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Reforming Pakistan's E-Commerce Legal Framework: A Critical Analysis of Digital Contracts, Consumer Protection and Platform Liability with Comparative Insights from UK Law

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ABSTRACT

The rapid expansion of e-commerce in Pakistan has transformed commercial relationships but has exposed significant weaknesses within the existing legal framework. This article critically examines whether Pakistan's current regulatory structure adequately governs digital contracts, consumer protection and platform liability. It argues that while the Electronic Transactions Ordinance 2002 successfully recognises electronic transactions, remains primarily focused on the legal validity of electronic transactions and fails to address emerging challenges relating to unfair digital terms, intermediary responsibility and consumer remedies. Through comparative analysis with UK law, particularly the Consumer Rights Act 2015 and Digital Markets, Competition and Consumers Act 2024, the article demonstrates how a fairness-based regulatory approach can strengthen digital commerce governance. It argues that Pakistan requires a unified e-commerce framework incorporating digital contract regulation, platform accountability, transparent consumer practices and effective online dispute resolution mechanisms to ensure sustainable and trustworthy digital market development.

Introduction: The Transformation of Commerce and the Need for Legal Reform

The e-commerce sector in Pakistan has grown significantly, transforming conventional commercial relationships by enabling digital platforms and mobile interactions as alternatives to traditional methods. In 2024 the market is estimated to be around US$7.7 billion, and by 2027 is expected to reach US$12 billion, of which about 80% of the purchases will be made through smartphones (PCMI, 2024). Still, the lack of overall substitution of cash-on-delivery, which results in about 75% of payments, suggests that digitalisation has not resolved the lack of consumer trust, security of transactions and legal certainty.

The legal implication of this transformation in Pakistan is the disparity between digital commerce and the current structure of commerce in Pakistan. In the case of platforms like Daraz, OLX and Foodpanda, they are not merely marketplaces but digital intermediaries controlling information flows, contractual processes and dispute resolution mechanisms. Haider (2026) claims that the development of the digital economy has outpaced the efforts of the regulatory bodies, raising questions of responsibility and actionability for platforms.

Click-wrap agreements have become the primary tool for digital transactions, as well as standard-form platform terms, over negotiated terms. This undermines the traditional notion of consent as it is often consumers who are required to accept contractual terms without any negotiation. Mochammad (2026) suggests that it is necessary to rethink the fairness of a contract in the digital era because of the information imbalance between the platform and the user, whereas Mashdurohatun (2026) emphasizes the need for more regulation of transparency and consumer protection and digital dispute resolution.

Thus, the central legal issue does not revolve around recognition of electronic transactions, but whether the current commercial doctrine will be able to provide an effective foundation for digital relationships. The challenge for Pakistan is to shift from mere facilitation of electronic commerce to having a regulatory regime that ensures consumers' protection and platform accountability.

Pakistan lacks a unified e-commerce statute. Digital commerce, however, is governed by the Contract Act 1872, Electronic Transactions Ordinance 2002 (ETO), provincial consumer protection laws, cybersecurity laws and State Bank of Pakistan payment laws. These laws are enacted to address specific problems, but their disjointed structure leaves questions concerning liability, enforcement and consumer remedies.

The ETO 2002 was a significant piece of legislation due to sections 3-7 giving legal recognition to electronic records, communications and signatures. Its function is primarily facilitative rather than protective. It does not seek to control the terms, obligations of platforms or the remedies open to consumers, but only to ensure the validity of electronic transactions. Rafiq et al. (2023) claim that the framework of electronic transaction in Pakistan laid the groundwork for the development of digital commerce but it has not been able to keep pace with technological advancement due to lack of regulatory mechanisms.

This creates a distinction between the validity and fairness of transactions. Although Pakistan acknowledges electronic agreements, it does not have comprehensive laws concerning digital consumer vulnerability, intermediary liability and online dispute resolution. Farooq, Malik and Nawaz (2026) point out that the rise of online commerce has led to conflicts related to payment methods, defective products, fraud, etc., and traditional dispute resolution processes are ineffective in addressing online disputes.

Fragmented regulation is more apparent when compared to the United Kingdom. Digital commerce in the UK is regulated by interdependent legislation, such as the Consumer Rights Act 2015, the Consumer Contracts Regulations 2013, the Consumer Protection from Unfair Trading Regulations 2008 and the Digital Markets, Competition and Consumers Act 2024. These laws provide structured protection relating to unfair terms, consumer information and digital market practices.

