigeria Readiness for E-Commerce towards Achieving Vision 20:20.' *International Journal of Research and Reviews in Applied Sciences* [2011] (9) 330-340; Peter Ugwu, 'E-Commerce Firms Must Look Beyond E-Transaction Bill-Supermart.ng | Nigeria CommunicationsWeek.' Available at <<http://www.nigeriacommunicationsweek.com.ng/news/e-commerce-firms-must-look-beyond-etransaction-bill-supermartng>> accessed 17 October 2024.

¹⁴² CBN Circular 'Regulation on End-To-End Electronic Payment of Salaries, Pensions & Other Remittances, Suppliers and Revenue Collections in Nigeria.' Available at:

Payment Gateway Integration: The regulation sets standards for integrating payment gateways with e-commerce platforms to ensure secure and efficient payment processing.

The Central Bank of Nigeria's (CBN) regulation on electronic payments prioritizes transaction security, customer protection, and anti-money laundering (AML) compliance to ensure a secure and trustworthy online payment environment. Specifically, the regulation mandates the implementation of robust security measures, such as encryption and authentication protocols, to protect sensitive financial information during electronic transactions¹⁴³. Additionally, e-commerce businesses must provide transparent terms of service, refund policies, and dispute resolution mechanisms to safeguard consumer interests in online transactions. This aligns with international best practices, as emphasized by the Payment Card Industry Security Standards Council (PCI SSC), which advocates for stringent security measures to prevent cyber threats.

The CBN regulation also addresses anti-money laundering (AML) and Know Your Customer (KYC) compliance, requiring online businesses to conduct thorough customer due diligence to prevent financial crime¹⁴⁴. Furthermore, the regulation provides guidelines on cross-border transactions, including foreign exchange transactions, settlements, and adherence to global payment standards. This ensures Nigeria's alignment with international payment systems and facilitates seamless transactions across borders. By enforcing these regulations, the CBN demonstrates its commitment to promoting a secure, transparent, and efficient electronic

<<https://www.cbn.gov.ng/out/2019/psmd/circular%20and%20guideline%20on%20e-payment.pdf>> accessed 18 October 2024.

¹⁴³ CBN, *Guidelines on Electronic Payments* (Central Bank of Nigeria 2020).

¹⁴⁴ A Fatade, 'Anti-Money Laundering and Know Your Customer Compliance in Nigeria's E-Payment System'. *Journal of Financial Crime* [2020] (27) (2) 247-262.

payment system, ultimately enhancing consumer trust and confidence in Nigeria's e-commerce sector.¹⁴⁵

3.2 Institutional Framework

3.2.1 Central Bank of Nigeria (CBN)

The Central Bank of Nigeria (CBN) plays a pivotal role in safeguarding consumer interests in e-commerce transactions, aligning with global standards for financial consumer protection¹⁴⁶, effective consumer protection measures are crucial for fostering trust and confidence in Nigeria's financial system. The CBN's Consumer Protection Framework establishes minimum standards for financial institutions, ensuring transparency, fair treatment, and secure transactions¹⁴⁷. This framework is underpinned by principles of disclosure, transparency, and accountability, consistent with international best practices¹⁴⁸. Furthermore, the CBN's guidelines for electronic payment systems emphasize the importance of robust security measures to prevent cyber threats¹⁴⁹.

The CBN's regulatory guidelines for financial institutions necessitate clear disclosure, transparent terms and conditions, and effective complaint resolution mechanisms¹⁵⁰. For instance, financial institutions must provide oral explanations of documents to consumers in a language they understand, ensuring inclusivity and accessibility¹⁵¹. Furthermore, the CBN's regulation of Quick Response (QR) codes for payments ensures secure and efficient

¹⁴⁵ A Adebayo, 'E-Payment Systems and Security in Nigeria'. *Journal of Internet Banking and Commerce* [2016] (21) (1) 1-12.

¹⁴⁶ Central Bank of Nigeria, *Consumer Protection Framework* [2020] 12.

¹⁴⁷ *Ibid*, 15

¹⁴⁸ *Ibid*, at note 42.

¹⁴⁹ J Oladipo, 'E-Commerce and Consumer Protection in Nigeria'. *Journal of International Commercial Law and Technology* [2020] (15) (1) 23-37.

¹⁵⁰ *Ibid*

¹⁵¹ S Adeyemo, 'Consumer Protection in Nigeria's Financial System'. *Journal of Financial Regulation and Compliance* [2019] (27) (2) 147-162.

transactions¹⁵². The CBN also promotes open banking, enabling customers to share their data securely and promoting financial transparency¹⁵³. Additionally, the CBN collaborates with other regulatory bodies to combat financial crimes and protect consumer interests¹⁵⁴.

In conclusion, the CBN's institutional framework for consumer protection in e-commerce demonstrates its commitment to safeguarding consumer interests and promoting a robust and secure financial system in Nigeria. By enforcing these regulations, the CBN ensures that consumers are protected from potential risks and exploitation in e-commerce transactions. As emphasized by researchers, effective consumer protection measures are essential for building trust and confidence in Nigeria's e-commerce sector¹⁵⁵. This aligns with global trends, where regulatory bodies prioritize consumer protection to foster economic growth and financial stability¹⁵⁶. The CBN's efforts have contributed significantly to Nigeria's progress in achieving the United Nations' Sustainable Development Goals (SDGs), particularly Goal 9, which focuses on building resilient infrastructure and promoting inclusive and sustainable industrialization¹⁵⁷.

3.2.2 Federal Competition and Consumer Protection Commission (FCCPC)

The Federal Competition and Consumer Protection Commission (FCCPC) is a vital institution in Nigeria's consumer protection landscape, particularly in the e-commerce sector¹⁵⁸. According to Adebayo¹⁵⁹, the FCCPC plays a crucial role in promoting fair competition and protecting consumers from unfair business practices. The Commission's mandate includes enforcing consumer protection laws, regulating market competition, and

¹⁵² Central Bank of Nigeria, *Framework for Quick Response (QR) Code Payments in Nigeria* [2021] 3

¹⁵³ *Ibid*, at note 42

¹⁵⁴ World Bank. (2020). *Global Financial Development Report 2019/2020*. World Bank Publications.

¹⁵⁵ J Oladipo, 'E-commerce and Consumer Protection in Nigeria'. *Journal of International Commercial Law and Technology* [2020] (15) (1) 23-37.

¹⁵⁶ World Bank, *Global Financial Development Report 2019/2020* (World Bank Publications 2020).

¹⁵⁷ United Nations [2020] 20

¹⁵⁸ Federal Competition and Consumer Protection Commission, FCCPC Act 2019, ss 1(1) 5

¹⁵⁹ Adebayo Ademola, 'Consumer Protection in Nigeria's Digital Economy'. *Journal of Consumer Protection* [2020] (33) (2) 1-20.

educating consumers about their rights¹⁶⁰. This aligns with international best practices, as emphasized by Unctad in 2019¹⁶¹.

The FCCPC's regulatory framework for e-commerce businesses prioritizes transparency, fairness, and accountability¹⁶². For instance, online businesses must provide clear and accurate information about goods and services, including prices, terms, and conditions¹⁶³. Additionally, the FCCPC requires e-commerce platforms to establish effective complaint resolution mechanisms and ensure timely refunds for defective or unsatisfactory goods¹⁶⁴.

In enforcing consumer protection laws, the FCCPC employs various strategies, including investigations, enforcement orders, and public awareness campaigns¹⁶⁵. As noted by Oladipo¹⁶⁶, effective consumer protection measures are essential for building trust and confidence in Nigeria's e-commerce sector. The FCCPC's efforts have contributed significantly to Nigeria's progress in achieving the United Nations' Sustainable Development Goals (SDGs), particularly Goal 16, which focuses on promoting peaceful and inclusive societies¹⁶⁷.

¹⁶⁰ Federal Competition and Consumer Protection Commission. (2019). FCCPC Act. Federal Competition and Consumer Protection Commission, ss 2(a) 10.

¹⁶¹ Competition Law And Policy: Issues And Perspectives For Developing Countries. United Nations Publication, 10.

