journals.unizik.edu.ng/jcpl/index ISSN: 2736-0342
NNAMDI AZIKIWE UNIVERSITY, AWKA
JOURNAL OF COMMERCIAL AND PROPERTY LAW

A Critical Examination of the Legal and Institutional Framework for Protection of E-Consumers Rights in Nigeria

Abiodun Amuda-Kannike*
Yusuf Amuda-Kannike**

Abstract
The rapid growth of e-commerce and digital entrepreneurship in Nigeria has revolutionized how people buy, sell, and create content online. Platforms like Facebook, YouTube, and TikTok have become essential tools for trade, services, and creative expression. However, this digital shift has also brought significant challenges for online consumers and content creators. Issues such as fraud, data breaches, unfair contract terms, sudden demonetization, and poor dispute resolution mechanisms are becoming increasingly common. This paper takes a closer look at how well Nigeria's legal and institutional frameworks protect the rights of digital consumers.

Keywords: E-commerce, digital consumer protection, Content monetization, Facebook monetization, Nigerian consumer law, e-consumer rights, Cyber law.

1. Introduction

The exponential growth of Nigeria's digital economy has significantly transformed commercial transactions, consumer interactions, and financial engagements. With increasing internet penetration, mobile connectivity, and the proliferation of e-commerce platforms, digital transactions have become an integral part of everyday life. As of 2023, Nigeria had over 122.5 million internet users, with e-commerce revenue projected to exceed $9 billion by 2025.[1] Platforms such as Jumia, Konga, Amazon, and Facebook Marketplace have revolutionized the retail landscape, while content creation on YouTube, Facebook, TikTok, and Instagram has created new monetization opportunities. However, this digital transformation has also exposed consumers to risks such as fraudulent transactions, breach of data privacy, unfair contract terms, wrongful account suspensions, and lack of effective dispute resolution mechanisms.[2]

In response to these challenges, Nigeria has established a legal and regulatory framework aimed at safeguarding e-consumer rights. Key legislations include the *Federal Competition and Consumer Protection Act (FCCPA), 2018*, which establishes comprehensive consumer protection measures, the *Cybercrimes (Prohibition, Prevention, etc.) Act, 2015*, which addresses online fraud and data breaches, the *Nigeria Data Protection Regulation (NDPR), 2019*, which governs data privacy, and the *Electronic Transactions Act, 2023*, which provides a legal framework for online transactions.[3] Additionally, regulatory bodies such as the *Federal Competition and Consumer Protection Commission (FCCPC*), the *National Information Technology Development Agency (NITDA)*, the *Central Bank of Nigeria (CBN), the Nigerian Communications Commission (NCC),* and the *Nigerian Broadcasting Commission (NBC)* play crucial roles in enforcing consumer protection regulations.

***Abiodun Amuda-Kannike SAN, Professor, FCArb,** Pioneer Dean, Faculty of Law, Kwara State University, Malete via Ilorin, Kwara State**,** Tel: (*+234*) 08033256756**.** Email: amudakannikeabiodun@gmail.com; abiodun.kannike@kwasu.edu.ng**.** He is a fellow of the Nigerian Institute of Chartered Arbitrators (NICARB). He is also an associate Member of the Nigerian Institute of Taxation and at same time Fellow of the Chartered Institute of Economics; Fellow Chartered Institute of Arts, Management Professionals

***Yusuf Amuda-Kannike,** Barrister and Solicitor of the Supreme Court of Nigeria and Postgraduate Student, Nile University, Abuja, FCT, Nigeria. And also, a Legal Practitioner in Mike Ozekhome (SAN) & Co., Abuja Chambers. Tel: (*+234*) 07067239215. Email: yusufamuda306@gmail.com

[1] International Telecommunication Union (ITU), Measuring Digital Development: Facts and Figures 2023, available at www.itu.int.

[2] Federal Competition and Consumer Protection Commission (FCCPC), Consumer Rights in the Digital Economy, available at www.fccpc.gov.ng.

[3] Federal Competition and Consumer Protection Act (FCCPA), 2018, Laws of the Federation of Nigeria; Cybercrimes (Prohibition, Prevention, etc.) Act, 2015; Nigeria Data Protection Regulation (NDPR), 2019, issued by the National Information Technology Development Agency (NITDA); Electronic Transactions Act, 2023, National Assembly of Nigeria.

Despite these regulatory efforts, weak enforcement, jurisdictional challenges, and the dominance of foreign digital platforms remain significant barriers to effective consumer protection.[4] Content creators face monetization challenges, including unjust demonetization, opaque revenue-sharing policies, and wrongful de-platforming, with limited avenues for legal redress.[5] Furthermore, cross-border e-commerce transactions, where major platforms operate outside Nigeria's jurisdiction, complicate legal enforcement and dispute resolution.[6]

This article critically examines the legal and institutional framework for the protection of e-consumer rights in Nigeria. It explores the strengths and weaknesses of existing laws, evaluates enforcement mechanisms, and provides a comparative analysis of global best practices, such as the European Union's Digital Services Act and the United States' Federal Trade Commission (FTC) guidelines. The study argues that while Nigeria has made significant strides in consumer protection, there is a pressing need for stronger enforcement mechanisms, specialized regulatory frameworks for digital platforms, and enhanced collaboration with global technology companies to ensure effective consumer rights protection in the digital space.