In contrast, the legislation of Pakistan deals with different aspects of digital commerce without considering its platform-based nature. This uncertainty extends to who should be held responsible when consumers are harmed, whether it's the sellers, the platforms, the payment providers or some other intermediary. Therefore, the principal deficiency is not the absence of regulation; it's that there is no central enforcement.

Although Pakistan continues to rely on the Contract Act 1872, its application presents significant challenges to the country's digital economy. The principles of offer, acceptance, contractual validity and free consent are established in sections 2, 10, 13 and 14, but these principles were created for traditional commercial transactions involving identifiable parties and direct negotiation.

In modern online commerce, automated systems and standard-form agreements are used, with buyers having little bargaining power. Jamil, Jehanzeb and Alam (2025) contend that while Contract Act is still a cornerstone of the contract law in Pakistan, its colonial framework is inadequate for digital contracts, automated transactions, and the present-day commercial practices.

The question is not whether electronic contracts are legally binding it's whether accepting electronically is real consent. Similar concerns have been addressed by the incorporation principles in English law. The court in Thornton v Shoe Lane Parking Ltd [1971]

2 QB 163 ruled that "onerous terms" required proper notice while Interfoto Picture Library Ltd v Stiletto Visual Programmes Ltd [1989] QB 433 had determined that particularly "onerous" clauses required clear communication.

The UK has taken this a step further with the Consumer Rights Act 2015, sections 62-68 which provide for a statutory fairness test and transparency requirements for consumer contracts. Khan (2025) suggests that the UK system offers greater protection since it complements traditional contract principles, allowing parties to prevent substantive unfairness in standard-form agreements, whereas Pakistan continues to rely on traditional contract principles.

Thus, the digital contracting issue is not just of electronic recognition in Pakistan. It calls for a change in consent, fairness and platform accountability to ensure that digital agreements are meaningful consumer protection, rather than merely formal acceptance.

The buyer – seller dynamics are now shifting to a new digital era where sellers, platforms, payment processors and logistics intermediaries play an active role to create ecommerce ecosystems. But Pakistan's consumer protection model is traditional with the burden of liability on a clearly identified seller. This assumption does not reflect the reality of digital markets, where platforms are in ever greater control of product visibility, consumer knowledge, payment processes and dispute mechanism, yet without clearly defined legal responsibilities.

Consumer protection laws in Pakistan, such as the Punjab Consumer Protection Act 2005, the Sindh Consumer Protection Act 2014, Khyber Pakhtunkhwa Consumer Protection Act 1997 and Balochistan Consumer Protection Act 2003, offer remedies for defects in goods and misleading practices, but fail to address specific digital issues including platform liability, fake reviews, algorithmic transparency or the identity of online sellers. Online commerce has revealed Pakistan's consumer protection system is demonstrating significant weaknesses, such as counterfeit products, insufficient enforcement, and consumer fraud (Warraich et al., 2024), and digital privacy, misleading marketing (Noor and Sultana, 2024) have been highlighted as new areas of concern.

The lack of platform responsibility is the main problem. Unlike the traditional business environment, where liability is normally with the retailer or manufacturer, digital business models enable the conduct of transactions and the management of certain aspects of consumer interaction. If platforms are treated as passive intermediaries, there is an accountability gap as consumers lack clarity about remedies while platforms enjoy the benefit of online transactions. Haider (2026) notes that Pakistan's current consumer and intellectual property law are not suitable for online infringement due to anonymity of the sellers and the ability to remove listings and escape effective enforcement.

This can be seen more clearly in the UK where the Consumer Rights Act 2015 acknowledges that consumer protection must involve regulating bargaining power imbalance. Sections 62-68 outline the fact that unfair consumer terms are not enforceable, and that contractual terms must be transparent. This is a more substantive approach than formal consent. Likewise, in Thornton v Shoe Lane Parking Ltd [1971] 2 QB 163, the onerous nature of clauses required adequate notice, and in Director General of Fair Trading v First National Bank plc [2001] UKHL 52 it was confirmed that consumer contracts should be evaluated to ensure that they are not unfair.