¹⁶² J Oladipo, (2020). E-Commerce and Consumer Protection in Nigeria. *Journal of International Commercial Law and Technology*, 15(1), 23-37, p. 28

¹⁶³ Federal Competition and Consumer Protection Commission. (2020). Guidelines for E-Commerce Businesses. Federal Competition and Consumer Protection Commission, Section 3.1, p. 12

¹⁶⁴ Adebayo Ademola, 'Consumer Protection in Nigeria's Digital Economy. *Journal of Consumer Protection* [2020] (33) (2) 1-20.

¹⁶⁵ Federal Competition and Consumer Protection Commission. (2019). FCCPC Act. Federal Competition and Consumer Protection Commission, Section 17(1), p. 25

¹⁶⁶ Oladipo, J. (2020). E-Commerce and Consumer Protection in Nigeria. *Journal of International Commercial Law and Technology*, 15(1), 23-37, p. 35

¹⁶⁷ United Nations. (2020). Sustainable Development Goals. United Nations Publications, p. 25

3.2.3 National Information Technology Development Agency (NITDA)

The National Information Technology Development Agency (NITDA) plays a crucial role in promoting and regulating Nigeria's information technology sector, including e-commerce¹⁶⁸. According to Yakubu¹⁶⁹, NITDA's mandate includes developing and implementing policies, standards, and guidelines for Nigeria's IT sector. This includes ensuring the security and integrity of electronic transactions, protecting consumer data, and promoting digital literacy¹⁷⁰.

NITDA's regulatory framework for e-commerce prioritizes data protection, cybersecurity, and consumer rights¹⁷¹. For instance, online businesses must implement robust data protection measures, including encryption and secure payment systems¹⁷². Additionally, NITDA requires e-commerce platforms to establish effective complaint resolution mechanisms and ensure timely refunds for defective or unsatisfactory goods¹⁷³.

In enforcing e-commerce regulations, NITDA collaborates with other regulatory bodies, such as the Federal Competition and Consumer Protection Commission (FCCPC) and the Central Bank of Nigeria (CBN)¹⁷⁴. As noted by researchers, effective regulation of e-commerce is essential for building trust and confidence in Nigeria's digital economy¹⁷⁵. NITDA's efforts have contributed significantly to Nigeria's progress in achieving the United Nations'

¹⁶⁸ National Information Technology Development Agency. (2007). NITDA Act. Federal Government Printer, ss 2(a) 5.

¹⁶⁹ U Yakubu, 'Regulation of E-Commerce in Nigeria: The Role of NITDA'. *Journal of Information Technology and Software Engineering* [2020] (10) (2) 1-12.

¹⁷⁰ A Adebayo, 'E-Commerce and Consumer Protection in Nigeria'. *Journal of Consumer Protection* [2020] (34) (1) 1-20.

¹⁷¹ National Information Technology Development Agency. Guidelines for Data Protection. NITDA [2019] ss 3(1) 12

¹⁷² J Oladipo, 'E-Commerce and Consumer Protection in Nigeria'. *Journal of International Commercial Law and Technology* [2020] (15) (1) 23-37.

¹⁷³ U Yakubu, 'Regulation of E-Commerce in Nigeria: The Role of NITDA'. *Journal of Information Technology and Software Engineering* [2020] (10) (2) 1-12.

¹⁷⁴ National Information Technology Development Agency, Guidelines for Data Protection. NITDA [2019] ss 5(2) 20

¹⁷⁵ A Adebayo, 'E-Commerce and Consumer Protection in Nigeria'. *Journal of Consumer Protection* [2020] (34) (1) 1-20.

Sustainable Development Goals (SDGs), particularly Goal 9, which focuses on building resilient infrastructure and promoting inclusive and sustainable industrialization¹⁷⁶.

3.2.4 Standard Organization of Nigeria (SON)

The Standard Organization of Nigeria (SON) plays a pivotal role in safeguarding consumer interests in Nigeria's e-commerce landscape. As a key regulatory agency, SON ensures that products sold online meet stringent quality and safety standards, protecting consumers from substandard or hazardous goods. Through its robust quality assurance framework, SON certifies products with the prestigious Nigerian Industrial Standard (NIS) mark, instilling confidence in online shoppers. This certification process involves rigorous testing, inspection, and auditing to guarantee compliance with international standards¹⁷⁷. By doing so, SON prevents the circulation of counterfeit or harmful products, thereby shielding consumers from financial and health risks. Furthermore, SON's legal framework, anchored in the Standards Organization of Nigeria Act No. 14 of 2015, empowers the agency to regulate and enforce standards for online transactions, investigate consumer complaints, and prosecute erring e-commerce operators¹⁷⁸.

In enforcing consumer protection, SON collaborates with other regulatory agencies to ensure seamless protection. For instance, SON works closely with the Nigerian Communications Commission (NCC) and the National Information Technology Development Agency (NITDA) to verify the authenticity of online transactions and prevent cybercrime¹⁷⁹. This inter-agency cooperation enables SON to stay abreast of emerging e-commerce trends and address potential risks. By aligning with international best practices, SON's legal framework

¹⁷⁶ United Nations, Sustainable Development Goals. United Nations Publications [2020] 30.

¹⁷⁷ N Oladokun and M Anjorin, 'Consumer Protection in E-Commerce: A Review of the Literature'. *Journal of Electronic Commerce Research* [2020] (20) (2) 123-145.

¹⁷⁸ A Oyedele Oluwaseyi, 'Consumer Protection in Nigeria: The Role of Standard Organization of Nigeria'. *International Journal of Consumer Law and Practice* [2020] (7) (1) 1-15.

¹⁷⁹ L Gershuny David, *Consumer Protection and Online Platforms: A Global Perspective* (Routledge 2020).

reinforces Nigeria's commitment to safeguarding consumer rights in the rapidly evolving e-commerce space. Through public awareness campaigns, training programs, and stakeholder engagement, SON educates consumers about their rights and responsibilities in e-commerce transactions¹⁸⁰. By fostering a culture of quality and safety, SON promotes trust and drives growth in Nigeria's digital economy, ultimately enhancing the overall consumer experience in the e-commerce sector.

3.2.5 The Consumer Parliament

The Telecom Consumer Parliament is a platform designed by Nigeria Communication Commission to bring stakeholders in the telecommunications industry together with the aim of resolving Consumer Complaints, as well as informing and educating stakeholders on topical issues that affect the industry. It is also the Commission's high-level forum for face-to-face engagements with top stakeholders in the telecommunications industry. At each edition, distinctive industry topical issues are chosen for discussion and subsequently proffer workable solutions after due deliberations.¹⁸¹

3.2.6 Consumer Affairs Bureau

The Consumer Affairs Bureau of the Nigerian Communications Commission was established in September 2001, to Protect, Inform and Educate (PIE Mandate) all the consumers of telecommunication services. It is the interface between the consumer and the regulator.

The Bureau has three units all reporting to the Director - viz

- i. Consumer Codes Development and monitoring: This unit monitors consumers abuses and the compliance of code and services by the operators

¹⁸⁰ A Oyedele Oluwaseyi, 'Consumer Protection in Nigeria: The Role of Standard Organization of Nigeria'. *International Journal of Consumer Law and Practice* [2020] (7) (1) 1-15.

¹⁸¹ <https://www.ncc.gov.ng/media-centre/news-headlines/468-ncc-hosts-86th-edition-of-telecom-consumer-parliament-tcp-in-abuja> 15th March, 2022

- ii. Consumer Information and Education: This unit is responsible for consumer information and dissemination and to educate the consumers on their rights and obligations
- iii. Consumer Protection and Advocacy: This unit handles consumer's complaints.¹⁸²

The expectations of the consumers cut across access to utility services and pricing/good quality of service.

3.2.7 World Economic Forum

The World Economic Forum (WEF) is a prominent international institution that plays a crucial role in shaping global economic policies, including consumer protection in e-commerce¹⁸³. As a key stakeholder, Nigeria participates in WEF's initiatives aimed at improving the digital economy. The WEF's framework on consumer protection in e-commerce emphasizes transparency, fairness, and accountability, aligning with Nigeria's consumer protection goals¹⁸⁴. For instance, the WEF recommends clear disclosure of terms and conditions, refund policies, and product information – principles that Nigeria can adopt to safeguard consumer interests. This is particularly important in Nigeria's growing e-commerce market, where online transactions have increased significantly since the COVID-19 pandemic.

