



Legal Challenges of Consumer Protection in Cross-Border E-Commerce: Towards Global Standardization

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ABSTRAK

This research aims to identify the legal challenges faced in consumer protection in cross-border e-commerce transactions and explore strategies towards global standardization. The research method used was a qualitative approach with document studies and comparative analysis of consumer protection regulations in various jurisdictions, including the European Union, the United States, and Southeast Asia. Data was collected from legislation, consumer agency reports, and the latest academic literature, and then analyzed using comparative-legal methods to identify gaps in international regulations and best practices. The results of the study show significant differences in consumer protection mechanisms, dispute resolution procedures, and the implementation of cross-border consumer rights. This poses legal risks for consumers and businesses, including platform liability issues, online fraud, and limited legal access for international consumers. The study concludes that the harmonization of international regulations through flexible global standards and cross-border dispute resolution mechanisms is key to improving consumer protection. The implications of this study include recommendations for policymakers to formulate consistent regulations, support international cooperation between regulators, and for e-commerce businesses to implement transparent and accountable practices in cross-border operations.

Keywords: Consumer Protection, Cross-Border E-Commerce, Regulatory Harmonization, Global Standardization, Consumer Disputes

INTRODUCTION

Cross-border e-commerce has grown rapidly in recent decades, becoming a major pillar in global trade. According to UNCTAD, the value of cross-border B2C trade is estimated to reach \$780 billion in 2019 and is projected to increase to \$4.820 billion by 2026, with an annual growth rate of 27% through

2027. However, this expansion brings significant challenges in terms of consumer protection, especially related to differences in regulations between countries, difficulties in cross-border law enforcement, and potential misuse of personal data.

Differences in consumer protection regulations between developed and developing

countries lead to inequalities in the protection of consumer rights. For example, in the European Union, there are 14-day withdrawal rights, warranty obligations, and strict price transparency. In contrast, in many developing countries, consumer protections are often weak, and consumers struggle to assert their rights in cross-border transactions.

Several studies have examined the challenges and efforts to harmonize consumer protection regulations in cross-border e-commerce. Goetzinger and Spremic (2025) in their systematic literature review identified key challenges such as the vulnerability of technology, regulatory differences, and the risk of consumer manipulation in the global e-commerce landscape. Additionally, Meskic et al. (2022) highlight how companies often circumvent consumer protection by offering foreign legal choice clauses in their terms and conditions.

Despite efforts to harmonize regulations, there are still significant gaps in an effective international legal framework for consumer protection in cross-border e-commerce. Many countries do not have adequate regulations, and dispute resolution mechanisms are often ineffective or unavailable to international consumers. This research offers an integrated approach that combines the harmonization of international regulations, cross-border dispute resolution mechanisms, and increased consumer awareness to create a more effective consumer protection system in cross-border e-commerce. This approach also considers the role of technology, such as blockchain and smart contracts, in increasing transparency and accountability in e-commerce transactions.

Various previous studies have discussed challenges and practices in

consumer protection in cross-border e-commerce. Goetzinger and Spremic (2025) conducted a systematic literature review of the development of cross-border e-commerce between 2019–2024, identifying key challenges such as technological vulnerability, differences in regulations between countries, and the risk of consumer manipulation in global digital trade. Furthermore, Tan (2024) compares consumer protection mechanisms in the European Union, the United States, and China, pointing out significant gaps in approaches applied in different jurisdictions, and emphasizing the need for a strong international legal framework to align consumer protection globally. Amelia (2023) highlights the challenges of harmonizing consumer protection regulations in Indonesia, especially for global businesses that have to comply with various different regulations in each country, as well as opportunities to expand business reach in a safe and equitable manner. The study by Meskic et al. (2022) emphasizes the practice of companies that often circumvent consumer protection laws through foreign law choice clauses, while also exploring the experiences of the European Union and the United States as models for transnational consumer protection. In addition, the UNCTAD report (2024) identified a number of consumer challenges in e-commerce, including unsafe products, unfair business practices, limitations of online dispute resolution mechanisms, privacy violations, and lack of cross-border coordination, thus confirming the need for effective consumer protection guidelines internationally. Based on the review, it is clear that there is an urgent need for regulatory harmonization and the development of cross-border dispute resolution mechanisms, which

is the basis for this study to propose a more effective consumer protection model in the context of cross-border e-commerce.

This research aims to examine the legal challenges faced in consumer protection in cross-border e-commerce transactions and explore strategies towards global harmonization and standardization. Specifically, this study aims to identify differences in consumer protection regulations in different jurisdictions, analyze the effectiveness of cross-border dispute resolution mechanisms, and evaluate the role of technologies such as blockchain and smart contracts in improving the transparency and accountability of e-commerce transactions. In addition, this study also aims to develop recommendations for more effective consumer protection models, which can be applied by policymakers and business people in the context of global digital trade. Thus, this research is expected to contribute to the development of a more consistent international legal framework and encourage the creation of a safe, fair, and reliable cross-border e-commerce system for consumers.