While the Contract Act 1872 protects consumers through Section 14 and 17-19 on consent and fraud and misrepresentation, these provisions do not apply to online practices like dark patterns, hidden charges, fake reviews and algorithmic manipulation. The issue is not only individual seller misconduct, but also the structural imbalance between consumers and powerful digital platforms.

There is also limited consumer protection due to weak dispute resolution. Farooq, Malik and Nawaz (2026) argue that existing mechanisms are not suitable for such type of disputes as they are fast, volume and cross-border disputes, whereas Jabeen et al. (2026) state the need for Online Dispute Resolution (ODR) to increase access and consumer confidence.

Therefore, Pakistan should move from a seller-based regulation to model of accountability of the platform. Enabling the growth of e-commerce through legal certainty requires future legislation to include clear obligations on platforms, transparency requirements and efficient e-dispute resolution procedures.

Pakistan’s E-Commerce Legal Framework: Recognition Without Comprehensive Protection

The Electronic Transactions Ordinance 2002 (ETO) was Pakistan's first legislation in response to digital commerce and it adopted the concept that electronic transactions should be legally recognized and treated on par with written transactions. The Ordinance was inspired by the UNCITRAL Model Law on Electronic Commerce 1996, which aimed to eliminate uncertainty regarding electronic records, electronic signatures and electronic communications. Sections 3 and 5 give recognition to the legal validity of electronic records, and recognition to electronic signatures where authentication is legally required, as outlined in sections 4 and 6.

The ETO does not, however, provide a fully developed e-commerce regulatory regime. It does not address the fairness of electronic commercial relationships; its primary role is to facilitate electronic transactions. Today, e-commerce disputes do not necessarily focus on whether or not an electronic contract exists, rather on matters of unfair terms, platform responsibility, misleading information and consumer remedies. Rafiq, Bilal and Mustafa (2023) suggest that while the electronic transaction system has provided the basis for digital commerce, electronic transaction policies on authentication, certification and enforcement are inadequate to modern electronic markets.

The restriction of the ETO is apparent when compared with the United Kingdom. The UK also acknowledged the existence of electronic communications with the Electronic Communications Act 2000, but created complementary consumer protection mechanisms with the Consumer Rights Act 2015 and the Consumer Contracts Regulations 2013. Therefore, UK law does not treat electronic validity as the final objective but as one component of a wider consumer protection framework.

In addition, Pakistan's ETO offers some guidance on platform transactions. Online marketplaces are transactions facilitated by several parties: sellers, platforms, payment and delivery service providers and others, but the Ordinance does not prescribe clear legal obligations for these parties. This is ambiguous when consumers experience the loss of valuable items due to faulty goods, scam sellers, or unsuccessful transactions. Malik and Nawaz (2026) point out that digital commerce has given rise to new types of disputes that are not easily handled by current legal frameworks.

Thus, although the ETO does break down the legal barrier to electronic contracting, it needs to be complemented by consumer protection and platform regulation. The next step towards reform in Pakistan needs to shift from recognition of electronic transactions to regulation of digital marketplace ecosystem.

The Contract Act, 1872, continues to serve as the backbone of commercial law in Pakistan as it is where offer, acceptance, contractual validity and free consent are defined. But its use in ecommerce is problematic due to the differences between digital transactions and traditional contractual agreements. The Act was developed around identifiable parties and negotiated agreements, whereas online commerce relies predominantly on automated acceptance and standard-form contracts.

The primary issue concerns genuine consent with digital acceptance. When consumers interact with platforms, they agree to pre-designed conditions without negotiating, establishing a considerable imbalance between business and consumers. Jamil, Jehanzeb and Alam (2025) suggest that the Contract Act continues to be significant and relevant in the legal context but its nineteenth-century foundation creates challenges for the application of the Contract Act to electronic contracts, automated transactions and contemporary commercial realities.

The UK has some relevant comparative guidance in English common law. In Entores Ltd v Miles Far East Corporation [1955] 2 QB 327, the court acknowledged that contracts made via instant communication necessities thinking of the time for acceptance to be communicated. Likewise, in Brinkibon Ltd v Stahag Stahl [1983] 2 AC 34 it was recognised that flexibility was required when determining contract formation in the context of electronic communication.