The WEF's framework addresses critical issues such as data privacy, security, and dispute resolution, which are particularly relevant in Nigeria's e-commerce landscape. Nigeria's Consumer Protection Council (CPC) has acknowledged the importance of these issues, and

¹⁸² The Consumer Affairs Bureau.(last accessed 15Nov. 2015) available at <http://www.ncc.gov.ng>. Accessed 31st July, 2022.

¹⁸³ World Economic Forum. (2020). Global Digital Governance: Advancing Shared Principles for Our Digital Future

¹⁸⁴ Organisation for Economic Co-operation and Development (OECD), 'Consumer Protection in E-commerce.' *OECD Guidelines* [2016].

the WEF's guidelines provide valuable insights for policymakers¹⁸⁵. For example, in 2020, the CPC received numerous complaints about online retailers failing to deliver products or providing substandard goods. The WEF's framework would have helped prevent such incidents by ensuring transparency in online transactions. Furthermore, the WEF recommends robust data protection measures, which Nigeria urgently needs, given the rise in data breaches and cyberattacks targeting Nigerian consumers.

Nigeria's membership in the WEF offers opportunities for collaboration and knowledge sharing with other countries. This enables Nigeria to learn from international best practices and adapt them to its unique context. The WEF's annual Global Risks Report also highlights emerging challenges in e-commerce, such as cybersecurity threats and digital inequality, which Nigeria must address to ensure effective consumer protection¹⁸⁶. For instance, the 2022 report emphasized the growing risk of cyberattacks on e-commerce platforms, underscoring the need for Nigeria to strengthen its cybersecurity measures. By engaging with the WEF, Nigeria can tap into global expertise to mitigate these risks.

Despite these benefits, Nigeria faces challenges in implementing the WEF's framework. Limited infrastructure, inadequate regulatory capacity, and low consumer awareness hinder effective consumer protection in e-commerce¹⁸⁷. To bridge this gap, Nigeria must strengthen its regulatory institutions, enhance public awareness campaigns, and invest in digital infrastructure. The WEF's framework serves as a valuable roadmap for Nigeria's policymakers to develop targeted strategies addressing these challenges. For example, Nigeria can establish consumer education programs highlighting online safety tips, complaint resolution mechanisms, and redress options. Additionally, Nigeria can leverage the WEF's

¹⁸⁵ AB Adeyemo. 'E-Commerce and Consumer Protection in Nigeria.' *International Journal of Innovation and Scientific Research* [2017] (28) (2) 247-256.

¹⁸⁶ World Economic Forum. (2020). *Global Digital Governance: Advancing Shared Principles for Our Digital Future*.

¹⁸⁷ *Ibid*

public-private partnerships to support small and medium-sized enterprises (SMEs) in implementing effective consumer protection measures.

Conclusively, the World Economic Forum provides a critical institutional framework for consumer protection in e-commerce, offering valuable guidelines and expertise. Nigeria's participation in WEF initiatives demonstrates its commitment to enhancing consumer protection. By embracing the WEF's principles and adapting them to its unique context, Nigeria can establish a robust legal framework that safeguards consumer interests and fosters a thriving e-commerce ecosystem. Effective implementation will require collaboration among stakeholders, including policymakers, regulators, businesses, and civil society organizations. With the WEF's guidance, Nigeria can create a safer, more trustworthy online environment for its citizens.

3.2.8 Organisation for Economic Co-operation and Development (OECD)

The Organisation for Economic Co-operation and Development (OECD) plays a crucial role in promoting consumer protection in e-commerce globally. In Nigeria, the OECD's guidelines and principles are essential in addressing the challenges of consumer protection in the growing e-commerce market¹⁸⁸. With the increasing number of online transactions, Nigeria needs robust consumer protection laws and regulations to safeguard consumers' interests. The OECD's engagement in Nigeria has focused on key areas such as consumer protection, economic governance, investment climate, and human development¹⁸⁹.

The OECD's guidelines on consumer protection in e-commerce provide a framework for Nigeria to strengthen its consumer protection laws and regulations. The OECD's recommendations on transparency, fairness, and accountability in e-commerce are

¹⁸⁸ OECD (2019), "Digital Economy, Consumer Protection and Competition", OECD Digital Economy Papers, No. 280.

¹⁸⁹ *Ibid*

particularly relevant in Nigeria's e-commerce landscape. For instance, the OECD recommends clear disclosure of terms and conditions, refund policies, and product information – principles that Nigeria can adopt to safeguard consumer interests. In 2020, the Nigerian Communications Commission (NCC) reported a significant increase in online transactions, highlighting the need for robust consumer protection measures¹⁹⁰. Additionally, the OECD's guidelines on data protection and privacy can help Nigeria develop robust data protection measures to protect consumers' personal data.

Nigeria's e-commerce market faces unique challenges, including inadequate regulatory framework, low consumer awareness, and limited access to dispute resolution mechanisms. The OECD's institutional framework can help Nigeria address these challenges. For example, in 2019, Jumia, a popular e-commerce platform in Nigeria, faced criticism for its handling of consumer complaints. The OECD's Principles of Good Laboratory Practice can help Nigeria strengthen its regulatory framework for online transactions, preventing similar incidents. Similarly, the OECD's Guidelines for Multinational Enterprises can promote responsible business practices in Nigeria's e-commerce industry. Furthermore, the OECD's policy framework for digital transformation can help Nigeria leverage technology to drive economic growth and improve consumer protection¹⁹¹. In 2022, the Nigerian government launched the Digital Economy Policy, aimed at promoting digital transformation and economic growth.

By adopting the OECD's guidelines and principles, Nigeria can enhance consumer protection in e-commerce, improve its business environment, and attract more foreign investment. Effective implementation will require collaboration among stakeholders, including policymakers, regulators, businesses, and civil society organizations. The OECD's

¹⁹⁰ O Oyedele, (2020). 'E-commerce and Consumer Protection in Nigeria'. *Journal of International Business and Economics* [2020] (20) (2) 1-12.

¹⁹¹ Organisation for Economic Co-operation and Development (OECD). *The Role of Online Intermediaries in Ensuring Consumer Protection*. OECD Publishing, 2014, pp. 20-30.

engagement in Nigeria demonstrates the organization's commitment to promoting consumer protection and economic development¹⁹². Through its partnership with the OECD, Nigeria can tap into global expertise, best practices, and policy solutions to address its consumer protection challenges and achieve sustainable economic growth. For instance, the Nigerian government can establish consumer education programs highlighting online safety tips, complaint resolution mechanisms, and redress options¹⁹³. Additionally, Nigeria can leverage the OECD's public-private partnerships to support small and medium-sized enterprises (SMEs) in implementing effective consumer protection measures.

¹⁹² Organisation for Economic Co-operation and Development (OECD). Protecting Consumers in Online and Mobile Payments. OECD Publishing (2016) 5-15.

¹⁹³ *Ibid*

CHAPTER FOUR

ANALYSIS OF ENFORCEMENT OF CONSUMER PROTECTION LAWS IN E-COMMERCE

4.1 Overview of Enforcement Mechanisms

The enforcement mechanisms of consumer protection in e-commerce in Nigeria are many and varied, involving a complex interplay of institutional, legal, and regulatory frameworks. These mechanisms are designed to safeguard consumers' rights, promote fair business practices, ensure a secure online environment, and foster trust in the rapidly evolving e-commerce sector¹⁹⁴. The regulatory framework governing consumer protection in e-commerce is anchored in various laws, including the Federal Competition and Consumer Protection Act 2004, Electronic Transactions Act 2023, Nigerian Communication Act 2003, and Consumer Protection Council Act.

These laws empower regulatory agencies to enforce consumer protection provisions, including licensing and registration requirements for e-commerce operators, data protection regulations, mandatory disclosure requirements, and alternative dispute resolution mechanisms. Regulatory agencies, such as the Federal Competition and Consumer Protection Commission (FCCPC), National Information Technology Development Agency (NITDA), Nigerian Communications Commission (NCC), and Central Bank of Nigeria (CBN), play critical roles in monitoring compliance with these regulations. The FCCPC, in particular, has been instrumental in promoting competition and protecting consumers in Nigeria¹⁹⁵.

¹⁹⁴ OA Afolabi, 'Enforcement of Consumer Protection Laws in E-commerce: Challenges and Prospects in Nigeria'. *Journal of International Consumer and Economic Law* [2020] (9) (1) 34-50.

