

CONSUMER PROTECTION IN THE MALAYSIAN DIGITAL MARKETPLACE: FROM RISKS AND CONCERNS TO A LAW REFORM

Sonny ZULHUDA*
ORCID ID: 0000-0003-0192-1971

Declaration*

Abstract

This paper examines the evolution of consumer protection law in Malaysia's rapidly expanding digital marketplace. With 96.4% of Malaysian households having internet access and over 78,000 entities engaged in e-commerce transactions, the digital economy now accounts for more than one-fifth of Malaysia's GDP. However, this growth has created new consumer protection challenges, with the Ministry of Domestic Trade and Cost of Living receiving nearly 8,000 e-commerce-related complaints by September 2024. The study analyses key consumer risks in digital transactions, including information asymmetry, fraudulent practices, automated decision-making systems, and limited redress mechanisms. It traces the critical 2007 amendment to the Consumer Protection Act 1999, which extended coverage to electronic transactions, and examines the comprehensive Consumer Protection (Electronic Trade Transaction) Regulations 2024. The study reveals that Malaysia has developed a sophisticated, multifaceted regulatory framework that addresses e-commerce challenges through established legal principles and emerging regulations. The paper highlights the duties imposed on online marketplace suppliers and operators, including information disclosure requirements, error rectification mechanisms, and enhanced record-keeping obligations. The study concludes that strengthening digital literacy among consumers remains crucial for effective regulatory enforcement and creating a secure digital marketplace environment.

Keywords: Consumer protection, Online marketplace, Law and Regulation, Malaysia

* Associate Professor at Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia, sonny@iiu.edu.my

* AI language model (Claude) was minimally employed to help refine the writing style and clarity of certain sections in this paper.



Introduction

The digital ecosystem we live in today necessitates reform for legal preparedness and enhanced consumer protection (Consumer Protection Act 1999, section 3). The online marketplace emerged as a cornerstone of modern consumer behaviour, offering unprecedented convenience and accessibility in the procurement of goods and services (Zainal Abidin et al., 2025). Today's consumers browse vast product catalogues, compare prices across multiple vendors, and complete purchases through online methods and using digital devices, all from the comfort of their homes or through mobile devices. This digital transformation has not only reduced transaction costs and eliminated geographical barriers but has also intensified market competition, leading to more competitive pricing and improved service quality (Liu, 2025: 399-401). However, this convenience and accessibility also bring new challenges in protecting consumer interests in the digital marketplace.

Consumer protection in the digital marketplace is crucial as it helps protect consumers' rights (Roslan et al., 2022). Transparent pricing, accurate product descriptions, and secure payment processing help consumers to make informed decisions and minimize risks. Unfortunately, many consumers are unaware that they often have equal or even stronger legal protections for online purchases than for in-store purchases. When consumers lack an understanding of their e-commerce-related rights, they face several significant risks, including financial, privacy, and security risks, as well as consumer protection risks. The following table illustrates those risks. Among the pertinent consumer risks are missing out on entitled refund periods or return rights, accepting faulty products without understanding warranty rights, being bound by unfair contract terms they did not comprehend, and being unable to effectively dispute charges or file complaints.

These risks are particularly concerning because online transactions leave a digital trail that can have long-lasting consequences. Without understanding their rights, consumers may also hesitate to engage in legitimate e-commerce, missing out on the benefits of online shopping while remaining vulnerable when they do participate. Given the pressing importance of this subject matter, this paper explores and analyses the legal framework applicable to protect consumers in e-commerce in Malaysia.



