

The Challenges and Responses of Consumer Rights Protection Law in the Digital Economy Era

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Abstract

Since entering the 21st century, information technology has been changing our way of life and business models at an unprecedented speed. With the rapid development of the digital economy, consumer rights protection is facing unprecedented challenges. This article explores the main issues encountered in consumer rights protection laws under the digital background, including network security and personal information leakage, online fraud and scams, inadequate cross-border transaction regulatory systems, and unfair terms and service agreements. To address these challenges, this article proposes strategies such as strengthening data protection, improving legislative supervision and management, aiming to build a safer and fairer digital consumption environment, and effectively safeguard the legitimate rights and interests of consumers.

Keywords

Consumer Protection Law; In the Era of Digital Economy; Challenge; Response Strategy.

1. Introduction

The application of Internet, big data, cloud computing and other emerging technologies has not only greatly promoted the process of economic globalization and social informatization, but also spawned a series of new consumption patterns and service patterns. However, while enjoying convenience, consumers also face many emerging problems and risks. In the face of such a situation, although the Consumer Rights and Interests Protection Law of the People's Republic of China and its related laws and regulations have made corresponding adjustments to meet the needs of the new situation, how to more effectively respond to the challenges brought by the digital economy is still an important issue that urgently needs to be solved.

2. Overview of Consumer Rights Protection Law in the Digital Economy Era

In the era of digital economy, with the rapid development of Internet, big data, artificial intelligence and other technologies, consumer protection is facing unprecedented challenges and opportunities. Since its implementation in 1994, the Consumer Rights and Interests Protection Law of the People's Republic of China (referred to as the Consumer Law) has been committed to building a fair, transparent, and safe consumption environment. However, in the face of the rise of new consumption models such as e-commerce and online services, the Consumer Law has also undergone multiple revisions and improvements to better adapt to the needs of the new era. The 2013 revision particularly strengthened the regulations on online shopping, adding content such as the seven day no reason return right, to ensure that consumers can also enjoy sufficient rights protection in online transactions. At the same time, the Civil Code of the People's Republic of China came into effect in 2021, which not only further consolidated the foundation of personal information protection, but also for the first time included data and virtual property in the scope of legal protection, providing more solid legal support for consumers' personal privacy and property security in the digital age.

In response to the characteristics of the digital economy, the Consumer Law and related supporting regulations also emphasize the requirement for fairness in standard terms, stipulating that operators shall not use standard contracts to infringe upon the legitimate rights and interests of consumers or evade their own responsibilities. The Supreme People's Court has also issued a series of judicial interpretations to guide the handling of actual cases, effectively resolving many disputes arising from emerging business models. In addition, the Implementation Regulations of the Consumer Rights and Interests Protection Law provide more detailed regulations on the code of conduct in areas such as prepaid consumption and live streaming sales, setting basic rules for these rapidly developing industries to prevent market disorder from harming consumer interests. At the same time, facing the new challenges brought by the continuous emergence of new formats and models such as the sharing economy and online education, the Consumer Law and its related laws and regulations are still being continuously adjusted and improved, striving to cover more fields and create a healthy and orderly development space for all participants.

3. The Challenges Faced by Consumer Rights Protection in the Digital Economy Era

3.1. Network Security and Personal Information Leakage

With the wide application of Internet technology and the enhancement of personal information processing ability, network security and personal information disclosure have become one of the most prominent issues in the protection of consumer rights. On the one hand, the anonymity and openness of cyberspace make it easier for criminals to commit crimes such as fraud and theft, posing a serious threat to consumer property security; On the other hand, the development of technologies such as big data and cloud computing has greatly improved service efficiency and quality, but it has also increased the risk of personal information being illegally collected, used, or even sold. According to relevant statistical data, there are frequent incidents of personal sensitive information leakage during online shopping, social platform registration, and mobile payment processes. This not only violates users' privacy rights, but may also cause serious economic losses and even personal injuries. In addition, some companies often neglect their obligation to properly safeguard user data in pursuit of maximizing commercial benefits, adopting inappropriate data collection methods or lacking effective encryption measures to protect stored information, thereby exacerbating the complexity of the problem.

3.2. Online Fraud and Scams

In the digital economy era, with the popularity of e-commerce, online payment, social media and other Internet services, criminals use these platforms to carry out various forms of fraud activities, causing huge economic losses to consumers and the risk of personal information leakage. Common methods of online fraud include impersonating official customer service representatives to send phishing links to lure users into providing account passwords, enticing victims to transfer money through false promotions or winning information, and creating seemingly legitimate but actually counterfeit shopping websites for product sales, seriously infringing on consumers' property rights. Faced with the increasingly rampant phenomenon of online fraud, relevant laws and regulations have gradually strengthened the crackdown on related illegal activities. For example, the Consumer Law explicitly prohibits any organization or individual from deceiving consumers through false advertising, misleading propaganda, and other means, and stipulates that operators should take reasonable measures to prevent third parties from using their provided online platforms to engage in illegal activities. However, there are still many difficulties that need to be solved urgently in the actual operation process.

3.3. Insufficient Regulatory System for Cross-Border Transactions

With the accelerated development of global trade and the popularity of e-commerce platforms, cross-border transactions have become the norm. However, this has also brought unprecedented challenges to the protection of consumer rights and interests; There are significant differences in legal systems, standards, and enforcement efforts between different countries and regions, which can result in cross-border buying and selling activities that may face vastly different regulatory constraints even on the same platform. When consumers encounter counterfeit products or fraudulent services while shopping on foreign websites, it is often difficult to directly protect their rights according to domestic laws; Even if seeking judicial relief is possible, it still faces problems such as high costs, complex procedures, and long waiting times. In addition, the development of digital technology has given rise to many new business models and service forms, such as cross-border e-commerce, online travel booking, etc. Consumer protection mechanisms in these fields are still in the exploratory stage and lack unified and clear standards to guide practical operations.