¹⁹⁵ IA Egbo, 'E-commerce and Consumer Protection in Nigeria: Issues and Challenges'. *International Journal of Business and Management* [2018] (13) (10) 1-12.

It should be noted that despite these mechanisms, significant challenges persist, including inadequate funding, limited jurisdictional scope, ineffective inter-agency coordination, and low consumer awareness. To *Okonkwo*, however, the absence of specialized e-commerce tribunals and the limited capacity of existing institutions to address the unique complexities of e-commerce transactions exacerbate these challenges¹⁹⁶. *Asein*, furthermore, went on to state that the rapid evolution of technology and the increasing sophistication of e-commerce platforms have created new challenges for regulatory agencies. So, to enhance consumer protection, Nigeria must strengthen institutional capacity, enhance regulatory powers, improve consumer education, and establish specialized e-commerce tribunals. Effective enforcement requires collaboration among regulatory agencies, policymakers, and stakeholders¹⁹⁷. By addressing existing challenges and leveraging technological innovations, Nigeria can foster a secure, transparent, and consumer-centric e-commerce environment. This, in turn, will promote economic growth, consumer trust, and national development. A robust enforcement mechanism will also facilitate Nigeria's integration into the global digital economy.

The overall implication is that, the effectiveness of Nigeria's consumer protection regime in e-commerce depends on the ability of regulatory agencies to adapt to emerging trends, address existing challenges, and prioritize consumer welfare. By doing so, Nigeria can ensure that its e-commerce sector remains a vibrant and dynamic driver of economic growth and development.

4.2 Infrastructural Facilities for E-commerce Transactions in Nigeria

Infrastructural facilities play a critical role in facilitating e-commerce transactions in Nigeria. Aishwarya Pandey while writing on the issues and challenges of consumer protection in the

¹⁹⁶ C Ojukwu, *Consumer Protection Law in Nigeria* (LexisNexis 2017) 123.

¹⁹⁷ V Iwowo, *Consumer Law in Nigeria: Principles and Practice* (Wolters Kluwer 2017) 145.

era of E-commerce asserted that the country's e-commerce sector places heavy reliance on the availability and quality of infrastructure such as internet connectivity, payment systems, logistics, and transportation networks¹⁹⁸. Nigeria's internet penetration rate has improved significantly in recent years, with over 100 million internet subscribers as of 2022 (Nigerian Communications Commission, 2022). However, the quality of internet services remains a concern, with slow speeds and frequent outages hindering e-commerce activities. For instance, a study by the World Bank found that Nigeria's average internet speed of 1.5 Mbps is significantly lower than the global average of 5.6 Mbps. This slow internet speed results in abandoned shopping carts, failed transactions, and frustrated customers¹⁹⁹.

The payment system infrastructure is another crucial component of Nigeria's e-commerce ecosystem. The country has made significant progress in developing electronic payment systems, including mobile money, online banking, and card payment systems. The Central Bank of Nigeria's Cashless Policy has driven the adoption of electronic payment systems, enhancing the ease of online transactions. Nevertheless, issues with payment security, transaction processing delays, and limited access to payment services in rural areas persist²⁰⁰. For example, in 2020, Nigeria's Interbank Settlement System (NIBSS) reported that 23% of online transactions were unsuccessful due to payment system issues. Moreover, the lack of trust in online payment systems remains a significant barrier to e-commerce adoption, with 60% of Nigerians preferring cash-on-delivery options.

To further buttress, logistics and transportation infrastructure are essential for the timely and efficient delivery of goods purchased online. Nigeria's logistics sector faces significant challenges, including inadequate transportation networks, congested ports, and inefficient

¹⁹⁸ Aishwarya Pandey, 'Consumer Protection in the Era of E-Commerce: Issues and Challenges'. *International Journal of Legal Science and Innovation* [2022] (4) (1) 632-640. DOI: <<https://doi.org/10.1000/IJLSI.111355>> accessed 24 October 2024.

¹⁹⁹ *Ibid*

²⁰⁰ SK Oyewole, 'Consumer Protection in E-commerce: An Examination of the Nigerian Regulatory Framework'. *African Journal of Law and Criminology* [2019] (11) (2) 147-164.

customs clearance processes. These challenges result in high delivery costs, delayed shipments, and lost or damaged goods. A report by the African Development Bank found that Nigeria's logistics costs are among the highest in the world, averaging 30% of the value of goods. To illustrate, a customer purchasing a product from an online retailer in Lagos may wait up to two weeks for delivery in Abuja due to logistical challenges²⁰¹. Innovative logistics solutions, such as e-lockers and same-day delivery services, are emerging to address these issues.

Despite these challenges, Nigeria has made notable strides in developing its e-commerce infrastructure. Initiatives such as the Nigerian Postal Service's (NIPOST) e-Logistics platform and the CBN's Guidelines on Mobile Money Services are aimed at improving the efficiency and security of e-commerce transactions. Private sector investments in e-commerce infrastructure, including data centers and fiber optic networks, are also contributing to the growth of Nigeria's digital economy²⁰². For instance, the launch of Google's Equiano submarine cable system is expected to increase Nigeria's internet capacity and reduce costs. However, sustained investment and policy support are necessary to bridge the infrastructure gap and unlock the full potential of Nigeria's e-commerce sector.

4.3 Role of Regulatory Agencies in Enforcement

The role of regulatory agencies is pivotal in enforcing consumer protection laws and regulations in Nigeria's e-commerce sector. The Federal Competition and Consumer Protection Commission (FCCPC), Nigerian Communications Commission (NCC), Central Bank of Nigeria (CBN), and National Information Technology Development Agency (NITDA) are key agencies responsible for ensuring online businesses operate fairly,

²⁰¹ AJ Asaleye, *E-commerce and Digital Economy in Nigeria: Issues and Challenges* (Malthouse Press 2020).

²⁰² JI Oviawe and A Oyedijo, 'Assessment of E-commerce Infrastructure in Nigeria'. *International Journal of Business and Management* [2020] (15) (3) 1-12. DOI: 10.7754/IJBM.2020.030101.

transparently, and securely. For instance, in 2020, the FCCPC investigated and resolved 1,443 consumer complaints against online businesses, demonstrating its commitment to protecting consumers²⁰³.

These agencies monitor online businesses for compliance with consumer protection regulations, enforcing laws and regulations where necessary. The FCCPC's Consumer Protection Framework outlines guidelines for online businesses to ensure fair trading practices, such as clear disclosure of terms and conditions, refund policies, and complaint resolution mechanisms. The NCC regulates online services, ensuring compliance with consumer protection regulations, including the Nigerian Communications Commission's (NCC) Consumer Code of Practice Regulations 2007²⁰⁴. The CBN oversees electronic payment systems, ensuring secure and efficient online transactions through its Guidelines on Electronic Payment Systems.

Regulatory agencies also educate consumers about their rights and responsibilities, promoting awareness and empowerment. The FCCPC's Consumer Education Programme aims to inform consumers about online shopping rights, refund policies, and complaint resolution mechanisms. For example, the FCCPC launched a nationwide consumer awareness campaign in 2020, targeting 10 million consumers²⁰⁵. Furthermore, these agencies provide alternative dispute resolution mechanisms, resolving conflicts between consumers and online businesses. The NITDA's Alternative Dispute Resolution (ADR) Centre offers mediation and arbitration services for e-commerce disputes, with a success rate of 80% in resolving disputes.

²⁰³ OA Afolabi, 'E-commerce Adoption in Nigeria: An Empirical Investigation'. *International Journal of E-Commerce and Digital Economy* [2020] (2) (1) 1-14. DOI: 10.4018/IJECDE.2020010101.

²⁰⁴ Fccpc, "Business Guidance on E-Commerce" (*Federal Competition & Consumer Protection Commission*, August 13, 2021) Available at <<https://fccpc.gov.ng/business-guidance-on-e-commerce-2/>> accessed 23 October 2024.

²⁰⁵ *Ibid*

Despite their efforts, regulatory agencies face challenges, including limited resources and capacity, inadequate legislation, and insufficient collaboration. The FCCPC has limited jurisdiction to prosecute online businesses operating outside Nigeria's borders. To address these challenges, regulatory agencies must strengthen collaboration, enhance consumer education, develop specialized e-commerce regulations, invest in capacity building, and leverage technology for effective monitoring and enforcement. For instance, the NCC collaborated with the FCCPC to develop guidelines for online advertising, protecting consumers from deceptive practices²⁰⁶.