The State of Electronic Commerce in Malaysia: Vibrancy and Opportunities

Understanding some key terms will be helpful for this section. ASEAN Guidelines on Consumer Protection in E-Commerce 2022 describes electronic commerce as “commercial transactions conducted electronically on the internet whereby the buying and selling of products and services, and transfer of money, takes place either on the website of an individual online shop or larger platform”. It may take the form of “social commerce” in the event where the seller employs variety of social media to for the purpose of marketing and selling his products or services (Association of Southeast Asian Nations, 2022). Furthermore, “online sellers or shops” is defined by the Guidelines as “the individual entities marketing and selling their products and services either directly to consumers online (e.g. through a website or social media account) or indirectly via an e-commerce platform or marketplace”. Meanwhile, “e-commerce marketplaces/platforms” denotes “the digital service providers, sometimes also called intermediaries, that offer the space for and facilitate the interactions between sellers and consumers, often in wider digital ecosystems that span different services or sectors.”

In the Malaysian legal framework, a similar phrase is found in the Consumer Protection (Electronic Trade Transactions) Regulations 2024. It defines "online marketplace" as any electronic trade platform that is conducted through electronic means by any supplier. With the absence of further explanation or examples, the phrase 'online marketplace' arguably encompasses all types of existing electronic platforms used for trading or advertising, including websites, social media pages, text-messaging platforms, and mobile apps (Consumer Protection Regulations, 2024). The person who makes an online marketplace available or operates it for trading or advertising purposes is an "online marketplace operator". In contrast, those who conduct trades or advertisements through an online marketplace are referred to as "online marketplace suppliers" (Consumer Protection Regulations, 2024).

E-commerce has become firmly embedded in Malaysian consumer culture, as evidenced by the substantial increase in Internet user statistics, including the adoption of digital payments and the proliferation of mobile shopping applications. A report by the Department of Statistics of Malaysia (DOSM) highlighted that nearly all Malaysian households (96.4%) have Internet access. Individual Internet usage also rose slightly from 97.4% in 2022 to 97.7% in 2023. Social networking dominated online activities in 2023, with 99.4% of users participating in



social platforms. Other popular activities included downloading multimedia content and games (93.9%), researching products and services (92.8%), downloading software and applications (89.6%), and making Internet-based phone calls (85.9%) (Department of Statistics, 2024: 63).

This emerging digital culture is quickly responded to by business entities in Malaysia, who have actively grabbed the potential by increasing their digital and online presence. These developments, both from the perspectives of Malaysian consumers and Malaysian business entities, have been evident over the past few years. DOSM reported that e-commerce remains a key pillar of the country's digital economy. Online marketplaces and platforms are incorporating artificial intelligence to provide personalized user experiences and streamline their delivery systems, meeting the growing expectations of Malaysian consumers (Department of Statistics, 2024).

The report also reveals some impressive statistics, indicating that in 2022, Malaysia's digital economy contributed more than one-fifth of the nation's GDP, underscoring its growing significance in driving economic growth. Interestingly, more than 78,000 entities are engaged in e-commerce transactions, accounting for approximately 7.1% of the overall 1,091,867 establishments. Of those engaged in e-commerce, more than 71 per cent have had a web presence, including having or using websites, social media or subscribing to an e-marketplace. The most popular purposes for using the Internet in these establishments are sending or receiving emails (95.7%), using internet banking (90.2%), and obtaining information about goods or services (81.6%). As for the micro, small and medium enterprises (MSMEs), a staggering 93.2 per cent of them have also adopted the use of the Internet for various purposes. Over 70% of them have had their web presence too, including a website, social media, and/or e-marketplace account (Department of Statistics, 2024).

The above set of data points to one thing: that electronic commerce is the way to go, and the direction will likely always be upwards. Along the way, both consumers and businesses will need to adapt to the new challenges and risks associated with engaging in electronic commerce. Consumers, in particular, will need to be aware of a multitude of risks that necessitate some legal safeguards. Policymakers make no secret of the fact that this rise in digital transactions has, in turn, required improved cybersecurity measures, including stricter data protection regulations and programs to promote cyber literacy among businesses and consumers (Department of Statistics, 2024: 5).