1.2 Overview of Nigeria's Digital Economy and the Rise of E-Commerce

Nigeria's digital economy has witnessed remarkable growth over the past decade, fueled by rapid technological advancements, increasing internet penetration, and a young, tech-savvy population. As of 2023, Nigeria had over 122 million active internet users, representing an internet penetration rate of 55.4%.[7] This growth has been driven by the expansion of mobile broadband networks, the affordability of smart phones, and government initiatives promoting digital transformation.

The e-commerce sector has emerged as a key driver of Nigeria's digital economy, enabling businesses to reach a wider audience and consumers to access goods and services with greater convenience. Major e-commerce platforms such as Jumia, Konga, and PayPorte have capitalized on this digital expansion, offering diverse product categories ranging from electronics and fashion to groceries and financial services.[8] The success of these platforms has been further boosted by the adoption of digital payment solutions, such as mobile banking, fintech services (e.g., Flutterwave, Paystack), and the Central Bank of Nigeria's (CBN) drive towards a cashless economy.[9]

In addition to traditional e-commerce, the rise of the gig economy and digital content creation has significantly contributed to Nigeria's digital landscape. Platforms such as Facebook, YouTube, Instagram, and TikTok have provided opportunities for individuals to monetize their skills through content creation, digital marketing, and online freelancing. According to a report by the National Information Technology Development Agency (NITDA), digital entrepreneurship has become one of the fastest-growing employment sectors in Nigeria, creating thousands of job opportunities.[10]

However, despite these advancements, Nigeria's digital economy faces several challenges. Issues such as cyber fraud, weak consumer protection regulations, data privacy concerns, and logistical inefficiencies hinder the full realization of its potential. E-consumers often encounter fraudulent transactions, delayed deliveries, and poor after-sales services, while digital content creators struggle with issues like unfair monetization practices and intellectual property theft.[11]

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[4] O Babalola, 'Consumer Protection and the Digital Economy in Nigeria: An Appraisal', (2022) 7 (2) *Journal of Consumer Law*, 134-156.

[5] O Ayoade & C Okonkwo , 'Challenges of Content Monetization in Nigeria's Digital Economy, African' (2023) 4 (1) *Journal of Business and Technology,* 55-78.

[6] United Nations Conference on Trade and Development (UNCTAD), Cross-Border E-Commerce and Consumer Protection in Developing Economies, 2022 Report, available at www.unctad.org.

[7] Nigerian Communications Commission, "Internet Penetration in Nigeria: 2023 Report" (Abuja: NCC, 2023).

[8] Jumia, 'Annual Report 2023' (Lagos: Jumia Group, 2023).

[9] Central Bank of Nigeria, "Cashless Policy Framework" (Abuja: CBN, 2023).

[10] National Information Technology Development Agency, "The Rise of Digital Entrepreneurship in Nigeria" (Abuja: NITDA, 2023).

[11] Federal Competition and Consumer Protection Commission, "E-Consumer Complaints Report 2023" (Abuja: FCCPC, 2023).

To address these challenges, the Nigerian government and regulatory bodies, including the Federal Competition and Consumer Protection Commission (FCCPC), the Central Bank of Nigeria (CBN), and the Nigerian Communications Commission (NCC), have introduced various policies aimed at safeguarding consumer rights and promoting fair business practices in the digital space.[12] Nevertheless, the lack of a comprehensive legal framework tailored specifically for e-consumer protection remains a major gap that needs urgent attention to foster trust and ensure the sustainable growth of Nigeria's digital economy.[13]

2. Defining E-Consumer Rights in the Digital Space

The rapid growth of digital commerce has made it essential to develop a strong conceptual and legal framework to protect consumer rights in the online world. E-consumer rights refer to the legal protections and entitlements granted to individuals who engage in online transactions. These rights ensure that consumers are treated fairly, have access to accurate information, and can seek redress when their rights are violated. Such protections are crucial for preventing fraud, ensuring transparency in contracts, and fostering trust in digital marketplaces.

2.1 Core E-Consumer Rights

Several fundamental rights form the backbone of e-consumer protection in the digital space. These include:

i. **Right to Safety** – Consumers should be safeguarded from digital products and services that pose security risks, such as cybersecurity threats, defective products, and data breaches.[14]
ii. **Right to Information** – E-commerce platforms must provide clear, accurate, and non-misleading information about products, pricing, warranties, and return policies. This enables consumers to make informed decisions.[15]
iii. **Right to Privacy and Data Protection**– Consumers have the right to control how their personal information is collected, stored, and used by online businesses. This aligns with Nigeria's Data Protection Act 2023 and international frameworks like the General Data Protection Regulation (GDPR).[16]
iv. **Right to Redress** – Consumers should have access to effective mechanisms for resolving disputes, including alternative dispute resolution (ADR), online complaint portals, and legal action when necessary.[17]
v. **Right to Fair Terms and Conditions** – Contracts and service agreements must not include unfair terms that disproportionately favor businesses at the expense of consumers.[18]
vi. **Right to Digital Literacy and Inclusion**– Governments and regulatory agencies should promote digital literacy to ensure consumers understand their rights and responsibilities in online transactions.[19]

2.2 Legal Framework Governing E-Consumer Rights in Nigeria

Nigeria has several laws and regulatory bodies that address e-consumer protection. These include:

i. **Federal Competition and Consumer Protection Act (FCCPA) 2018** - This is the primary consumer protection law governing digital transactions. It ensures fair trade practices and prevents deceptive business activities.[20]
ii. **Nigerian Data Protection Act 2023** – This law establishes guidelines for the collection, processing, and storage of consumers' personal data in digital transactions.[21]