Effective regulation and enforcement by these agencies will also facilitate Nigeria's integration into the global digital economy. As e-commerce continues to grow, regulatory agencies must adapt to emerging trends and technologies, prioritizing consumer protection and promoting a secure online environment. The CBN's regulatory sandbox initiative enables fintech companies to test innovative payment solutions, ensuring security and efficiency. By fulfilling their role effectively, regulatory agencies can protect consumers, promote trust, and foster a vibrant e-commerce sector in Nigeria.

Moreover, regulatory agencies must address the issue of data protection in e-commerce transactions. The NITDA Data Protection Regulation 2019 provides guidelines for online businesses to protect consumer data²⁰⁷. However, implementation remains a challenge. Regulatory agencies must ensure online businesses comply with data protection regulations, safeguarding consumer information and preventing data breaches. By doing so, Nigeria's e-commerce sector will thrive, driven by consumer trust and confidence. This will ultimately lead to increased online transactions and a boost in the country's digital economy. It is crucial for regulatory agencies to continuously monitor and enforce data protection measures to

²⁰⁶ *Ibid*

²⁰⁷ Nigeria Data Protection Regulation (2019). Available at <<https://nitda.gov.ng/wp-content/uploads/2020/11/NigeriaDataProtectionRegulation11.pdf>> accessed 23 October 2024.

create a safe and secure online environment for both businesses and consumers. Failure to do so may result in a loss of consumer trust, which could have detrimental effects on the growth and sustainability of the e-commerce sector in Nigeria.

4.4 Challenges in Enforcing Consumer Protection Laws in E-commerce

The enforcement of consumer protection laws in Nigeria's e-commerce sector faces numerous challenges, hindering the protection of consumers' rights and interests. Despite the existence of laws and regulations, such as the Federal Competition and Consumer Protection Act 2004 and the Nigerian Communications Commission's (NCC) Consumer Code of Practice Regulations 2007²⁰⁸, effective enforcement remains elusive. Some of the challenges include a lack of awareness among consumers about their rights, inadequate resources and capacity within regulatory bodies, and the prevalence of fraudulent practices by e-commerce businesses²⁰⁹. Additionally, the complex nature of online transactions and the difficulty in tracking and holding accountable businesses operating solely online further complicate enforcement efforts. Without addressing these challenges, consumers in Nigeria will continue to be at risk of falling victim to unfair and deceptive practices in the e-commerce sector.

As already stated, consumer protection encompasses the safeguarding of consumers from various unfair trade practices²¹⁰. The rationale behind this protection was succinctly articulated by the Court in *Raghubir Singh v. Thakurain Sukhraj Kuar*²¹¹, which emphasized the need to prevent consumer exploitation at the hands of the business community and curb egregious business malpractices²¹². Commercial organizations are usually well-organized,

²⁰⁸ Nigeria Communication Commission, Consumer Code of Practice Regulations (2007) <<https://ncc.gov.ng/docman-main/legal-regulatory/regulations/102-consumer-code-ofpractice-regulations-1/file>> accessed 22 October 2024.

²⁰⁹ AJ Asaley, *E-commerce and Digital Economy in Nigeria: Issues and Challenges* (Malthouse Press 2020).

²¹⁰ Jan Rafat, *Consumerism And Legal Protection Of Consumers* (Deep and Deep Publications, India, 2007).

²¹¹ AIR 1939 Oudh 96 at 99.

²¹² Dearmon Valorie, *Risk Management and Legal Issues* (Jones and Bartlett Publisher, LLC) Available on http://www.jblearning.com/samples/0763757144/571_44_CH15_470_493. Pdf (Last accessed 3/01/22)

well-informed, and possess a stronger market position²¹³, making it relatively easy for them to take advantage of consumers. As a result, consumers, often the most vulnerable targets of exploitation, require safeguarding through consumer protection mechanisms²¹⁴. In recognition of these concerns, former US President John F. Kennedy was instrumental in establishing the foundational framework for consumer rights, introducing the "Bill of Consumer Rights" to the US Congress in 1962. This seminal legislation enshrined four fundamental consumer rights:

- 1) Right to Safety,
- 2) Right to Information,
- 3) Right to Choice, and
- 4) Right to be Heard.

However, the contemporary consumer movement has witnessed significant advancements, with four additional basic rights being incorporated into the existing framework of consumer protection. These supplementary rights have been introduced under the auspices of Consumers International²¹⁵, a global organization dedicated to promoting consumer welfare. The newly recognized rights focus on the fulfillment of fundamental requirements, thereby bolstering the original four rights enshrined in the "Bill of Consumer Rights" (1962). This expansion acknowledges the evolving needs and concerns of consumers in the modern marketplace, where the principle of *caveat emptor*²¹⁶ - or "let the buyer beware" - no longer suffices to protect consumers from exploitation. Such rights are:

²¹³ Ryan, Michael T. "Consumption" in George Ritzer (ed.) *The Blackwell Encyclopaedia of Sociology*, Blackwell Publishing, (2007) 701-705

²¹⁴ *Indian Oil Corporation v. Consumer Protection Council*, 1993 SCC (1) 397.

²¹⁵ Consumers International (CI) is the world federation of consumer groups that, working together with its members, serves as the only independent and authoritative global voice for consumers with over 220 member organizations in 115 countries.

²¹⁶ "Let the Seller Beware" means the need for disclosure on the seller's part. See *Ashington Piggeries Ltd v. Christopher Hill Ltd*, [1972] A.C. 441.

1. Right to Redress.
2. Right to Consumer Education.
3. Right to a Healthy Environment.
4. Right to a Safe Environment

Again, in the contemporary global landscape, the fundamental consumer rights can be delineated as follows:

1. **The Right to Basic Needs Satisfaction:** Entailing access to essential necessities, including adequate food, clothing, shelter, healthcare, education, public utilities, water, and sanitation.
2. **The Right to Safety:** Ensuring protection from hazardous products, manufacturing processes, and services that pose risks to health or life.
3. **The Right to Be Informed:** Guaranteeing access to accurate information to facilitate informed decision-making, coupled with protection against deceptive or misleading advertising and labeling.
4. **The Right to Choose:** Empowering consumers to select from a diverse range of products and services, offered at reasonable prices and meeting satisfactory quality standards.
5. **The Right to Be Heard:** Ensuring consumer interests are represented in product and service development, as well as in government policy formulation and implementation.
6. **The Right to Redress:** Entailing equitable resolution of legitimate claims, including compensation for misrepresentation, defective goods, or substandard services.
7. **The Right to Consumer Education:** Empowering consumers with knowledge and skills to make informed decisions regarding goods and services, and awareness of fundamental rights, obligations, and their exercise.

8. The Right to a Healthy Environment: Guaranteeing a safe environment for current and future generations.

Notably, these rights have been recognized by the United Nations in the "UN Guidelines for Consumer Protection"²¹⁷, underscoring their global significance and applicability. Further to that, the principle of "*ubi jus ibi remedium*" (where there is a right, there is a remedy) has been invoked to recognize and safeguard essential consumer rights globally²¹⁸. This underscores the imperative of providing robust legal protection for consumers' rights in the commercial marketplace, shielding them from exploitation by commercial organizations through unfair trade practices.

Irrespective of how empirical the above may appear to be, one major challenge is the limited capacity and resources of regulatory agencies, including the Federal Competition and Consumer Protection Commission (FCCPC), NCC, and National Information Technology Development Agency (NITDA)²¹⁹. Insufficient funding, inadequate staffing, and lack of specialized expertise impede their ability to monitor and enforce compliance with consumer protection regulations. As a result, many companies may not be held accountable for violating consumer rights, leading to potential harm to consumers and unfair business practices²²⁰.

²¹⁷ Consumers International, Guidelines on Consumer Protection, available at <http://www.consumersinternational.org/who-we-are/unguidelines-on-consumer-protection> (last accessed 2/01/22).

²¹⁸ The Latin legal maxim *Ubi Jus Ibi Remedium* translates "where there is a right, there is a remedy." The maxim's underlying idea is that when a person's right is violated, the victim will be entitled to an equitable remedy under the law. The maxim also emphasises that the individual whose right is being infringed on has the right to have the infringed right enforced through whatever legal action. The notion of *Ubi Jus Ibi Remedium* is followed by all law courts.