However, the greater challenge in digital commerce is not formation but fairness. There are often lengthy standard conditions in online contracts regarding replacement and liability restrictions and arbitration procedures. The court ruled in Thornton v Shoe Lane Parking Ltd [1971] 2 QB 163 that if the terms are particularly onerous, there is a need for adequate notice before the incorporation of those terms. This is particularly important when the consumer is signing an online contract, and is simply exposed to the terms without paying attention.

This issue is partially addressed by the Contract Act in Pakistan. Sections 14-19 discuss free consent, fraud and misrepresentation, but does not provide a statutory fairness doctrine for normal forms of digital contracts. While the Consumer Rights Act 2015 in the UK provides a statutory definition of unfair consumer terms and renders them unenforceable against consumers, the Pakistan legislation has not provided a definition of fairness for contractual terms.

Therefore, there was a need to modernise the Contract Act in Pakistan instead of abandoning it. The dedicated e-commerce framework should specify the legal nature of click-wrap contracts, automated contracting systems, unfair digital terms, and continue to uphold the contractual principles that have been set forth.

One of the most underdeveloped areas in Pakistan's e-commerce regulatory landscape is the consumer protection system. Consumer rights are regulated under the provincial legislation such as Punjab Consumer Protection Act 2005 and Sindh Consumer Protection Act 2014. But these laws were for traditional markets and offer limited direction on law and policy questions of online marketplace issues like platform liability, fake reviews, electronic advertising, electronic dispute resolution etc.

Central problem is that digital commerce brings about the triangle of consumers, sellers and platforms. The current laws in Pakistan regarding consumer protection generally focus on the direct relationship between the buyer and the seller and fail to specify the responsibility of platforms in cases of failed transactions. Warraich et al. (2024) state that online scams, product safety concerns, and inadequate enforcement of cyber laws are growing threats to digital consumers in Pakistan.

This regulatory gap contrasts with the UK approach. The Consumer Rights Act 2015 provided a comprehensive regime for goods, services and digital content and replaced the pre-existing fairness test for consumer contracts with a statutory test. It acknowledges the need for regulation of business practices in addition to remedies for harm that has been done.

The UK has also taken a step forward with the Digital Markets, Competition and Consumers Act 2024, which tackles contemporary digital threats such as fake reviews, subscription traps and misleading pricing. However, Pakistan does not yet have laws to address these newer aspects of digital harm to consumers.

Hence, it is important that Pakistan needs a specific digital consumer protection regime with obligations on platforms; transparency requirement; and efficient online dispute resolution. Without such reform, the growth of e-commerce may continue economically while consumer confidence remains limited.

Comparative Lessons from the United Kingdom: Consumer Protection and Digital Contract Regulation

The United Kingdom is a suitable comparative jurisdiction for Pakistan as both developed under the common law system, but have taken different paths with respect to consumer protection in the digital space. Although Pakistan has applied traditional contractual laws to online transactions, the UK has taken a regulatory approach acknowledging that with new types of vulnerability in online markets, specific regulatory measures are necessary. The key difference is that UK law now increasingly recognizes the role of consumer protection as a device to remedy structural inequality in markets, as well as to enforce voluntary agreements.

The Consumer Rights Act 2015 (CRA 2015) marked a significant shift in the UK consumer law with the aim of consolidating existing laws and setting out a clear framework for consumer contracts. Consumer protection had been established under several pieces of legislation prior to the CRA 2015 such as the Sale of Goods Act 1979, Unfair Contract Terms Act 1977 and Unfair Terms in Consumer Contracts Regulations 1999. The reform acknowledged that a lack of consolidated regulation led to uncertainty and lowered consumers' confidence. The CRA 2015 was therefore intended to streamline consumer rights while taking into account technological developments, especially in the digital space and with online transactions.

This regulatory philosophy contrasts sharply with Pakistan’s current position. The regulatory framework for e-commerce in Pakistan is fragmented and dispersed among the Contract Act 1872, Electronic Transactions Ordinance 2002, the provincial consumer protection legislations and financial regulations by the State Bank of Pakistan. Although these laws collectively provide some legal recognition of electronic transactions, they do not constitute a unified digital consumer protection framework. Khan (2025) asserts that the consumer protection regime in Pakistan is weak, reactive and more fragmented as contrasted to a statutory consumer protection regime in the UK with explicit fairness principles and consumer protection regulatory mechanisms.