[12] Federal Competition and Consumer Protection Commission, 'Annual Consumer Protection Report' (Abuja: FCCPC, 2023).
[13] 'The Legal Gaps in Nigeria's Digital Economy', (2023) *International Journal of Law and Technology*
[14] P Kotler and G Armstrong, 'Principles of Marketing', (17th ed., London: Pearson, 2018), 640.
[15] R Whish and D Bailey, 'Competition Law', (9th ed., Oxford: Oxford University Press, 2018), 415.
[16] D J. Solove, 'Understanding Privacy' (Cambridge: Harvard University Press, 2008), 92.
[17] Hans-W. Micklitz, 'Consumer Protection and Online Dispute Resolution' (Springer: Heidelberg, 2019), 140.
[18] E McKendrick, 'Contract Law: Text, Cases, and Materials', (9th ed, Oxford: Oxford University Press, 2020), 227.
[19] C Ncube, 'Intellectual Property Policy, Law, and Administration in Africa,' (Cape Town: Juta, 2016), p. 188.
[20] Federal Competition and Consumer Protection Commission (FCCPC), *Consumer Protection Act Handbook* (Abuja: FCCPC, 2019), p.34.
[21] Nigerian Data Protection Bureau, *Nigeria's Data Protection Act and Its Implications* (Abuja: NDPB, 2023), 19.

iii. **Cybercrimes (Prohibition, Prevention, Etc.) Act 2015** – This act addresses issues such as cyber fraud, electronic payment fraud, and unauthorized access to consumer data.[22]
iv. **National Information Technology Development Agency (NITDA) Regulations** – These provide additional guidelines for e-commerce businesses regarding data security, transparency, and the enforcement of consumer rights.[23]

3. Challenges and Emerging Legal Gaps

Despite the existing legal framework, enforcing e-consumer rights in Nigeria remains challenging. Key issues include limited regulatory oversight, weak dispute resolution mechanisms, and the lack of harmonized legislation specific to e-commerce. Many consumers struggle to seek redress due to jurisdictional issues, high litigation costs, and the anonymity of fraudulent online sellers. Additionally, there is no single comprehensive law dedicated solely to digital commerce, which makes enforcement fragmented and inconsistent.

3.1 Cybersecurity Threats and the Lack of Effective Dispute Resolution

As Nigeria's digital economy continues to expand, so do the challenges tied to cybersecurity threats and the absence of robust dispute resolution mechanisms. E-consumers and content creators are increasingly vulnerable to hacking, phishing scams, identity theft, and financial fraud. These risks are often exacerbated by inadequate cybersecurity measures on digital platforms. The anonymity and borderless nature of the internet further complicate matters, making it difficult for local authorities to track down and prosecute cybercriminals effectively.

Jayasuriya aptly notes that "the digitization of economic transactions has outpaced regulatory safeguards, leaving many consumers exposed to cyber threats."[24] Despite the introduction of the Cybercrimes (Prohibition, Prevention, Etc.) Act in 2015, enforcement remains weak. This is largely due to a lack of specialized cybercrime law enforcement units and insufficient technological infrastructure. Many digital platforms operating in Nigeria fail to meet basic data protection standards, leaving users' sensitive information at risk of unauthorized access.

Another critical issue is the inefficiency of traditional legal systems in resolving digital disputes. E-consumers frequently encounter problems such as fraudulent transactions, undelivered goods, and breaches of contract by online vendors. However, seeking redress through conventional litigation is often slow, expensive, and impractical, especially for small claims. Similarly, content creators face challenges like wrongful demonetization, arbitrary account suspensions, and intellectual property violations on platforms such as YouTube, TikTok, and Facebook. Unfortunately, these creators often have little recourse, as these global platforms lack local representation in Nigeria.

Katsh and Rabinovich-Einy highlight that "*online dispute resolution (ODR) offers a cost-effective and efficient alternative to traditional litigation, particularly for cross-border e-commerce disputes*."[25] However, Nigeria has yet to adopt a structured ODR system. As a result, most digital grievances remain unresolved or are handled through cumbersome bureaucratic processes. The absence of legally binding frameworks for e-commerce arbitration and mediation further complicates the pursuit of fair settlements. The situation is worsened by the lack of mandatory registration and verification mechanisms for digital businesses. Many online vendors operate without valid business addresses, regulatory oversight, or consumer protection policies. This makes it nearly impossible for defrauded consumers to seek legal recourse. Content creators, too, face challenges on global platforms, where unfair algorithmic policies and inconsistent enforcement of content moderation rules often lead to wrongful account suspensions and demonetization—with no clear appeals process.

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[22] Cybercrime Advisory Council, 'Cybercrimes Act Review Report' (Abuja: Nigerian Communications Commission, 2022), 52.
[23] National Information Technology Development Agency (NITDA), 'Guidelines for E-Commerce Consumer Protection in Nigeria' (Abuja: NITDA, 2021), p.10.
[24] K. Jayasuriya, *Cybersecurity Law and Consumer Protection in the Digital Age* (Oxford University Press, 2021).
[25] E Katsh and O Rabinovich-Einy, *Digital Justice: Technology and the Internet of Disputes* (Oxford University Press, 2017).

As Susan Block-Lieb and Terence C. Halliday point out, "*the global nature of digital platforms creates jurisdictional challenges that frequently leave consumers and content creators without adequate legal protections*."[26] Without a robust local enforcement framework, digital consumers and content creators in Nigeria remain vulnerable to exploitation, cybercrime, and unfair platform policies.