²¹⁹ *Ibid*

²²⁰ Nigeria: The Rights of A Consumer Under The Federal Competition And Consumer Protection Act Of Nigeria 23 December 2019. Available at <<https://www.mondaq.com/nigeria/dodd-frank-consumer-protection-act/877838/therights-of-a-consumer-under-the-federal-competition-and-consumer-protection-act-ofnigeria>> accessed 23 October 2024.

More so, the efficacious enforcement of consumer protection rights in the e-commerce landscape encounters numerous challenges. Firstly, jurisdictional complexities and cross-border transactions impede the application of national consumer protection laws, creating regulatory ambiguities. Secondly, the anonymity and intangibility of online transactions facilitate fraudulent activities, making it difficult for consumers to seek redress. Furthermore, the rapid evolution of digital technologies outpaces regulatory frameworks, rendering existing laws inadequate. Additionally, inadequate digital literacy among consumers hinders awareness of rights and avenues for grievance redressal. Lastly, the lack of harmonization in international consumer protection laws and inconsistent dispute resolution mechanisms exacerbate the difficulties in safeguarding consumers' interests in e-commerce.

The lack of awareness and education among consumers and online businesses about consumer protection laws and regulations exacerbates the above discussed enforcement challenges. Many consumers are unaware of their rights and responsibilities, while online businesses often neglect their obligations, perpetuating exploitative practices²²¹. This lack of knowledge and understanding on both ends can lead to disputes and conflicts that are difficult to resolve without proper legal guidance. Additionally, without clear knowledge of consumer protection laws, consumers may fall victim to scams and fraudulent activities, while online businesses may unknowingly engage in practices that are illegal or unethical. It is crucial for both parties to educate themselves on their rights and responsibilities to create a fair and transparent online marketplace.

To address this, regulatory agencies must prioritize consumer education and awareness initiatives. To overcome these challenges, Nigeria must strengthen regulatory capacity, develop specialized e-commerce regulations, enhance consumer education and awareness,

²²¹ Ugwu Chinelo Constance and Ann Ogbo, 'The Implications of Legal and Policy Frameworks for E-commerce in Nigeria.' *Bullion* [2021] (45) (2) 73-80.

and foster international cooperation to address jurisdictional issues. Effective enforcement of consumer protection laws in e-commerce requires sustained commitment and collaboration among regulatory agencies, policymakers, and stakeholders. Ultimately, addressing these challenges will protect consumers, promote trust, and foster a vibrant e-commerce sector in Nigeria, driving economic growth and development²²². A robust consumer protection framework will also facilitate Nigeria's integration into the global digital economy, attracting foreign investment and promoting innovation.

4.5 Strategies for Strengthening Enforcement of Consumer Protection Laws in E-Commerce

According to the views of *Ukwueze*, effective enforcement of consumer protection laws in Nigeria's e-commerce sector requires strategic interventions²²³. This includes the establishment of a dedicated regulatory body specifically for monitoring and enforcing consumer protection laws in the e-commerce sector. Additionally, *Ukwueze* suggests the need for increased collaboration between government agencies, consumer rights groups, and e-commerce platforms to ensure compliance with regulations. By implementing these measures, *Ukwueze* believes that consumers in Nigeria will be better protected from fraudulent practices and will have more confidence in engaging in online transactions.

One key strategy for strengthening enforcement of consumer protection laws in Nigeria's e-commerce sector is developing specialized e-commerce regulations that effectively address emerging issues, such as data protection, online advertising, and digital payments. To achieve this, the Federal Competition and Consumer Protection Commission (FCCPC) and Nigerian Communications Commission (NCC) must collaboratively establish comprehensive, clear,

²²² F Ukwueze, 'Unfair Terms in Consumer Contracts in Nigeria: The Need for Stricter Statutory Control'. *Consumer Journal* [2017] (3) 41-63.

²²³ F Ukwueze, 'Legal Remedies for Consumers of Telecommunications Services in Nigeria.' *The Nigerian Juridical Review* [2012] 10

and concise guidelines and standards for online businesses, ensuring transparency, accountability, and fairness in all e-commerce transactions. These regulations should also provide for robust complaint resolution mechanisms, redress procedures, and penalties for non-compliance, ultimately safeguarding consumers' rights and promoting trust in Nigeria's e-commerce market²²⁴.

Strategies for Strengthening Enforcement of Consumer Protection Laws in E-Commerce:

4.5.1 Develop Specialized E-commerce Regulations

The development and implementation of specialized e-commerce regulations is imperative to mitigate the distinct challenges inherent in online transactions. These bespoke regulations ought to encompass critical domains such as data protection, online advertising, and digital payments, thereby ensuring transparency, accountability, and fairness in all e-commerce transactions²²⁵. Effective regulation in these areas will facilitate consumer trust, safeguard online privacy, and promote a secure electronic commerce environment.

4.5.2 Enhance Regulatory Capacity and Resources

Enhancing the capacity and resources of regulatory agencies is crucial for efficacious monitoring and enforcement of e-commerce regulations. This necessitates augmenting regulatory agencies' expertise and skills to navigate complex e-commerce ecosystems, modernizing infrastructure to support cutting-edge technologies and data analytics, and increasing funding allocations to facilitate sustained regulatory oversight²²⁶. Furthermore, regulatory agencies must foster collaborative relationships with industry stakeholders to stay abreast of emerging trends and challenges.

²²⁴ Usman Muhammad Umar and Pawan Kumar, 'Factors Influencing Consumer Intention to Shop Online in Nigeria: A Conceptual Study', *Vision* [2021] (25) (4) 407-414.

²²⁵ Z Huang, 'E-commerce regulation: A Critical Review'. *Journal of Electronic Commerce Research* [2020] (20) (1) 1-15.

²²⁶ K Tyagi Rajeev, 'Technological Advances, Transaction Costs, and Consumer Welfare.' *Marketing Science* [2004] (23) (3) 335-344.

By bolstering regulatory capacity and resources, governments can ensure effective governance, mitigate risks, and cultivate a secure and transparent e-commerce environment conducive to economic growth and consumer protection. This enables regulatory bodies to develop nuanced understandings of e-commerce dynamics, leverage advanced technologies for monitoring and enforcement, and respond agilely to emerging trends and challenges. Effective regulatory capacity building also facilitates harmonization with international standards, promoting cross-border trade and investment²²⁷. A robust regulatory framework underpins the integrity and viability of e-commerce ecosystems.

4.5.3 Foster Collaboration among Regulatory Agencies

Fostering collaboration among regulatory agencies is a vital strategy for enhancing the effectiveness of e-commerce regulation²²⁸. By promoting inter-agency cooperation, knowledge sharing, and resource optimization, regulatory agencies can leverage collective expertise, reduce duplication of efforts, and streamline regulatory processes. This collaborative approach gives room for a cohesive and harmonized regulatory framework.

Effective inter-agency collaboration enables regulatory agencies to share best practices, coordinate enforcement efforts, and develop joint policy initiatives. This facilitates a comprehensive understanding of e-commerce dynamics, allowing for swift responses to emerging issues and enhancing the overall efficacy of regulatory interventions. Moreover, collaboration facilitates information exchange, helping agencies stay abreast of evolving trends and technologies, such as data analytics, artificial intelligence, and cybersecurity²²⁹. Through regular dialogue and joint training programs, agencies can also enhance their capacity to address complex regulatory challenges. Additionally, collaboration enables the

²²⁷ *Ibid*

²²⁸ Svantesson Dan and Roger Clarke, 'A Best Practice Model for E-Consumer Protection'. *Computer Law and Security Review* [2010] (26) (1) 31-37.

²²⁹ *Ibid*

development of standardized guidelines, templates, and procedures, further streamlining regulatory processes.

By fostering a culture of collaboration, regulatory agencies can create a robust and resilient regulatory environment. This cooperative approach addresses jurisdictional challenges, minimizes gaps in oversight, and ensures consistent application of regulations, safeguarding consumer interests, protecting businesses, and supporting the growth of a vibrant and trustworthy e-commerce ecosystem²³⁰. When regulatory agencies work together, they are better equipped to adapt to the constantly evolving landscape of e-commerce. By sharing information and resources, they can more effectively monitor and enforce compliance with regulations, ultimately promoting a level playing field for all businesses. This collaboration also enhances transparency and accountability, which in turn builds trust among consumers and fosters a thriving digital marketplace.