The distinction is especially important, as digital commerce has significantly shifted the nature of contractual relationships. Conventional contract law takes for granted the ability of the contracting parties to understand and agree to terms, as well as being even. However, online transactions are dominated by standard-form agreements drafted by platforms and accepted through a simple click mechanism. Consumers often do not read lengthy terms and conditions, nor do they have enough leverage to negotiate changes. Jamil, Jehanzeb and Alam (2025) contend that the Contract Act, 1872 of Pakistan, which was drafted for a nineteenth-century commercial context where contracting parties could be determined easily and relied on traditional forms of contracting, is becoming less applicable in today's digital era of agreements done online.

The CRA 2015 seeks to address this issue by acknowledging that consent given in a formal way is not a sufficient basis for fairness. Section 62 establishes that an unfair consumer term is not intended to bind the consumer if it results in a significant imbalance that is not in good faith. This is in contrast to classic contract theory, which only considers whether consent was given or not, but whether the contractual relationship is substantively fair.

This is especially applicable in the case of Pakistan where the online platforms often come with very broad unilateral terms regarding refunds, account suspension, resolution of disputes, and limitation of liability. Consumers are technically in agreement with these terms, but this agreement may be in a formal sense only. There is no statutory fairness test in Pakistan like it is in Section 62 CRA 2015, thus leaving consumers to rely on narrow doctrines of the Contract Act 1872, which are not adequate to cover the massive imbalance in the digital world.

Comparative scholarship has also recognized the importance of regulating unfair terms. Khan (2025) discusses how modern-day contracts for consumers are marked by informational imbalance and unequal bargaining strength, necessitating some mechanism by which the law can exert control over predatory contractual terms even if the consumer has been presented with them. This analysis illustrates the need for a change in the approach from consent-based to fairness-based digital consumer regime in Pakistan.

One key advantage of the CRA 2015 is the acknowledgement that the digital economy is a distinct category from goods and services. Part 1 of Chapter 3 dealt with specific rights relating to digital content, where there was legal uncertainty over software, applications and online services. The development illustrates that a digital regulation must be based on a framework of legal categories that is in line with the technological reality of digital transactions — without imposing them into old contractual categories.

There is no equivalent protection for digital content in Pakistan yet. The Electronic Transactions Ordinance 2002, which also provides legal recognition of electronic records and communications, serves primarily as an authentication mechanism, rather than for consumer protection. Usman and Ashraf (2026) contend that the electronic transaction system was established in the wake of technological advancement, but is not suitable for addressing the wider issues that digital transactions bring, such as electronic evidence, cyber security and consumer protection.

The UK approach also demonstrates the importance of platform accountability. Intermediary platforms play a major role in today's e-commerce activity by linking together buyers and sellers and assuming responsibility for various aspects of the transaction, such as payment mechanisms, advertising visibility, and the management of conflicts. But the Pakistani legislations have not clarified whether platforms are just ‘intermediaries' or are accountable commercial actors.

This accountability deficit has been pointed out by Sohail (2026) in the context of the online marketplace in Pakistan, as the current consumer laws are based on direct consumer-seller relationships and are poorly suited for multi-party platform sales. This poses real-world obstacles as platforms can enable deals without taking liability for faulty goods, missed delivery or deficient reimbursements procedures.

The UK has gradually addressed similar issues in the light of further reforms introduced via the Digital Markets, Competition and Consumers Act 2024 (DMCCA). The DMCCA strengthens consumer protection by addressing digital market practices including fake reviews, misleading pricing practices and subscription traps. This reflects a general shift in regulation from contract enforcement to active governance of digital marketplaces.

In Pakistan, the importance of the UK model is not so much that the country should replicate the same laws but digitally bound commerce needs a regulatory approach of transparency, accountability and consumer confidence. This is one of the most important reforms needed in Pakistan's fast-growing digital economy. In 2024, the e-commerce market in Pakistan grew to around $7.7 billion, and is expected to grow to $12 billion by 2027. Despite this growth, however, consumer trust concerns are also a constraint on digital transactions, with approximately 75% of online transactions taking place using cash-on-delivery methods. This shows that the legal uncertainty is not just a rhetorical discussion point, but a real one for the development of digital markets.

Hence, Pakistan's future e-commerce law must go beyond mere recognition of electronic contract and create a detailed consumer protection regime. The key reform goal is to establish a fair digital marketplace that promotes innovation without abusing platform power via transparency obligations, unfair terms enforcement, remedies and accessible dispute resolution processes. The UK experience shows that the building of consumer confidence is not just about technology but it is about legal certainty and the effective protection of rights.