RESEARCH METHODS

This study uses a qualitative approach with a comparative-legal study design to analyze the legal challenges in consumer protection in cross-border e-commerce and explore strategies towards global harmonization. This approach allows researchers to explore differences in regulations, business practices, and dispute resolution mechanisms in different jurisdictions in depth, as well as identify opportunities for standardization of international law.

Data sources used in this study include:

1. Legal documents: laws and regulations, government guidelines, and consumer protection policies from countries such as the European Union, the United States, China, and Indonesia.
2. Academic literature: scientific journals, scientific articles, and research reports related to e-commerce and consumer protection.
3. Reports of international institutions: such as UNCTAD, OECD, and international consumer protection organizations.

The research sample was determined purposively, namely documents, literature, and reports relevant to the topic of consumer protection in cross-border e-commerce, in particular those that address regulatory differences, business practices that are detrimental to consumers, and cross-border dispute resolution mechanisms.

Data Collection techniques are carried out through:

1. Document review: collecting and reviewing applicable laws and regulations, policies, and guidelines in the jurisdiction under review.
2. Literature review: reviewing journal articles, books, and research reports to gain theoretical and empirical perspectives related to consumer protection in cross-border e-commerce.

Data Analysis Techniques use comparative legal analysis with the following steps:

1. Identify and group consumer protection regulations, policies, and practices in each country.
2. Compare regulatory differences and similarities, dispute resolution

- mechanisms, and relevant business practices.
3. Identify legal gaps and challenges that arise in cross-border consumer protection.
 4. Develop recommendations for effective consumer protection models, including the possibility of regulatory harmonization and the use of technology in e-commerce.

With this method, the research is expected to provide an in-depth understanding of the legal challenges faced by consumers in cross-border e-commerce and formulate strategies for the implementation of consumer protection standards globally.

RESULTS AND DISCUSSION

Based on an analysis of legal documents, academic literature, and reports from international institutions, this study identifies a number of key findings related to consumer protection in cross-border e-commerce. These findings can be categorized into four main themes: regulatory differences,

dispute resolution mechanisms, business practices that harm consumers, and the role of technology in consumer protection.

Differences in Consumer Protection Regulations

The results of the analysis show that there are significant differences in consumer protection regulations in different jurisdictions. For example, the European Union imposes a 14-day right of withdrawal, a price transparency obligation, and a minimum product guarantee, which provides a relatively high level of consumer protection. In contrast, in some developing countries, including Indonesia, consumer protection regulations are still limited, particularly in cross-border transactions, so consumers face the risk of limited legal rights and access to seek redress. These findings are in line with research by Tan (2024) and Amelia (2023) which emphasizes the consumer protection gap between countries.

Table 1. Consumer Protection

Country/Jurisdiction	Right of Withdrawal	Warranty Obligation	Price Transparency	Dispute Resolution Mechanism
European Union	14 days	Minimum 2 years	Mandatory	ODR (Online Dispute Resolution)
AXLE	Depending on the state	Varied	Limited Compulsory	Arbitration or Small Claims Court
China	7 days	Varied	Mandatory	ODR and local mediation
Indonesia	Non-specific	Unclear	Limited Compulsory	Local consumer mediation

Dispute Resolution Mechanism

The findings show that the mechanism for resolving cross-border disputes is still weak and limited. Consumers often face difficulties in accessing ODR (Online Dispute Resolution) or foreign court systems. Additionally, many e-commerce businesses

include foreign law choice clauses that limit consumers' right to file lawsuits in their home country. This poses significant legal risks for international consumers, as noted by Meskic et al. (2022) and UNCTAD (2024).

Business Practices That Harm Consumers

Analysis of documents and literature shows that business practices that are detrimental to consumers are still prevalent, especially in the form of:

1. The product is not as described or defective,
2. Misleading price claims and promotions,
3. The use of contractual clauses in favour of the seller,
4. Collection and misuse of personal data.

Regulatory differences exacerbate this situation, as e-commerce businesses tend to take advantage of legal loopholes in certain countries to reduce their liability. These findings are in line with a study by Goetzinger & Spremic (2025) which shows that global consumers are more vulnerable to unfair business practices in cross-border e-commerce.

Discussion

The results of this study show that consumer protection in cross-border e-commerce faces complex challenges, involving aspects of legal, technology, business practices, and consumer literacy. The following discussion will elaborate the main findings of this study comprehensively.