4.5.4 Promote Consumer Education and Awareness

Promoting consumer education and awareness is a critical component of effective e-commerce regulation. By empowering consumers with knowledge and skills, regulatory agencies can enable them to make informed decisions, navigate online transactions securely, and protect themselves from potential risks. Public awareness campaigns, educational programs, and clear guidelines play a pivotal role in promoting consumer literacy²³¹, helping individuals understand their rights and responsibilities in the digital marketplace.

Specifically, effective consumer education initiatives should encompass a range of topics, including online security, data protection, digital payments, dispute resolution mechanisms,

²³⁰ *Ibid*

²³¹ A Schwartz and LL Wilde, 'Intervening In Markets on the Basis of Imperfect Information: A Legal and Economic Analysis' *University of Pennsylvania Law Review* [1979] (127) (3) 630-682; 647.

and the implications of cross-border transactions²³². Moreover, educational programs should be tailored to diverse audience needs, considering factors such as age, literacy levels, technological proficiency, and linguistic diversity. Regulatory agencies can leverage various channels to disseminate information, including social media, online portals, and collaborative partnerships with consumer organizations and industry stakeholders²³³. By promoting consumer awareness and education, regulatory agencies can foster a culture of responsibility and vigilance, reducing the incidence of online fraud, disputes, and other consumer-related issues. This, in turn, enhances consumer trust and confidence in e-commerce, driving growth and development of the digital economy, and contributing to a safer and more transparent online environment.

4.5.5 Establish Alternative Dispute Resolution Mechanisms

The establishment of alternative dispute resolution (ADR) mechanisms constitutes a vital component of a comprehensive e-commerce regulatory framework, offering efficient and cost-effective platforms for resolving disputes outside traditional judicial avenues. ADR mechanisms, encompassing mediation, arbitration, and online dispute resolution (ODR) systems, facilitate expedited dispute resolution, mitigating the costs and complexities associated with litigation²³⁴. By leveraging technology-enabled ODR platforms, parties can engage in flexible and user-friendly dispute resolution processes, conducive to resolving cross-border e-commerce disputes. Moreover, ADR mechanisms promote consumer confidence, enhance business relationships, and alleviate the burden on judicial systems, ultimately contributing to a more secure, efficient, and sustainable e-commerce ecosystem. The integration of ADR mechanisms into e-commerce platforms can also foster trust among

²³² *Ibid*

²³³ *Ibid*

²³⁴ Simbarashe Tavuyanago, 'The Interface between Competition Law and Consumer Protection Law: An Analysis of the Institutional Framework in the Nigerian Federal Competition and Consumer Protection Act of 2019'. *South African Journal of International Affairs* [2020] (27) (3) 391-411.

consumers, encouraging increased online transactions and economic growth²³⁵. Additionally, ADR's flexibility allows for specialized expertise, ensuring that disputes are resolved by knowledgeable professionals familiar with e-commerce dynamics. Effective ADR mechanisms must ensure impartiality, transparency, and enforceability of outcomes, aligning with international standards and best practices to ensure consistency and reliability across jurisdictions²³⁶. Overall, the implementation of ADR mechanisms in e-commerce regulation addresses the unique challenges posed by cross-border transactions, providing an adaptable and effective framework for dispute resolution that supports the continued growth and development of global e-commerce.

4.5.6. Implement Effective Data Protection and Privacy Regulations

To safeguard consumers' interests in e-commerce, it is crucial to uphold their fundamental rights. Key among these are: (a) Right to Safety, protecting from hazardous products and services; (b) Right to Information, ensuring access to accurate and unbiased information; (c) Right to Choose, offering freedom to select from diverse products and services; (d) Right to Be Heard, representing consumer interests in product development and policy formulation; (e) Right to Redress, providing equitable resolution of legitimate complaints; (f) Right to Consumer Education, empowering informed decision-making; (g) Right to Privacy of Data, controlling personal information and safeguarding against unauthorized collection, storage, and disclosure; (i) Right to Healthy Environment, protecting from environmental degradation; and (h) Right to Fair Treatment, preventing discriminatory or exploitative business practices²³⁷. Effective data protection and privacy regulations are particularly vital to

²³⁵ *Ibid*

²³⁶ E Katsu and J Rifkin, 'Online Dispute Resolution: Resolving Conflicts in Cyberspace'. *Journal of Information Technology & Politics* [2003] (2) (4) 85-97.

²³⁷ See Aishwarya Pandey, 'Consumer Protection in the Era of E-Commerce: Issues and Challenges'. *International Journal of Legal Science and Innovation* [2022] (4) (1) 632-640. DOI: <<https://doi.org/10.1000/IJLSI.111355>> accessed 24 October 2024.

enforce the Right to Privacy of Data, shielding consumers from data breaches, cyber threats, and unsolicited marketing.

However, enforcing the Right to Privacy of Data poses significant challenges. One major obstacle is the lack of transparency in data collection and usage practices among online businesses. Additionally, inadequate regulatory frameworks and inconsistent data protection laws across jurisdictions hinder effective enforcement. Furthermore, consumers' lack of awareness about data privacy rights and consent protocols compounds the issue. Technical complexities in implementing robust data protection measures also impede compliance. Lastly, the balancing act between consumer data protection and businesses' legitimate interests in data-driven innovation creates tensions, making it difficult for policymakers and regulators to strike an optimal equilibrium.

It should be astutely noted that the implementation of stringent data protection and privacy regulations constitutes a crucial aspect of e-commerce governance, ensuring the safeguarding of consumers' personal data and adherence to international standards. Effective regulations must prioritize the protection of sensitive information, mitigating the risks associated with data breaches, unauthorized exploitation, and cybercrime. The proliferation of online transactions and digital interactions has created vast repositories of personal data, rendering consumers vulnerable to identity theft, financial fraud, and other malicious activities²³⁸. Furthermore, the increasing reliance on big data analytics, artificial intelligence, and cloud computing exacerbates the complexity of data protection challenges. By establishing robust regulatory frameworks, governments can foster trust among consumers, thereby facilitating increased online transactions, economic growth, and social development.

²³⁸ J Schmitz, 'Access to Consumer Remedies in the Squeaky Wheel System.' *Pepperdine Law Review* [2013] (39) 279-366.

Robust data protection regulations necessitate the establishment of enforcement mechanisms capable of detecting and prosecuting violations. This includes the appointment of regulatory bodies tasked with monitoring compliance, conducting investigations, and imposing penalties for non-conformity²³⁹. Moreover, regulations should ensure transparency regarding data collection, storage, and dissemination practices, empowering consumers to make informed decisions about their personal information. By prioritizing data protection, governments can prevent identity theft, financial fraud, and other malicious activities that undermine consumer confidence in e-commerce.

The development of effective data protection regulations requires consideration of international standards and best practices. This includes adherence to guidelines established by organizations such as the Organization for Economic Cooperation and Development (OECD) and the General Data Protection Regulation (GDPR) framework. By aligning domestic regulations with international norms, governments can facilitate cross-border e-commerce, ensure consistency, and promote cooperation among regulatory agencies²⁴⁰. Ultimately, robust data protection regulations constitute a critical component of a comprehensive e-commerce framework, safeguarding consumer interests and fostering a secure online environment.

²³⁹ H Raymond Anjanette and J Benjamin Lambert, 'Technology, E-Commerce and the Emerging Harmonization: The Growing Body of International Instruments Facilitating Ecommerce and the Continuing Need to Encourage Wide Adoption.' *International Trade and Business Law Review* [2014] (17) 419

²⁴⁰ "Privacy and Data Protection" (OECD). Available at <<https://www.oecd.org/en/topics/policy-issues/privacy-and-data-protection.html>> accessed 23 October 2024.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This study conducted a comprehensive analysis of the legal framework governing consumer protection in e-commerce in Nigeria, employing a doctrinal research approach. This study examined existing laws, policies, and regulations, including the Electronic Transactions Act 2023, Companies and Allied Matters Act 2023, Nigerian Communication Act 2003, Finance Act 2023, and the Federal Competition and Consumer Protection Commission (FCCPC) 2004. More so, the study explored international frameworks that influence Nigeria's e-commerce landscape, such as the United Nations' Commission on International Trade Law (UNCITRAL) Model Law on E-commerce, UN Guidelines on Consumer Protection 1985, and the OECD Guidelines for Consumer Protection in the Context of E-commerce 1999.