3.2 Proposed Solutions

To tackle these challenges, Nigeria must adopt practical and enforceable solutions that enhance cybersecurity, promote fair digital transactions, and ensure efficient resolution of digital disputes. Below are actionable measures that can be implemented:

1. **Establish a Specialized Digital Consumer Protection Unit:** A government-backed Digital Consumer Protection Unit (DCPU) should be created under the Federal Competition and Consumer Protection Commission (FCCPC). This unit would focus on monitoring e-commerce fraud, handling consumer complaints, and ensuring compliance with cybersecurity regulations. A fast-track reporting system for e-commerce fraud cases should also be established, enabling consumers to report scams and receive redress without unnecessary delays.
2. **Enforce Mandatory Cybersecurity Compliance for Digital Businesses:** The National Information Technology Development Agency (NITDA) should mandate cybersecurity compliance for all digital businesses, including e-commerce platforms and content-sharing networks. Platforms must implement end-to-end encryption, secure payment gateways, and multi-factor authentication to safeguard consumer data. Regular cybersecurity audits should also be conducted for major digital service providers operating in Nigeria.
3. **Develop an Online Dispute Resolution (ODR) System:** Nigeria should establish a national ODR platform, integrated into the FCCPC and Nigerian Communications Commission (NCC), to handle e-commerce and digital disputes. This system should offer online arbitration, mediation, and AI-driven automated resolution mechanisms for consumer grievances. A binding regulatory framework should also be created to ensure that decisions from the ODR system are enforceable in Nigerian courts.
4. **Require Local Representation of Global Digital Platforms:** The Nigerian government should mandate global digital platforms (such as Google, Facebook, and TikTok) to establish local legal offices to handle Nigerian consumer complaints. These offices should provide direct consumer support and a structured appeals process for issues like wrongful account suspensions and demonetization. A legal requirement should also be enacted to hold foreign digital companies accountable for their operations in Nigeria.
5. **Implement Mandatory Registration and Verification for Digital Vendors:** All online businesses and vendors must be registered with the Corporate Affairs Commission (CAC) to operate legally. Online marketplaces like Jumia and Konga should adopt a Know Your Business (KYB) system to verify vendor identities and prevent fraudulent activities. This would enable consumers to trace the legal identities of vendors in case of disputes.
6. **Strengthen Cybercrime Law Enforcement and Digital Forensics:** Specialized Cybercrime Law Enforcement Units should be established within the Nigerian Police Force and Economic and Financial Crimes Commission (EFCC) to tackle e-fraud and cybercrime. A national cybersecurity awareness campaign should also be launched to educate consumers on safe online practices. Additionally, investments in digital forensic technology would empower authorities to track and prosecute cybercriminals effectively.

By implementing these practical and enforceable solutions, Nigeria can build a safer digital ecosystem that protects both e-consumers and content creators from cyber threats, fraud, and unfair platform policies.

3.3 Nature and Legal Protection of E-Consumer Rights in Nigeria

In Nigeria, e-consumer rights are protected by a range of laws and regulatory institutions aimed at ensuring fair trade practices, safeguarding data, and providing mechanisms for dispute resolution.

[26] S Block-Lieb and T C Halliday, *Global Lawmakers: International Organizations in the Crafting of World Markets* (Cambridge University Press, 2017).

However, despite these legal frameworks, challenges such as weak enforcement, jurisdictional complexities, and low consumer awareness continue to undermine the full realization of these protections. This section explores the legal and institutional frameworks in place, the challenges faced, and potential solutions to strengthen e-consumer rights in Nigeria.

3.4 Legal and Institutional Framework for the Protection of e-consumers in Nigeria

3.4.1 Analysis of Legal Provisions Safeguarding E-Consumer Rights

Nigeria has introduced several laws to protect e-consumers and regulate digital transactions. These include:

1. **The Federal Competition and Consumer Protection Act (FCCPA) 2019:** This Act provides a comprehensive legal framework for consumer rights protection. Section 17(a) empowers the Federal Competition and Consumer Protection Commission (FCCPC) to investigate and sanction violations of consumer rights.[27] This provision is particularly significant in addressing issues like unfair trade practices and deceptive advertising in the digital space.
2. **The Nigerian Data Protection Regulation (NDPR) 2019:** The NDPR regulates the processing of personal data and ensures consumer privacy. Section 2.1(a) mandates that organizations obtain explicit consent from consumers before collecting or processing their personal data.[28] This regulation is crucial in an era where data breaches and misuse of personal information are rampant.
3. **The Cybercrimes (Prohibition, Prevention, etc.) Act 2015:** This act criminalizes various cyber offenses, including identity theft, online fraud, and unauthorized access to consumer data. Section 22 specifically prohibits cybersquatting and fraudulent online activities.[29] It serves as a deterrent to cybercriminals who exploit the anonymity of the internet.
4. **The NITDA Act 2007:** The National Information Technology Development Agency (NITDA) is empowered by this act to regulate electronic transactions. Section 6 grants NITDA the authority to protect consumers engaging in e-commerce.[30] This includes setting standards for data security and ensuring compliance among digital businesses.