The State of E-Commerce Consumers in Malaysia: Complaints, Risks and Concerns

The Malaysian government agency specially tasked with matters concerning consumers and consumer protection, namely the Ministry of Domestic Trade and Costs of Living, has taken a proactive step to safeguard all parties engaged in electronic commerce. Based on cases from 2019 to 2024, the Enforcement Division under the Ministry has settled 42 cases involving gold jewellery transactions nationwide, which involved fraudulent online gold purchases, scale manipulation, inaccurate weighing instruments, and incomplete receipt information, resulting in a total seizure worth RM53,463. Of the total cases detected, RM7,700 in compounds were issued and a fine of RM20,000 was imposed on the companies or individuals involved (Kementerian Perdagangan dalam Negeri dan Kos Sara Hidup, 2024: 92). By September 2024, the Ministry has received almost eight thousand complaints relating to consumer protection vis a vis online transaction (Bahagian Analisis Ekonomi dan Data Strategik, 2024: 21-22). According to those statistics, the top five online providers that received the most complaints were Shopee (2024 complaints), Facebook (1,713), Instagram (1,121), Lazada (563), and WhatsApp (756). Other providers include Foodpanda, Carousell and Grab. Topping those complaints are “Goods or services offered are not received” (4163 cases); “Goods or services received are not as offered” (1520 cases), and “Misleading prices of goods/services” (445 cases).

At this juncture, e-commerce consumers will need to contend with a range of risks and challenges. As e-commerce involves new shopping methods and innovative payment and delivery options, new risks and challenges continue to emerge, potentially disrupting the safety, security, and convenience of consumers (Ong et al., 2023). International guidelines from the ASEAN and the Organisation of Economic Cooperation and Development (OECD) elaborate on common risks faced by consumers in e-commerce.

One crucial risk is the information asymmetry (Bai, 2025). The distant communications between consumers and online sellers do not help. Consumers often find it difficult to verify the accuracy or truth of the claims made by online sellers pertaining to the goods or services to be rendered. It is challenging for consumers to establish that what is offered is indeed what is promised. We are reminded that “the inability of consumers to inspect goods directly may become a cause of concern on the quality, safety and sustainability of products or services marketed online” (Association of Southeast Asian Nations, 2022: 7). The disadvantages may



sometimes be compensated by supply of more information, e.g. testimonies of a third party, professional or industrial guarantee by certain standard (e.g. official labelling or trust mark). Nevertheless, the asymmetric position remains a constant threat and risk for consumers, more so in electronic commerce.

Another significant issue faced by consumers is the prevalence of fraudulent and deceptive practices. Deceptive practices are not easy to address. Online sellers and marketplaces often use complex information, unclear language, and insufficient opportunities to review choices or withdraw consent (Association of Southeast Asian Nations, 2022: 12). The sophistication of online platforms may exacerbate the disadvantages faced by consumers (Haq, 2022). This may become more complicated if AI-enabled systems assume additional roles. Another aspect of this is the issue of hidden terms in contracts, including deliberately confusing data protection notices.

Though seemingly functional and sophisticated, an “Automated Decision-Making” is another source of risk and issue. Consumers will have to surrender to a transactional process which is pre-determined using algorithms and smart programmes or AI. The issue here is the lack of human intervention from the online seller's perspective, which risks biases and discriminatory decisions being made. This choice architecture is often made without the consumer's ability to negotiate, refuse or opt out. It is, in most situations, a "take-it-or-leave-it" condition. The Guidelines notes that this ADM risk arises when businesses "employ targeted advertising and algorithmic profiling, based on large-scale tracking of online consumption and movement patterns” (Association of Southeast Asian Nations, 2022: 8). Some consumers may think that this automated processing would help them to tailor their choices to their preferences for easier future transactions (thus creating more efficiency). However, this process presents potential long-term adverse impacts on consumers by taking away their choices and consent (Sarkar et al., 2025)

In addition to the above risks, several issues remain haunting and daunting challenges. The privacy of personal data, security of e-commerce system, unfair or inequitable provisions of terms of contract, and limited options for redress and dispute resolutions are also cited as key consumer concerns in e-commerce environment (Association of Southeast Asian Nations, 2022: 10). Unlike in traditional business environment, opportunities of consumers to be remedied from irregularities are rather foggy. It is not an exaggeration to say that the limited



availability of redress upon failed transactions poses a serious threat to e-commerce sustainability.