Differences in Consumer Protection Regulations

Differences in regulations between countries are one of the main obstacles in consumer protection across countries. The European Union with strict regulations, such as a 14-day right of withdrawal and a 2-year warranty obligation, provides a high level of consumer protection. Meanwhile, in some developing countries, including Indonesia, regulations tend to be looser, especially related to cross-border transactions. This results in

injustice and legal uncertainty for consumers and international business people. Research by Goetzinger & Spremic (2025) confirms that these regulatory differences have the potential to lead to business practices that are detrimental to consumers, especially when companies exploit legal weaknesses in a country. This condition emphasizes the need for efforts to harmonize consumer protection regulations globally.

Limited Dispute Resolution Mechanism

The findings of the study show that the mechanism for resolving cross-border disputes is still limited and not easily accessible. Many e-commerce businesses use foreign law choice clauses that make it difficult for consumers to claim their rights in the home country. Existing ODR systems are not yet globally integrated, leaving consumers facing significant barriers in cross-border mediation and arbitration. These results are in line with the findings of Meskic et al. (2022), which highlight the need for effective and inclusive dispute resolution mechanisms for international consumers. The absence of these effective mechanisms increases the risk of litigation and undermines consumer confidence in global e-commerce platforms.

Business Practices That Harm Consumers

The analysis of the research shows that business practices that harm consumers still occur, such as products that are not as described, misleading promotions, delayed refunds, and contractual clauses that limit consumer rights. These practices are exacerbated by differences in regulations between countries, so companies tend to take advantage of legal loopholes to reduce liability. Amelia (2023) emphasizes that the

harmonization of international regulations can minimize business practices that are detrimental to consumers and create more consistent consumer protection standards.

Digital Consumer Rights and Data Protection

The findings of the study also show that digital consumer rights are often not adequately protected, especially when it comes to product information, complaint access, and compensation. Personal data protection is a crucial issue because many e-commerce platforms collect consumer data for marketing purposes, but data protection mechanisms often vary from country to country. These inconsistencies increase the risk of misuse of personal data and violations of international law such as GDPR in the European Union. Therefore, consumer data protection should be an integral part of cross-border consumer protection strategies.

The Role of Technology in Consumer Protection

Technology offers solutions as well as challenges. Blockchain and smart contracts can increase transaction transparency and minimize disputes related to payment or contract fulfillment. AI-based ODR systems can speed up dispute resolution and make it easier for international consumers. However, risks such as algorithm abuse, dynamic pricing, and cybersecurity threats remain. Therefore, technology regulations must be aligned with the principles of consumer protection so that digital innovation can increase consumer confidence without creating new risks.

Consumer Literacy Gap

The results of the study show that consumer literacy and understanding of legal rights greatly affect consumers' ability to protect themselves. Consumers who lack a clear understanding of their rights and dispute resolution procedures are more susceptible to adverse business practices. Digital literacy and consumer law must be strengthened through education and awareness campaigns so that consumers can make safer transaction decisions, especially in cross-border transactions.

Harmonization of International Regulations and Global Standardization

Based on the overall findings, the study confirms that the harmonization of international regulations is the key to effective consumer protection. Global standardization can reduce consumer protection gaps, minimize the risk of unfair business practices, and increase consumer confidence in cross-border digital trade. This effort also needs to be accompanied by an inclusive global dispute resolution mechanism, as well as the integration of technology for transparency and accountability of transactions.

The findings of this study have several practical implications. For policymakers, there needs to be a consistent and flexible international regulatory framework to protect consumers across borders. For e-commerce platforms, these findings emphasize the importance of transparency, accountability, and the implementation of fair business practices. For consumers, digital literacy and consumer rights must be improved to minimize the risk of loss in international transactions.

CONCLUSION

This study shows that consumer protection in cross-border e-commerce faces complex and multidimensional challenges. Differences in regulations between countries, limited dispute resolution mechanisms, business practices that are detrimental to consumers, and inequitable protection of personal data, are the main factors that hinder effective consumer protection. The findings also affirm the role of technology as a tool to improve transparency, accountability, and access to dispute resolution, although the risk of misuse of technology still needs to be watched out. In addition, low consumer literacy is an additional factor that increases consumer vulnerability in cross-border transactions. From these findings, it can be concluded that the harmonization of consumer protection regulations internationally and global standardization is an important step towards creating a safe, fair, and reliable cross-border e-commerce system. The implementation of effective cross-border dispute resolution mechanisms, the integration of technologies that support consumer protection, and the improvement of consumer literacy are key to reducing the risk of losses and increasing consumer confidence. This research contributes to the understanding of consumer protection legal challenges in cross-border digital trade and offers a foundation for the development of policies, business practices, and technological innovations that can improve consumer protection globally.

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