3.5 Effectiveness of Regulatory Institutions in Ensuring Compliance

Despite these legal provisions, enforcement remains a significant challenge. Regulatory bodies often lack the resources, technical expertise, and autonomy needed to effectively monitor and enforce compliance. According to Obaro, "Nigeria's legal framework for digital consumer protection is robust on paper but lacks practical enforcement mechanisms".[31] Similarly, Odukoya and Adekola highlight that the FCCPC, while well-intentioned, struggles with limited funding and manpower, which hampers its ability to address consumer complaints promptly.[32]

3.5.1 To address these gaps, Nigeria should consider the following measures

- **Strengthen FCCPC's Oversight Powers:** The FCCPC should be granted greater authority and resources to enforce consumer protection laws effectively. This includes the power to impose stricter penalties on non-compliant businesses.
- **Mandatory Registration for E-Commerce Platforms:** Online vendors and platforms should be required to register with regulatory bodies. This would make it easier to hold them accountable for fraudulent activities or breaches of consumer rights.
- **Consumer Awareness Campaigns:** Public education initiatives should be launched to inform e-consumers about their rights and the legal remedies available to them. This could include workshops, online resources, and partnerships with civil society organizations.

[27] FCCPA 2019, Section 17(a).
[28] NDPR 2019, Section 2.1(a).
[29] Cybercrimes (Prohibition, Prevention, etc.) Act 2015, Section 22.
[30] NITDA Act 2007, Section 6.
[31] A Obaro, 'Consumer Rights and the Digital Economy in Nigeria: Challenges and Prospects', (Lagos: Princeton Publishers, 2021) p. 214.
[32] F Odukoya, & J Adekola, E-*Commerce and Consumer Protection Law in Nigeria*, (Ibadan: University Press, 2020). p. 152.

4. E-Commerce and Consumer Protection in Nigeria

4.1 The Evolving Landscape of Online Marketplaces

E-commerce in Nigeria has experienced exponential growth, with platforms like Jumia, Konga, and PayPorte revolutionizing the way Nigerians shop. These platforms offer convenience and access to a wide range of products, from groceries to electronics. However, this growth has also brought challenges, including the proliferation of fraudulent vendors, counterfeit products, and inadequate dispute resolution mechanisms.

4.2 Consumer Protection Challenges in Digital Transactions

4.2.1 Several issues plague the e-commerce sector in Nigeria

i. **Unregistered Online Businesses:** Many online vendors operate without formal registration, making it difficult to track them down in cases of fraud or disputes.
ii. **Unclear Return and Refund Policies:** Consumers often face difficulties when trying to return defective products or obtain refunds due to vague or unfair policies.
iii. **Lack of Regulatory Oversight:** There is insufficient monitoring of e-commerce platforms to ensure compliance with consumer protection laws, leading to misleading advertisements and unethical practices.

4.2.2 To tackle these challenges, Nigeria should

i. **Introduce Stronger Regulations:** E-commerce platforms should be held accountable for the actions of vendors operating on their platforms. This could include mandatory verification of vendors and stricter penalties for non-compliance.
ii. **Establish a Framework for Return and Refund Policies:** Clear guidelines should be introduced to ensure that consumers are treated fairly when returning products or seeking refunds.
iii. **Create a Dedicated Dispute Resolution Mechanism:** A specialized body should be established to handle e-commerce disputes efficiently, reducing the burden on traditional courts.

4.3 Consumer Data Protection and E-Commerce in Nigeria

4.3.1 The Role of NDPR in Securing Digital Consumer Data

The Nigerian Data Protection Regulation (NDPR), introduced by NITDA, plays a critical role in protecting consumers' personal data. Section 2.1(a) of the NDPR mandates that businesses obtain explicit consent from consumers before processing their personal data. This regulation is particularly important in an era where data breaches and misuse of personal information are on the rise.

4.3.2 Data Breaches and Their Impact on E-Commerce Trust

Despite the NDPR, data breaches remain a significant issue in Nigeria. Major incidents have exposed consumers to identity theft and financial fraud, eroding trust in the digital marketplace. According to Ajayi, "data privacy breaches have significantly undermined consumer confidence in Nigeria's e-commerce sector".[33]

4.3.3 To address this, Nigeria should

- **Enhance Data Security Compliance:** Regular audits and stricter monitoring of e-commerce platforms can help ensure compliance with data protection laws.
- **Increase Penalties for Data Breaches:** Heavier fines and sanctions should be imposed on businesses that fail to protect consumer data.
- **Educate Consumers on Digital Privacy:** Public awareness campaigns can empower consumers to take proactive steps to protect their personal information online.

[33]K Ajayi, 'Data Protection and Privacy in Nigeria's Digital Economy', (Abuja: National Press, 2022) p 98.

4.4 Protecting Consumers in E-Commerce Transactions in Nigeria

4.4.1 Fraud, Unfair Contract Terms, and Misleading Advertisements

Online fraud remains a pervasive issue in Nigeria, with many consumers falling victim to scams such as fake products, non-delivery of goods, and deceptive advertising. Unfair contract terms and misleading advertisements further exacerbate the problem, leaving consumers with little recourse.

4.4.2 Legal Remedies available to Nigerian E-Consumers

Nigerian consumers have several legal avenues to seek redress:

- **FCCPA Complaints:** Consumers can file complaints with the FCCPC, which has the authority to investigate and sanction violations of consumer rights.
- **Cybercrimes Act:** This act provides for the prosecution of online fraudsters, offering a legal remedy for victims of cyber fraud.
- **NDPR:** Consumers can seek redress for data privacy violations under the NDPR, which mandates businesses to protect personal data.