Legal Framework for E-Commerce and Consumer Protection

Based on the earlier elaboration of the characteristics and risks of e-commerce *vis-à-vis* consumers, this section further develops and analyses the laws that protect consumers in e-commerce in Malaysia. Due to the complexity and convergence of the electronic environment, consumer protection is not derived from one single statute. Instead, there are several key legislations on various aspects of law that, when analyzed together, ultimately offer a comprehensive protection to our consumers in the context of e-commerce.

The reputable international organization OECD came up with a recommendation on the principles of consumer protection in e-commerce (“OECD Recommendation”). This instrument aims at eliminating the uncertainties that both consumers and businesses encounter during their online transactions (Organisation of Economic Cooperation and Development, 2016: 2). The principles can be summarised as follows:

- a. **Transparent and Effective Protection:** Governments and stakeholders should collaborate to achieve this protection, addressing the unique circumstances of e-commerce, including those affecting children and vulnerable or disadvantaged consumers.
- b. **Fair Business, Advertising and Marketing Practices:** Businesses should not make any representation, omission, or engage in any practice that is likely to be deceptive, misleading, fraudulent or unfair.
- c. **Online Disclosure:** Information about the business, about the goods or services, and about the transaction processes.
- d. **Confirmation:** The point at which consumers are asked to confirm the transaction must be clearly and unambiguously stated.
- e. **Payment:** Businesses should provide consumers with easy-to-use payment mechanisms and implement security measures that are commensurate with payment-related risks. These measures should address threats from unauthorized access to personal information, fraudulent activities, and identity theft.
- f. **Dispute Resolution and Redress:** Consumers should be provided with meaningful access to fair, easy-to-use, transparent, and effective mechanisms to resolve domestic and cross-border e-commerce disputes promptly and obtain redress, as appropriate, without incurring unnecessary costs or burdens.



- g. **Privacy and Security:** Businesses should protect consumer privacy by ensuring that their practices relating to the collection and use of consumer data are lawful, transparent and fair, enable consumer participation and choice, and provide reasonable security safeguards. Companies must also address digital security risks and implement protective measures to minimize the negative impacts on consumers engaging in online commerce.
- h. **Education, Awareness, and Digital Competence:** Governments and stakeholders should collaborate to educate consumers, government officials, and businesses about e-commerce, fostering informed decision-making. Efforts should focus on enhancing understanding among businesses and consumers regarding the consumer protection framework governing their online activities, including their respective rights and responsibilities in both domestic and international contexts.

By fulfilling these responsibilities, online sellers can help build consumer trust and ensure a fair and safe e-commerce environment. As both the OECD and ASEAN have laid down these guidelines, it is up to Malaysia to revisit its legal framework and ensure there are adequate legal protections for each of the items above.

The Malaysian Consumer Protection Act 1999

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The laws on consumer protection in the context of electronic commerce in Malaysia may be primarily found in the Consumer Protection Act 1999 [Act 599] (“CPA 1999”). The Government has also come up with a significant subsidiary legislation that complements this matter in the form of the Consumer Protection (Electronic Trade Transaction) Regulations 2024 (“CPETTR 2024”). The following sections elaborate on the primary legislation on consumer protection, namely the Consumer Protection Act 1999, and how it further regulates e-commerce in Malaysia under the CPETTR 2024.