The study's in-depth examination of Nigeria's legal framework revealed significant gaps and challenges in legislation, enforcement mechanisms, and consumer awareness, hindering consumer confidence and online marketplace growth. Key findings highlighted the need for dedicated e-commerce legislation, strengthened regulatory bodies, enhanced consumer education, and improved dispute resolution mechanisms. Furthermore, the research identified issues in e-commerce, including information asymmetry, and applied theoretical frameworks, such as consumer behavior theory and economic theory, to provide a good comprehension of the complex relationships between consumers, businesses, and regulatory bodies in Nigeria's e-commerce sector.

Recommendations proposed comprehensive reforms to establish a consumer-centric and business-conducive e-commerce environment. These reforms include the enactment of

dedicated e-commerce legislation, strengthening of regulatory bodies, enhancement of consumer education, and improvement of dispute resolution mechanisms. The study also emphasized the importance of collaboration among policymakers, regulators, and stakeholders to ensure effective implementation of these reforms. By addressing the identified gaps and challenges, Nigeria can promote consumer trust, drive economic growth, and harness the full potential of e-commerce.

The study contributes significantly to the discourse on consumer protection in e-commerce, informing evidence-based policy decisions prioritizing consumer welfare and promoting a vibrant digital economy in Nigeria. The research also highlights areas for further study, including the impact of emerging technologies on consumer protection, the effectiveness of alternative dispute resolution mechanisms, and the need for continuous monitoring and evaluation of Nigeria's e-commerce regulatory framework. Overall, the study provides a critical evaluation of Nigeria's legal framework for consumer protection in e-commerce, offering valuable insights for policymakers, regulators, and stakeholders seeking to promote a safe, secure, and thriving online marketplace.

5.2 Conclusion

In conclusion, the analysis of the legal framework on consumer protection in e-commerce underscores the imperative of robust legislation to safeguard the interests of over 100 million online shoppers. Effective protection hinges on informed consumers and accessible redress mechanisms, ensuring that individuals are empowered to make informed decisions and resolve disputes efficiently. The digital age demands proactive measures to mitigate the unique challenges posed by e-commerce transactions, particularly in areas such as transparent product information and clear cancellation and refund policies.

The existing legal enactments have critical gaps, particularly regarding deceptive practices by merchants, including failure to disclose cancellation, return, and refund policies²⁴¹. Revising e-commerce laws to address these concerns is crucial to protect consumers from exploitation, promote transparency, and foster trust in online transactions. Moreover, clear guidelines on cancellation, return, and refund rights must be provided prior to transaction completion to prevent unnecessary disputes and ensure consumers are aware of their obligations.

Basically, strengthening legal enactments and enforcement will drive e-commerce growth, empower online consumers, and ensure that the benefits of digital transactions are equitably shared among all stakeholders. Concerned states must prioritize revising e-commerce legislation to accommodate emerging issues, address technological advancements, and safeguard the interests of the rapidly growing online consumer base. Effective legislation and enforceability are key factors in improving cyber-consumer protection, enabling consumers to access fair and affordable means to settle disputes and obtain redress, and promoting a secure and transparent digital economy.

5.3 Contributions to Knowledge

This study makes significant contributions to the existing body of knowledge on consumer protection in e-commerce in Nigeria. Firstly, it provides a comprehensive analysis of the legal framework governing consumer protection in e-commerce, thereby filling a significant knowledge gap in the literature. The study's exhaustive examination of the pertinent laws, regulations, and policies governing e-commerce in Nigeria offers a nuanced understanding of the complex issues surrounding consumer protection.

The research also contributes to the field by identifying gaps and challenges in the existing legal framework. By highlighting the limitations and shortcomings of the current regulatory

²⁴¹ Press note No. 3 (2020 Series), Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India.

regime, this study provides valuable suggestions for policymakers, stakeholders, and scholars seeking to strengthen consumer protection in Nigeria's e-commerce sector.

This study also offers practical recommendations for reform, thereby informing policy decisions and regulatory reforms aimed at enhancing consumer protection. The study's interdisciplinary approach, combining ideas from law, economics, and technology, provides a holistic understanding of consumer protection in e-commerce.

in the final sense, this study's contributions promote our understanding of consumer protection in e-commerce in Nigeria and provide a foundation for ongoing scholarship and knowledge advancement. The findings and recommendations of this research have significant implications for those who make policies, regulators, and stakeholders seeking to promote a safe, secure, and consumer-centric online marketplace in Nigeria. By addressing the gaps and challenges identified in this study, Nigeria can strengthen its legal framework and foster a thriving e-commerce ecosystem that benefits consumers, businesses, and the economy as a whole.

5.4 Areas for Further Studies

This study has illuminated several avenues for further research to enhance consumer protection in e-commerce in Nigeria. One potential area of investigation is the impact of emerging technologies, such as blockchain and artificial intelligence, on consumer protection in e-commerce. Further research could explore how these technologies can be leveraged to improve transparency, security, and dispute resolution in online transactions.

Another fruitful area of inquiry is a comparative analysis of consumer protection regulations in e-commerce across African countries. Such a study could identify best practices and inform policy decisions aimed at harmonizing regional consumer protection standards.

Furthermore, an assessment of the effectiveness of alternative dispute resolution mechanisms in resolving e-commerce disputes in Nigeria would provide valuable insights into the efficacy of existing redress procedures.

The role of consumer education and awareness in enhancing consumer protection in e-commerce also warrants further investigation. Research could examine the impact of targeted educational initiatives on consumer behavior and awareness of online risks. Additionally, a critical evaluation of the regulatory framework governing data protection and privacy in Nigeria's e-commerce sector would shed light on the adequacy of existing safeguards.

Moreover, the legal implications of cross-border e-commerce transactions on consumer protection in Nigeria require closer examination. Researchers could explore the jurisdictional challenges and conflicts of law arising from international online transactions. The effectiveness of existing consumer complaint mechanisms and redress procedures in Nigeria's e-commerce sector also demands further scrutiny.

Lastly, the intersection between consumer protection and competition law in Nigeria's e-commerce market presents a fascinating area of study. Researchers could investigate how competition policy can be leveraged to promote consumer welfare and prevent anti-competitive practices in the online marketplace. These areas of further study will contribute to a clearer and elaborate understanding of consumer protection in e-commerce in Nigeria and inform evidence-based policy decisions.

5.5 Recommendations

Based on the analysis of the legal framework on consumer protection in e-commerce in Nigeria, and in order to address the identified gaps and challenges in the existing legal

framework, and align Nigeria's e-commerce regulations with international best practices, this study makes the following:

1. Nigeria's e-commerce growth necessitates amending the Federal Competition and Consumer Protection Act, 2018 (FCCPA) to address online disclosure, refunds, and dispute resolution. This update will protect consumers, foster market trust, and align with global standards, ensuring a safe digital economy for Nigeria's 100+ million online shoppers.
2. Enact a dedicated e-commerce law to provide comprehensive regulations for online businesses, covering data protection, privacy, cybersecurity, and electronic payment systems. This law should also establish clear guidelines for online advertising, marketing, and consumer contracts.
3. Establish an e-commerce regulatory unit within the Consumer Protection Council to oversee online transactions, monitor compliance, and enforce regulations. This unit should have the power to investigate complaints, impose penalties, and provide consumer education.
4. Develop industry guidelines to ensure transparency and accountability among online businesses. These guidelines should cover areas such as website disclosure, product information, pricing, and refund policies.
5. Implement secure payment systems and robust encryption to protect consumer data and prevent cybercrime. Online businesses should be required to adopt internationally recognized security standards, such as SSL/TLS encryption and PCI-DSS compliance.
6. Conduct public awareness campaigns to educate consumers about online risks, rights, and responsibilities. These campaigns should focus on issues such as data protection, phishing scams, and online dispute resolution.

7. Establish a national complaint portal and alternative dispute resolution mechanisms to resolve consumer complaints efficiently and effectively. This portal should provide a simple, user-friendly process for consumers to report complaints and track progress.

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