Digital Contracts in Pakistan: The Limits of Traditional Contract Law

The electronic commerce of Pakistan is legally grounded with the Electronic Transactions Ordinance 2002 (ETO), which gives legal validity to the electronic records, communications and signatures. Section 3-7 of the Ordinance provided for the implementation of the principle that electronic documents should not be denied legal effect because they are in electronic format. This was a significant legislative milestone as it lifted the uncertainty surrounding electronic contracting and brought it in line with other international initiatives like the UNCITRAL Model Law on Electronic Commerce 1996. However, the ETO remains primarily a recognition statute rather than a comprehensive digital commerce framework. It facilitates electronic transactions, but does not address the broader commercial implications of online contracting, such as the use of unfair electronic terms, platform liability, consumers' remedies and online dispute resolution.

The legal validity and regulatory adequacy dichotomy is the core issue of the e-commerce framework in Pakistan. Although the ETO outlines relationships between consumers and sellers, platforms and payment providers in the context of modern digital transactions, ETO does not explicitly identify who is responsible for what. According to Rafiq, Bilal and Mustafa (2023), the electronic transaction regime laid the groundwork for digital commerce in Pakistan but is incomplete due to the absence of complementary authentication, certification, and regulatory systems. Likewise, Farooq, Malik and Nawaz (2026) point out that with the rise of online transactions, disputes over fraud, defective products and failure in payment have emerged, while the mechanisms of the current law are not well suited to the "digital commercial realities".

The limitations of the ETO become particularly visible when examined alongside the United Kingdom’s approach. The UK has acknowledged electronic communications with the Electronic Communications Act 2000 but added to this recognition the consumer-focused regulations, such as the Consumer Contracts Regulations 2013 and Consumer Rights Act 2015. The UK approach illustrates how digital commerce regulation must acknowledge electronic transactions as well as provide substantive protection for consumers in those transactions.

The problem is further intensified by Pakistan’s continued reliance on the Contract Act 1872 for online agreements. Following the lead of the traditional requirements of offer, acceptance, valid agreement and free consent, offer and acceptance are included in sections 2 and 10, whilst valid agreement and free consent are included in sections 13 and 14 respectively of the Act. Online agreements are usually made via click-wrap systems, standard-form terms and automated systems of agreement in which consumers have minimal negotiating ability for contractual terms. Jamil, Jehanzeb and Alam (2025) argue that although the Contract Act remains the foundation of Pakistani private law, its colonial structure creates difficulties in regulating contemporary digital transactions and technology-driven commercial relationships.

The question is not whether electronic contracts can meet traditional contract requirements, but whether traditional consent principles will afford protection of the sort that is needed when there is an uneven distribution of bargaining power. The safeguards in English common law have strengthened as a result of cases such as Thornton v Shoe Lane Parking Ltd [1971] 2 QB 163, where the court spoke for the first time about the need for adequate notice before a contract is incorporated, and Interfoto Picture Library Ltd v Stiletto Visual Programmes Ltd [1989] QB 433, which further reinforced the requirement for clear notice to be given of unusual contractual provisions. These principles are particularly relevant to online platforms where consumers frequently accept lengthy terms without meaningful awareness of their consequences.

Pakistan lacks an equivalent statutory fairness mechanism. While the Contract Act covers questionable consent in the context of fraud, misrepresentation and coercion, it fails to recognize larger structural problems created by commonly-used digital contracts. By contrast, the UK Consumer Rights Act 2015 (sections 62-68) enacted a statutory fairness test that would not require consumers to adhere to unfair consumer terms and would demand transparency of contractual conditions. This difference is attributed by Khan (2025) to the UK's more consumer-centric stance, where fairness and transparency are seen not only as a part of the consent but also as an integral element of digital contracting.

Thus, Pakistan's digital contractual framework should be reformed instead of replacing the existing legal framework. A modern e-commerce statute should provide clarity on the legal status of electronic contracts, establish a framework for platform-generated contracts and provide protections against unfair digital terms. The goal should be to maintain the contractual certainty while still achieving digital consent that is based on real consent and not just on a "consent to the terms of the technology".