The Expansion of the Law to the Digital Marketplace

Since 1999, Malaysia has had a strong legislation on consumer protection in the form of the Consumer Protection Act 1999 [Act 599]. However, the matters relating to consumer protection in e-commerce were explicitly excluded from the ambit of the Act. The Act applies to all goods and services offered or supplied to one or more consumers in trade (Consumer Protection Act, 1999, section 2(1)). However, it was not intended to apply to several types of transactions, including “any trade transactions effected by electronic means unless otherwise prescribed by the Minister” (Consumer Protection Act, 1999, Section 2(2)). This means that



CPA 1999 excludes electronic transactions or electronic commerce from its scope. This was reiterated and reinforced by the decision of the High Court in Malacca, which ruled that the CPA 1999 is not intended to apply to the hearing of disputes arising from the same industry (i.e., telecommunications). Low Hop Bing J ruled that "the second respondent had elected the wrong forum to bring the dispute to the tribunal as it is outside the jurisdiction of the tribunal" (Telekom Malaysia Bhd v Tribunal Tuntutan Pengguna & Anor, 2007).

The result of this is a significant risk for Malaysian consumers in the electronic commerce sector. This was brought to the attention of Parliament for statutory amendment. It was considered "worrying" and therefore exposed Malaysian consumers to unfair and unethical electronic commerce practices (Parliament Malaysia, 2007: 71). In 2007, the Parliament finally amended the CPA 1999 to delete the exemption on e-trade and e-transaction. The Act now applies to all goods and services offered or supplied to one or more consumers in trade, including any trade transaction conducted through electronic means (Consumer Protection Act 1999, section 2(1)). In backing the legislative changes, Member of Parliament Hoo Seong Chang stressed that this reform was essential to maintain ongoing protection of consumer interests in Malaysia and ensure continuous consumer safeguarding. Through this repeal, electronic commercial transactions will fall under the coverage of the Consumer Protection Act 1999. As a result, consumer interests will be secured, thereby strengthening public confidence and trust in using online platforms for commercial activities. (Parlmen Malaysia, 2007: 71). Consumers' confidence in conducting electronic transactions will improve because those who feel cheated and oppressed by unethical traders can make claims through civil courts. Consumers can submit their claims to the Malaysia Consumer Claims Tribunal for claims not exceeding RM25,000 (Parliament Malaysia, 2007: 72).

This is a crucial milestone in the area of e-commerce consumer protection in Malaysia. With this amendment, all the legal and statutory protection afforded to consumers under the CPA 1999 are now applicable to consumers who transact online or through an electronic platform.

The Duties of Online Marketplace Suppliers

One of the crucial subsidiary legislations under the CPA 1999, especially in the context of electronic commerce, is the Consumer Protection (Electronic Trade Transaction) Regulations 2024 [PU(A) 449] ("CPETTR 2024"). This is an improvement of its earlier version issued in 2012, which has now been repealed. The Regulations define "online marketplace" as any electronic trade platform that is conducted through electronic means by any supplier. With the



absence of further explanation or examples, the phrase 'online marketplace' arguably encompasses all types of existing electronic platforms used for trading or advertising, including websites, social media pages, text-messaging platforms, and mobile apps.

Those online platforms may be operated directly by the online seller or advertiser, or by someone acting as an intermediary. When this is true, that person is referred to as an "online marketplace operator." CPETTR 2024 defines "online marketplace operator" as any person who makes available or operates an online marketplace for trading or advertising. Meanwhile, "online marketplace supplier" is defined as any person who conducts a trade or advertisement through an online marketplace (Consumer Protection Regulations, 2024: Reg 2). Before conducting a trade or advertisement through an online marketplace, the online marketplace supplier is required to disclose a set of information on that online marketplace (Consumer Protection Regulations, 2024: Reg 3(1)). The information required are: Name of the online marketplace supplier or company; Website address of the online marketplace, if any; Email address and telephone number of the online marketplace supplier; Address of the trade or advertisement to supply or advertise goods or services through the online marketplace is operated; Description of the main characteristics of the goods or services; Full price of goods or services including transportation costs, taxes and any other cost; Method of payment; Terms and conditions of the sale and purchase of the goods or services; Estimated time of delivery of goods or supply of services to the purchaser; and Certificate that the goods or services have followed the standard of safety and health as may be determined by the competent authority, if any.