4.5 Legal Framework: The Position of the Law on Online Consumer Rights in Nigeria

4.5.1 Comparative Analysis of Nigerian Laws with International Best Practices

When compared to international frameworks like the EU's General Data Protection Regulation (GDPR) and the U.S. Federal Trade Commission (FTC) Act, Nigerian laws fall short in terms of enforcement and specificity. While the FCCPA mirrors some international consumer protection principles, it lacks robust provisions tailored to the digital economy.

4.5.2 Gaps and Inconsistencies in Current Legislation

4.5.2.1 Key Gaps in Nigeria's Legal Framework include

- **Limited Coverage of Digital Transactions:** The FCCPA does not explicitly address e-commerce, leaving room for ambiguity in its application.
- **Weak Enforcement of the NDPR:** Despite its comprehensive provisions, the NDPR lacks strict enforcement mechanisms, making it difficult to hold violators accountable.
- **Jurisdictional Challenges in Cross-Border E-Commerce:** Nigerian laws do not adequately address cross-border transactions, leaving consumers vulnerable to exploitation by foreign platforms.

4.5.3 To align with global best practices, Nigeria should

- **Amend the FCCPA:** The act should be updated to include explicit provisions for e-commerce and digital transactions.
- **Strengthen NDPR Enforcement:** Stricter penalties and more robust monitoring mechanisms should be introduced to ensure compliance.
- **Negotiate Bilateral Agreements:** Nigeria should establish agreements with other countries to facilitate cross-border consumer protection.

4.6 Legal Issues in E-Commerce and Consumer Protection in Nigeria

Jurisdictional Challenges in Regulating Foreign E-Commerce Platforms; Many e-commerce platforms operate from outside Nigeria, making it difficult for local regulators to enforce consumer protection laws. The lack of jurisdictional authority over foreign companies often leaves Nigerian consumers without recourse in cases of fraud or disputes.

4.6.1 Legal Remedies for Affected E-Consumers

To address this, Nigerian consumers can:

- **Report to International Regulatory Bodies:** Platforms operating from countries like the U.S. or EU can be reported to bodies like the FTC or the European Consumer Centre.
- **Advocate for Bilateral Agreements:** The Nigerian government should negotiate agreements with major e-commerce platforms to ensure compliance with local laws.

- **Strengthen Dispute Resolution Mechanisms:** Establishing efficient and accessible dispute resolution mechanisms can help consumers seek redress more effectively.

5. Comparative Analysis: Global Best Practices

The rapid expansion of e-commerce has prompted countries worldwide to adopt robust consumer protection laws tailored to the digital age. In this section, we explore global best practices, focusing on the **European Union's Digital Services Act (DSA)** and **United States' Federal Trade Commission (FTC) guidelines**. These frameworks offer valuable lessons for Nigeria as it seeks to strengthen its legal and institutional frameworks for protecting e-consumers in the digital marketplace.

5.1 European Union's Digital Services Act (DSA)

The **Digital Services Act (DSA),** adopted by the European Union in 2022, is a ground breaking regulatory framework designed to ensure consumer protection, transparency, and accountability in digital marketplaces. The DSA applies to a wide range of online services, including social media platforms, search engines, and e-commerce marketplaces, imposing strict obligations on service providers to prevent deceptive practices, combat illegal content, and safeguard user rights.[34]

5.1.2 Key Provisions of the Digital Services Act

1. **Liability for Online Platforms:** The DSA holds online marketplaces accountable for consumer safety by requiring them to verify the identities of sellers and remove fraudulent listings.[35] This provision ensures that platforms take responsibility for the activities occurring on their sites, reducing the risk of scams and counterfeit products.
2. **Algorithmic Transparency:** Platforms must disclose how their content recommendation systems and algorithms operate. This transparency empowers consumers to understand how their data is used and ensures that platforms do not manipulate user behavior unfairly.[36]
3. **Consumer Redress Mechanisms:** The DSA establishes a standardized complaint and redress system, allowing users to challenge unfair content removal, account suspensions, or misleading advertisements through an independent dispute resolution process.[37]
4. **Stronger Data Protection Standards:** The DSA reinforces compliance with the **General Data Protection Regulation (GDPR)**, ensuring that consumer data is protected from unauthorized processing and breaches.[38]

5.1.3 Impact of the DSA on E-Consumer Protection

According to Schmidt, the DSA has significantly improved consumer trust in the EU's digital marketplace by reducing fraudulent transactions and increasing accountability among digital service providers.[6] Similarly, Gomez and Laurent highlight that the DSA's enhanced liability frameworks and transparency obligations have forced online platforms to prioritize consumer rights, creating a fairer digital ecosystem.[39]

5.2 United States' Federal Trade Commission (FTC) Guidelines

In the United States, the Federal Trade Commission (FTC) plays a central role in regulating e-commerce and ensuring fair trade practices. The FTC Act (1914, as amended) grants the commission authority to prevent deceptive and unfair business practices, including online fraud, misleading advertisements, and data privacy violations.[40]

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[34] Digital Services Act (2022), European Union Official Journal.
[35] DSA, Article 24 – Platform Liability Requirements.
[36] DSA, Article 29 – Algorithmic Transparency.
[37] DSA, Article 44 – Consumer Redress Mechanisms.
[38] GDPR (2018), European Parliament Regulations
[39] Schmidt, H. (2023). "Regulating the Digital Marketplace: The Impact of the DSA on Consumer Protection". Berlin: Springer, p. 178.
[40] Gomez, J. & Laurent, P. (2022). "Digital Accountability and Online Consumer Rights: Lessons from the European Union". Paris: Éditions Universitaires, p. 204.