Platform Liability and the Need for Regulatory Accountability in Pakistan's E-Commerce Market

One of the biggest issues in Pakistan's e-commerce landscape is the lack of clarity regarding the legal status of online platforms. In traditional commercial law, the direct relationship between buyer and seller is assumed, but in the digital marketplaces there are several layers that are involved including advertising, payment processing, seller verification, customer reviews and dispute management. This transformation challenges the traditional assumption that platforms are merely passive intermediaries. The main issue that can be discussed here is the liability of digital platforms for harms caused to consumers, fake products and false business practices.

Pakistan's existing legislation does not provide a clear answer. Electronic communication is recognised under the Electronic Transactions Ordinance 2002, and the consumer protection laws govern the conduct of the sellers, but neither provides any overarching obligations on online marketplaces. This can lead to platforms potentially benefiting from commercial benefits from digital transactions without corresponding accountability, without being clearly liable for harm in their ecosystem. Khan & Lehri (2025) highlight intermediary liability as one of the key areas of ambiguity in the e-commerce framework of Pakistan, noting the need for detailed legislation to clarify responsibilities and obligations for digital platforms.

This uncertainty is especially problematic when it comes to counterfeit goods and intellectual property infringement. The digital marketplace has made it much easier for sellers, but it has also allowed anonymous sellers to sell counterfeit products on a scale which would be hard to police using traditional methods. Haider (2026) proposes that the existing IP laws rely on pre-digital principles and have been framed to address identifiable offline infringers rather than anonymous online sellers via platforms.

The practical difficulty is that traditional enforcement against individual sellers is often ineffective. When a seller uses an online marketplace, a sellers may remove infringing listings and register a new account in a matter of hours, resulting in a slow, inefficient process using traditional litigation. The existing IP enforcement systems in Pakistan are facing difficulties due to online infringement, anonymous accounts, temporary listing, and jurisdictional issues, says Haider. So, the law should no longer concentrate merely on punishing the wrongdoers, but also on controlling digital commerce infrastructure.

A comparative analysis of the UK shows a trend towards increased intermediary accountability. While UK law does not currently demand unlimited liability from platforms, it is clear that digital platforms with a significant role in the regulation of commercial activity must not be completely unengaged from any consumer protection duties. The Digital Markets, Competition and Consumers Act 2024 builds on this by addressing unfair digital practices, such as fake reviews, misleading pricing methods and subscription traps.

For Pakistan, the lesson is not that platforms should become insurers against every transaction failure. If liability is excessive, innovation and investment may be discouraged. Rather, regulation should take a balanced approach, where platforms have reasonable responsibilities for compliance. These should encompass seller verification, working with rights holders, deletion of illegal listings following notice, clear procedures for complaints and keeping appropriate transaction records.

This would solve the accountability issue today without hurting the business value of digital platforms. The objective should be to recognise platforms as powerful market participants rather than simply technological intermediaries.

Online Dispute Resolution and the Enforcement Gap in Pakistan's Digital Economy

However, a legal framework for e-commerce is only effective if there is also a mechanism for it to be enforced that is accessible. A consumer protection system that provides rights without practical remedies fails to create meaningful legal protection. The existing dispute resolution mechanism in Pakistan largely relies on traditional judicial and consumer forums which are ill-equipped to resolve digital disputes in connection with low value transactions, cross-border dealers and shifting online evidence.

The problem is particularly significant because e-commerce disputes differ fundamentally from conventional commercial disputes. A consumer buying a defective product online might find it challenging to establish jurisdiction and recover litigation costs and to identify the seller. The traditional court process might therefore deter consumers from filing legitimate claims, while giving businesses and platforms a way to escape holding them accountable.

Jabeen et al. (2026) pinpoint the lack of a structured Online Dispute Resolution (ODR) system as one of the significant gaps in the digital commerce landscape in Pakistan. They state that online transactions demand speedy and technological method of resolving conflicts as traditional litigation cannot efficiently resolve high volume of disputes online. Likewise, Farooq, Malik and Nawaz (2026) have pointed out that Pakistan's digital justice system is less developed than those countries that have incorporated digital dispute resolution (DDR) into their consumer protection system.

Consumer dispute resolution in the United Kingdom is useful to compare as it has increasingly embraced alternative processes that are designed to be accessible and efficient. The aim is not just to ease the load for the courts, but to provide consumers with reasonable prospects of remedies.