In addition to the information requirements, CPETTR 2024 also imposes several other duties on online marketplace suppliers as follows:

- **Error Rectification Mechanisms:** An Online marketplace supplier is to make available the appropriate means to enable the purchaser to rectify any error prior to or after the confirmation of the order made by the purchaser (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 6(1)(a)). They must provide clear and accessible methods for customers to correct mistakes in their orders, both before finalizing the purchase and after confirmation. This obligation acknowledges that human error is a common occurrence in online transactions and safeguards consumers from being locked into unintended purchases. Due to this, an online supplier should implement a shopping cart review page that allows customers to modify quantities, remove items, or change



specifications before checkout. After order confirmation, they should provide a customer service hotline, email system, or online portal where buyers can request changes within a reasonable timeframe. For example, if a customer accidentally orders 10 laptops instead of 1, they should be able to contact customer service within 24 hours to modify the order before it is shipped.

- **Order Acknowledgement Requirements:** An Online market supplier has to acknowledge the receipt of the order to the buyer without undue delay (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 6(1)(b)). This is crucial because the acknowledgement serves as proof of the transaction, provides order details for customer records, and establishes clear communication between buyer and seller. As an illustration, when a customer purchases clothing from an online store, the business should automatically send an email confirmation within minutes or hours, containing the order number, items purchased, total amount, estimated delivery date, and contact information for customer service. This confirmation reassures the customer that their order was received and processed correctly, while also providing a paper trail for potential disputes.

- **Redelivery Cost Responsibility:** The online market supplier will be responsible for the cost of redelivery to a purchaser if the goods received by the purchaser are materially different or contain defects (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 5(a)). When goods delivered to customers are substantially different from what was ordered or contain defects, the seller must bear the financial burden of redelivery. This includes shipping costs, handling fees, and any associated logistics expenses. The key terms "materially different" and "defects" refer to significant variations from the advertised product or functional problems that affect the item's intended use. For example, if a customer orders a red dress in size medium but receives a blue dress in size large, or if they receive a smartphone with a cracked screen, the seller must arrange and pay for the replacement delivery. The customer should not incur additional costs for the seller's error. This might involve the seller providing a prepaid return label for the incorrect item and covering express shipping costs for the correct replacement.

- **Service Fitness and Quality Standards:** The Regulations prescribe that an online market supplier must provide services that are reasonably fit for the purpose for which they are offered or supplied (Consumer Protection (Electronic Trade Transaction) Regulations,



2024: Reg. 5(b)). They must ensure that their services meet reasonable quality expectations and match what was advertised or promised. Services should be "fit for purpose," meaning they accomplish what customers reasonably expect them to do. This obligation applies to both the primary service and any ancillary services provided in conjunction with it. For illustration, a web hosting company advertising "99.9% uptime" must actually deliver that level of service reliability. If they consistently experience outages that result in uptime below the advertised levels, they are failing to provide services that are "reasonably fit" for their stated purpose. Similarly, a food delivery service promising "hot meals delivered within 30 minutes" must have systems and processes capable of meeting these commitments under normal operating conditions.

- **Record Keeping and Maintenance:** The online marketplace supplier is bound to take reasonable steps to keep and maintain records of electronic trade transactions or advertisements (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 8(2)). The suppliers must implement reasonable systems to preserve electronic transaction records and advertising materials. This includes order details, payment information, customer communications, and promotional content. These records serve multiple purposes: customer service support, dispute resolution, regulatory compliance, and business analytics. "Reasonable steps" may ordinarily imply using industry-standard data storage and backup practices. For instance, an e-commerce platform should maintain secure databases containing customer purchase histories, email communications, website screenshots of product listings at the time of sale, and payment transaction logs. For example, if a customer claims they were charged twice for the same item three months ago, the business should be able to retrieve and review the relevant transaction records to resolve the dispute. This may involve cloud storage systems with regular backups, audit trails, and data retention policies that span several years.