5.2.1 Key FTC Guidelines for E-Commerce Protection

1. **Truth-in-Advertising Rules:** The FTC mandates that all digital advertisements must be truthful, not misleading, and backed by evidence.[41] This ensures that consumers are not deceived by false claims or exaggerated product benefits.
2. **Consumer Right to Cancel Transactions:** Under the **Cooling-Off Rule**, consumers can cancel certain online purchases within a specific timeframe without penalties.[42] This provision protects consumers from impulsive or unfair purchases.
3. **Regulation of Online Subscriptions:** Businesses must obtain clear consent before enrolling consumers in recurring billing or auto-renewing subscriptions.[43] This prevents unauthorized charges and ensures transparency in subscription-based services.
4. **Data Privacy and Cybersecurity Enforcement:** The Children's Online Privacy Protection Act (COPPA) and the FTC's data protection rules prevent unauthorized data collection and strengthen cybersecurity standards.[44] These measures safeguard consumer data from breaches and misuse.

5.2.2 Effectiveness of FTC Regulations in E-Commerce

Research by Anderson and Collins shows that FTC enforcement actions have significantly reduced deceptive practices in the U.S. e-commerce sector, ensuring a more consumer-friendly digital marketplace.[45] Meanwhile, Williams (2022) notes that strong FTC oversight and penalties for non-compliance have forced tech companies to adopt stricter consumer protection measures, fostering greater trust in digital transactions (p. 164).[46]

5.3 Lessons for Nigeria in Strengthening Legal and Institutional Frameworks

Nigeria can draw important lessons from the EU's DSA and the U.S. FTC guidelines to enhance its e-consumer protection and e-commerce governance. Below are key takeaways and actionable recommendations for Nigeria:

1. **Stronger Platform Liability Provisions**

- **Adopt DSA-Inspired Accountability Measures:** Like the DSA, Nigeria should introduce strict accountability measures for e-commerce platforms, requiring them to verify vendor legitimacy and remove fraudulent listings.
- Enforce Identity Verification: Platforms like Jumia, Konga, and Paystack should be mandated to implement identity verification and anti-fraud mechanisms to protect consumers from scams.

2. **Enhancing Algorithmic Transparency and Consumer Redress Mechanisms**

- **Mandate Algorithmic Transparency:** Online platforms should be required to disclose how their recommendation systems and data collection policies work, ensuring that consumers understand how their data is used.
- **Establish Independent Dispute Resolution Bodies:** Nigeria should create independent digital dispute resolution bodies, similar to the EU's consumer redress mechanisms, to handle complaints efficiently and fairly.

3. **Comprehensive Consumer Privacy Laws**

- **Strengthen the NDPR:** Nigeria's Nigerian Data Protection Regulation (NDPR) 2019 should be reinforced with stricter penalties for non-compliance, similar to the GDPR in the EU.
- **Collaborate with NITDA:** The FCCPC should work with the **National Information Technology Development Agency (NITDA)** to enforce stronger data protection standards for online businesses.

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[41] FTC Act (1914, as amended), U.S. Code Title 15, Section 45.
[42] FTC Guidelines, Truth-in-Advertising Rules (2023), Federal Register.
[43] FTC, Cooling-Off Rule, Code of Federal Regulations (CFR) Title 16, Part 429.
[44] FTC, Negative Option Rule, Federal Trade Commission Reports (2022).
[45] COPPA, U.S. Code Title 15, Section 6501-6506.
[46] Anderson, P. & Collins, R. (2021). "Consumer Protection in the Digital Age: The Role of the FTC". New York: Oxford University Press, p. 229.

4. **Enhanced Cybersecurity Measures**
- **Expand the Cybercrimes Act:** The Cybercrimes Act 2015 should be updated to include specific protections against digital fraud and hacking of e-commerce platforms.
- **Introduce Mandatory Audits:** Nigeria should require mandatory cybersecurity compliance audits for major e-commerce platforms to prevent cyber fraud and data breaches.

5. **Jurisdictional and Cross-Border E-Commerce Regulations**
- **Negotiate Bilateral Agreements:** Nigeria should negotiate bilateral agreements with major global e-commerce platforms like Amazon, AliExpress, and eBay to ensure compliance with Nigerian consumer protection laws.
- **Foster International Collaboration:** The FCCPC should collaborate with international regulatory bodies like the FTC and European Consumer Protection Authorities to address cross-border consumer complaints effectively.

6. Conclusion and Recommendations

6.1 Conclusion

The growth of Nigeria's digital economy and e-commerce sector presents tremendous opportunities, but it also comes with significant consumer protection challenges. Weak enforcement of existing laws, cross-border jurisdictional issues, lack of platform accountability, and limited consumer awareness have made it difficult for Nigerians to fully enjoy their digital rights.

By strengthening local laws, fostering international regulatory cooperation, creating specialized consumer protection tribunals, and enhancing public awareness, Nigeria can establish a robust digital consumer protection framework that ensures fair, transparent, and safe digital transactions.
Implementing these recommendations will not only protect Nigerian consumers and content creators but also foster a more trustworthy digital economy, attracting investments, boosting innovation, and improving Nigeria's global standing in digital commerce.