3.4. Unfair Terms and Service Agreements

With the popularization of Internet services and e-commerce platforms, users often need to agree to a series of service terms or user agreements unilaterally formulated by service providers when registering to use various online services. These documents typically contain a large amount of legal and technical terminology, making it difficult for ordinary consumers to fully understand their content and potential impact. Some companies may take advantage of this by setting clauses in contracts that are beneficial to themselves but may harm consumer interests, especially in cases involving cross-border transactions. Due to legal differences between different countries, certain clauses may be considered valid in one jurisdiction but prohibited from enforcement in another, further increasing the difficulty of consumer rights protection. In addition, some companies may adopt opaque practices when processing user data, concealing their true intentions through complex privacy policies, resulting in consumers lacking sufficient understanding of how their personal information is collected, stored, and used.

4. The Response Strategies of Consumer Rights Protection Law in the Digital Economy Era

4.1. Strengthen Legislative Supervision and Management

With the rapid development of Internet technology and the widespread popularity of e-commerce platforms, the traditional legal framework has been difficult to fully adapt to the challenges brought by the rapidly changing new formats and models. Therefore, it is necessary to continuously revise and improve relevant laws and regulations to ensure the effective protection of consumer rights. At the legislative level, relevant laws need to be updated with the times to cover more emerging fields, and specific and clear regulations should be formulated based on the characteristics of these fields. For example, the specific implementation conditions, processes, and responsibilities that merchants should fulfill regarding the seven day no reason return right for online shopping can be further refined; In terms of personal information protection, it is necessary to clearly define the principles and restrictive measures that enterprises must follow when collecting and using user data, while increasing the punishment for illegal acquisition or abuse of personal information.

4.2. Strengthen Data Protection

As personal data becomes an important resource for businesses to gain competitive advantage, ensuring the security and privacy of this information has become crucial. Therefore, the

Consumer Rights and Interests Protection Law of the People's Republic of China, the Civil Code, and the Personal Information Protection Law have stipulated the principles that enterprises should follow when collecting, using, storing, and transmitting personal information, and have set clear legal responsibilities for violations of regulations. In order to effectively implement these legal requirements, regulatory authorities have taken a series of measures to strengthen supervision of data protection. For example, the national cyberspace administration and other relevant departments have established a cross departmental collaboration mechanism to jointly monitor personal information processing activities in cyberspace and promptly investigate and punish violations. At the same time, the government and various sectors of society actively carry out publicity and education activities, popularize basic knowledge and skills to the vast number of netizens, teach people how to identify potential risks and take appropriate actions to prevent them. School education is gradually introducing courses related to cybersecurity and personal privacy protection.

4.3. Strengthen Education for Consumers

With the rapid development of Internet technology and the popularity of e-commerce platforms, consumers are facing a more complex and diverse market environment. Therefore, it is particularly important to enhance the public's basic understanding of digital consumption and self-protection ability. Firstly, in the basic education stage, content such as network security and personal information protection should be included in the curriculum system, cultivating students' good internet habits and basic legal awareness from an early age; At the same time, practical knowledge and skills are imparted to a wider social group through special lectures, workshops, and other forms. In addition to school education, government departments and social organizations can help people better understand relevant laws and regulations and their application practices by publishing authoritative guidelines and manuals on official websites and social media accounts, or producing concise and easy to understand promotional videos. For example, regularly updating information on the latest online fraud methods and preventive measures, reminding consumers to be alert to various forms of scams; Or hold events such as "Consumer Rights Day" to concentrate efforts on large-scale promotional activities to attract attention from all sectors of society and create a strong public opinion atmosphere.

4.4. The Application of Intelligent Technology

With the development of advanced technologies such as big data and blockchain, these tools can not only help improve regulatory efficiency and transparency, but also enhance consumers' self-protection capabilities. Government agencies can use big data analysis to monitor market dynamics in real time and quickly identify potential fraudulent behavior or unfair competition phenomena. In addition, virtual assistants built with AI technologies such as natural language processing can provide 24/7 online answers to common questions, guide operational processes, and even assist in resolving disputes, greatly facilitating users' access to necessary information and support services.

4.5. Improve the Dispute Resolution Mechanism

With the booming development of emerging formats such as e-commerce and online services, the number of disputes between consumers and merchants has significantly increased, and is showing a trend of diversification and complexity. In order to enhance transparency and trust, all processes should be kept highly open and ensure that both parties can easily track progress and view relevant documentation. In addition to traditional litigation methods, various forms such as arbitration, mediation, and even expedited small claims processing procedures can be encouraged to meet the needs of different situations. Especially for daily consumer disputes with small amounts but large quantities, setting up specialized small courts or conducting quick

rulings through administrative means will greatly shorten the resolution time and reduce cost expenses.

5. Conclusion

In the era of digital economy, consumer rights protection is facing unprecedented challenges. The issues of network security and personal information leakage, online fraud and scams, inadequate regulatory systems for cross-border transactions, and unfair terms and service agreements not only threaten consumers' property security and privacy rights, but also pose challenges to fair competition in the market and social harmony and stability. To effectively address these challenges, a comprehensive strategy from multiple perspectives must be adopted. In short, in the digital economy era, only through a multi pronged and comprehensive governance approach can a safer, more transparent, and fair consumption environment be constructed.

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