It is submitted that the requirement to disclose the above information on the online marketplace will bring about meaningful transparency in electronic commerce. Mainly because this requirement also entails the duty not to disclose or provide any information that the supplier knows or has reason to believe is false or misleading (Consumer Protection (Electronic Trade Transaction) Regulations, 2024, Reg. 3(2)). Taken together, these requirements will not only reduce the risk of information asymmetry between sellers and consumers but also create a fair and healthy environment for electronic transactions. Trust



will emerge, and e-commerce will flourish well. The dark pattern and deceptive practices will eventually diminish for the advantage of consumers in Malaysia.

The Duties of Online Marketplace Operators

Besides online marketplace suppliers, an online marketplace owner or operator plays a critical role in facilitating electronic commerce (Kreiczer-Levy, S., 2021; Suzel, E.B., 2023; Buiten, M.C., 2021). They are those who make available or operate an online marketplace for trading or advertising. They may operate web-based online services, social media pages or a novel mobile text messaging account. The Regulations 2024 outline several duties for these online marketplace operators, including information disclosure, complaint handling, advertisement requirements and maintenance of records.

Regarding information disclosure, online marketplace operators must ensure that the online marketplace supplier complies with this duty before any electronic trade transaction is permitted (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 7(a)). This can be done while the supplier starts to open or register an account or membership at the specific online marketplace. Without supplying that information, the account may not be permitted to be active. Furthermore, online marketplace operators shall provide a channel for purchasers to lodge complaints regarding electronic trade transactions (Consumer Protection (Electronic Trade Transactions) Regulation, 2024, Reg. 7(b)). Likewise, online marketplace operators shall ensure that the advertisement of goods or services offered or supplied by any online marketplace supplier online is not in contravention of any of the provisions under these Regulations (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 7(c)).

In addition to the above, online marketplace operators shall, for a period of three years, take reasonable steps to maintain a record of online marketplace suppliers (Consumer Protection (Electronic Trade Transaction) Regulations, 2024: Reg. 8(1)). Such record shall include the supplier's name, address, telephone number, identity card number or passport number, business account number and email address; website address of the online marketplace used, if any; name and registration number of trade or company, if any; and records of electronic trade transactions or advertisement.



Conclusion: The Evolving Roles of the Consumer Protection Law

Based on the above discussion, the existing Malaysian consumer protection laws serve as a cornerstone for consumer protection in Malaysia. The laws provide the necessary detailed framework to address the unique challenges of online consumer protection and ultimately play a vital role in adapting broad legal principles to the specific context of e-commerce.

It is interesting to note that the subsidiary law has recently been reformed, essentially to align the regulatory framework with current realities of the digital economy. A notable enhancement is the extension of record-keeping requirements for both online marketplace operators and suppliers from two to three years. This longer retention period enables authorities to more effectively identify, investigate, and address deceptive practices that may not become apparent for a considerable time. The Regulation's enforcement mechanism also underscores its importance, as any violation constitutes a punishable offense. This approach reflects the government's recognition that consumer protection in the digital realm warrants rigorous enforcement, signalling to all stakeholders that e-commerce must operate within a framework of trust, transparency, and accountability.

Additionally, the paper highlights three key points. Firstly, consumer protection in e-commerce in Malaysia is undergoing active evolution. Second, a multifaceted regulatory approach is a clear and favourable option to pursue. Thirdly, it is always pertinent to go back to the basics of consumer awareness. We witness that the legal landscape governing consumer protection in e-commerce represents a sophisticated fusion of established principles and emerging regulations. What began as safeguards for traditional commercial transactions has evolved into a complex framework addressing the unprecedented challenges posed by technological innovation. This adaptive legal architecture must now contend with issues ranging from digital privacy and cross-border transactions to novel payment systems and automated business processes. The next critical step is to ensure public education about the opportunities and risks of the digital economy across both social and commercial dimensions. Strengthening digital literacy among Malaysian consumers will substantially improve regulatory effectiveness, leading to more streamlined enforcement and ultimately creating a more secure digital marketplace for all.



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