Thus, Pakistan's reform program must include some form of mandatory or semi-mandatory ODR forum for consumer disputes on the Internet. This system might offer electronic evidence submission, mediation capability and quick decisions on small claims. However, ODR should not replace judicial oversight; rather, it should complement existing courts by providing a practical first-level remedy.

Evidentiary issues also are linked to the need for the digital dispute mechanisms. The Internet creates electronic records, such as payment confirmations, communications, platform records and digital signatures. While the Pakistani legal system has been evolving to include electronic evidence, including the introduction of Article 164 of the Qanun-e-Shahadat Order 1984, there are lingering issues of authenticity and reliability. Usman and Ashraf (2026) argue that technological development has transformed the nature of evidence, creating difficulties for legal systems developed before widespread digital communication.

Thus, any e-commerce reform must be accompanied by new rights as well as institutional means to uphold these rights. Consumer protection without dispute resolution is only theoretical.

Towards a Unified E-Commerce Regulatory Framework for Pakistan

The study reveals that Pakistan's real problem is not that there is no digital regulation in place, but that the existing laws are not coherent. The existing system allocates duties to different legislations such as Electronic Transactions Ordinance 2002, Contract Act 1872, Prevention of Electronic Crimes Act 2016, Provincial Consumer Protection Ordinance and financial rules. While each tackles a specific problem, they are not a unified system of rules for current digital commerce.

According to Khan and Lehri (2025), Pakistan has no such all-encompassing legislation which can incorporate digital contract, data governance, cybersecurity, and intermediary responsibility within a unified legislative framework. They emphasize that the lack of harmonisation leads to consumer insecurity and uncertainty for companies in relation to online markets.

An integrated regulatory model should thus be incorporated in a future Pakistani e-commerce statute. Firstly, it needs to establish the principles of digital contracts and provide recognition to electronic contracts, automatic acceptance of contracts and platform-generated contracts. Secondly, it should include consumer protection measures for unfair digital terms, deceptive advertising, fake reviews and hidden fees. Third, it should set proportional responsibilities instead of unlimited liability for the platforms.

The proposed framework should improve institutional coordination as well. Strategically, various regulatory bodies like the Intellectual Property Organization of Pakistan, Federal Investigation Agency, State Bank of Pakistan, and consumer protection authorities are responsible for different regulatory functions. In fact, Haider (2026) states that fragmented institutional responsibility and limited capacity for digital enforcement have played a big role in the lack of effectiveness in the regulation of the digital marketplace in Pakistan.

A unified framework would also improve Pakistan's ability to participate in international digital trade. Cross-border e-commerce requires predictable rules relating to jurisdiction, electronic contracts, consumer remedies and platform obligations. The lack of legal security will undermine consumer confidence and discourage responsible investments in the digital economy in Pakistan.

However, reform should avoid simply importing foreign models. The Consumer Rights Act 2015 and Digital Markets, Competition and Consumers Act 2024 are useful pieces of guidance in the UK, which need to be tailored to Pakistan's economic landscape, enforcement capabilities, and digital readiness. The objective should be gradual legal modernisation rather than excessive regulation.

Conclusion

The e-commerce revolution has created significant economic opportunities for Pakistan but the legal development has not kept pace. While electronic transactions are already recognized under existing laws, they are still not adequate to address the complex relationships formed by digital marketplaces. The central problem is therefore not whether electronic commerce is legally valid, but whether consumers, businesses and platforms operate within a predictable and accountable legal environment.

The example of the United Kingdom illustrates the need to move beyond traditional contractual approaches to a more comprehensive regulatory framework grounded in fairness, transparency and accountability in digital commerce. The Consumer Rights Act 2015 is an example of how consumer law can respond to the standard-form contract and digital content, and recent changes to the Digital Markets, Competition and Consumers Act 2024 show the need to tackle the new online practices.

The key priority for Pakistan's policymakers should be to draft a comprehensive E-Commerce Regulatory Framework Act which covers digital contracts, consumer protection, platform responsibility, cybersecurity, and online dispute resolution. Such reform would not restrict digital innovation; rather, it would create the legal confidence necessary for sustainable growth.

The future of Pakistan's digital economy depends not only on technological adoption but on the strength of the legal institutions governing that technology. A mature e-commerce system requires law to move from merely recognising digital transactions towards actively governing digital markets.

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