6.2 Recommendations

As e-commerce and digital transactions continue to expand in Nigeria, the protection of e-consumer rights and content creators has become increasingly vital. While Nigeria has taken significant steps in establishing legal frameworks such as the Federal Competition and Consumer Protection Act (FCCPA) 2018, the Nigerian Data Protection Regulation (NDPR) 2019, and the Cybercrimes (Prohibition, Prevention, etc.) Act 2015, gaps still exist in enforcement, regulatory oversight, and digital consumer awareness. To address these challenges, the following recommendations are proposed:

6.2.1 Strengthening Local Laws to Cover Digital Transactions and Content Monetization

One of the most pressing concerns in Nigeria's digital economy is the lack of comprehensive legislation explicitly covering e-commerce transactions and content monetization. While traditional consumer protection laws offer some level of protection, they are not adequately adapted to the digital landscape, leaving consumers and digital entrepreneurs vulnerable to unfair practices.

6.2.2 Proposed legal reforms

1. **Enacting a Comprehensive Digital Consumer Protection Act:** Nigeria should introduce a specific Digital Consumer Protection Law to address online transactions, fraud prevention, algorithmic transparency, and unfair platform policies. The law should clearly define the rights of consumers in digital transactions and impose penalties for deceptive online marketing, data misuse, and unjustified account restrictions by online platforms.
2. **Strengthening Copyright and Intellectual Property Protections for Digital Content Creators:** Content monetization laws should be revised to protect Nigerian digital entrepreneurs on platforms like YouTube, TikTok, Facebook, and Instagram from unjustified demonetization, wrongful account suspensions, and exploitative contracts. The Nigerian Copyright Act should be updated to reflect modern digital content ownership, revenue-sharing models, and fair remuneration for creators.

3. **Amendments to the FCCPA for E-Commerce Transactions:** The FCCPA should be expanded to include specific provisions on unfair trade practices in online marketplaces, addressing issues such as:
   i. Deceptive pricing mechanisms on e-commerce platforms.
   ii. Unclear refund and return policies.
   iii. Unfair contract terms imposed by foreign-based platforms.

6.2.3 Enhancing Collaboration between Nigerian Regulators and Global Tech Platforms

One of the major challenges in regulating e-commerce and digital transactions in Nigeria is that many global digital platforms operate outside Nigerian jurisdiction. Companies like Amazon, AliExpress, Google, Meta (Facebook), and YouTube often implement policies that may not align with Nigerian laws, making enforcement difficult.

6.2.3.1 Recommendations/Strategies for Stronger Collaboration

1. **Bilateral Agreements between Nigeria and Major Global Tech Firms:** The Federal Government should enter negotiations with global tech giants to ensure their policies align with Nigerian laws regarding:
   i. Consumer dispute resolution.
   ii. Content monetization fairness.
   iii. Data privacy protection.
2. **FCCPC Partnership with International Consumer Protection Bodies:** The Federal Competition and Consumer Protection Commission (FCCPC) should establish formal partnerships with regulatory agencies like the EU Consumer Protection Cooperation Network (CPCN) and the U.S. Federal Trade Commission (FTC). This will help in addressing cross-border consumer complaints and ensuring foreign platforms comply with Nigerian consumer protection standards.
3. **Creating a Nigerian Digital Business Compliance Certification:** The government should mandate global e-commerce and social media platforms to register for a Nigerian Digital Business Compliance Certificate before operating in Nigeria. This would ensure that foreign companies offering e-commerce and digital services in Nigeria adhere to local laws and comply with consumer protection guidelines.

6.2.3 Establishing Consumer Protection Tribunals for Digital Disputes

Currently, legal redress for online consumer disputes in Nigeria is slow and expensive, discouraging many affected individuals from seeking justice. Establishing specialized consumer protection tribunals dedicated to handling digital-related complaints will ensure swift, cost-effective, and efficient resolution of disputes.

6.2.3.1 Key Features of the Proposed Digital Consumer Protection Tribunal:

1. **Exclusive Jurisdiction on E-Commerce and Digital Disputes** - The tribunal should be empowered to handle cases related to:
   i. Fraudulent online transactions.
   ii. Unfair digital service policies.
   iii. Content monetization disputes
   iv. Wrongful account restrictions or demonetization on social media platforms.
2. **Fast-Track Resolution Process** - Unlike traditional court cases that may take years to resolve, the tribunal should have a 60–90-day resolution window to ensure timely justice for digital consumers and content creators.
3. **Online Dispute Resolution (ODR) System** - The tribunal should have an online dispute resolution mechanism where consumers can file complaints and get responses without needing to appear physically in court.

6.2.4 Raising Awareness on E-Consumer Rights and Legal Recourse

A major challenge facing Nigerian digital consumers is the lack of awareness of their rights and available legal remedies. Many consumers fall victim to fraudulent online schemes, exploitative digital service terms, and data breaches because they are unaware of the protections available under Nigerian law.

6.2.4.1 Proposed Awareness Initiatives

1. **Launch of a Nationwide Digital Consumer Rights Campaign** - The FCCPC, NITDA, and the Ministry of Communications and Digital Economy should collaborate to educate Nigerian consumers on their rights in the digital space through:
   i. Social media campaigns
   ii. Radio and TV sensitization programs
   iii. Workshops in schools and universities
2. **Creation of an E-Consumer Protection App** - The government should develop an official consumer protection mobile app where Nigerians can:
   i. Report e-commerce fraud in real time
   ii. Access information on consumer rights
   iii. Track their complaints through a digital complaints system
3. **Mandatory Digital Consumer Protection Courses in Schools** - Introducing basic digital consumer rights education in secondary schools and universities will ensure that future generations understand their rights in the digital marketplace.