

**UNIVERSITI TEKNOLOGI MARA**

**A LEGAL STUDY ON THE  
PROTECTION OF E-CONSUMERS  
AGAINST E-COMMERCE FRAUD IN  
MALAYSIA AND UNITED  
KINGDOM**

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## ABSTRACT

Nowadays, E-commerce has become a concern for E-consumers. Due to the growth of technology, the E-commerce platform becomes common among consumers. There are risks and deficiencies in the law to cope with E-commerce fraud. This study aims at examining the extent of the existing laws in the Electronic Commerce Act 2006 (ECA), the Consumer Protection Act 1999, the Sale of Goods Act 1957 and the Consumer Protection (Electronic Trade Transactions) Regulations 2012 (ETT Regulations) in protecting E-consumers against E-commerce fraud in Malaysia and to analyse the existing laws in the Consumer Rights Act 2015 (CRA), the E-Commerce Regulations 2002 (E-Commerce Regulations) and the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (Consumer Contract Regulations) in protecting E-consumers against E-commerce fraud United Kingdom. Then, to suggest recommendations or amendments that can be introduced to the Malaysian legal framework to protect E-consumers against E-commerce fraud effectively. This research adopts a qualitative method, in which primary data is obtained from fifteen semi-structured interviews with various stakeholders, including the regulators and enforcement officers. Such data is triangulated with the data from the Ministry of Trade and Consumer Affairs. Secondary data involves the current legislation such as the Electronic Commerce Act 2006 (ECA), the Consumer Protection Act 1999, the Sale of Goods Act 1957 and the Consumer Protection (Electronic Trade Transactions) Regulations 2012 (ETT Regulations) in protecting E-consumers against E-commerce fraud in Malaysia and library-based online sources. The finding of this research is stated in Chapter Five. The legal analysis of the E-commerce law in both Malaysian and United Kingdom jurisdiction is presented in Chapters Three and Four. This research reveals that E-commerce fraud risks are often due to the victims themselves which may lead to self-responsibility to manage and mitigate the risks. The research. There is a need to create new creating a new specific law or amending the current law regarding E-commerce fraud to assist the government and particularly, law enforcement teams to handle the crime and to provide adequate legal protection to E-consumers. It is undeniable that E-consumers must be responsible to manage their risks of E-commerce fraud, but policymakers must also play a role in ensuring that the risks of E-commerce fraud are adequately governed in Malaysia. The relevant government, law enforcement and other related agencies must play their roles effectively, as their roles are interconnected. Future research on E-commerce fraud can involve the quantitative research methodology and a comparative analysis could also be extended by encompassing other jurisdictions, such as the United States of America, UAE and Singapore.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction

This research aims to examine the extent of the protection of E-consumers against fraud in E-commerce in Malaysia and the United Kingdom. The research structure starts with the background of the research that explains the legal position and problems of the current legislation in Malaysia in governing cyber fraud and the adequacy of protection afforded to victims of E-commerce fraud in Malaysia. Secondly, the paper discusses the research questions. Thirdly, the research objectives. Fourthly, the scope of the research will explain the context of this proposed research. Next, the methodology of research. Sixthly, the study's limitations that expected to come across and the significance of the study in addressing the issue. The literature review part will be divided into two aspects: the conceptual and legal aspects. Finally, this research consists of a reference page that lists all the references used in completing this research proposal.

### 1.2 Background of Study

Technological growth and developments have open up enormous ranges of new prospects and efficient sources for organizations of all sizes. Technological growth which is mostly assisted by the internet has made the world smaller. The internet nowadays has become a national asset where the whole nationwide security is reliant on it. However, new technologies have also brought cybercrime threats such as hacking, phishing and others. Cybercriminals always choose easy way to make big money by targeting rich people or organizations such as banks financial firms and others where a huge amount of money flows daily. There are many types of cyber-crimes and the most common ones are hacking, piracy, cyber stalking, fraud and others.

E-commerce fraud is one type of cyber fraud that involves any type of fraud that takes place on the E-commerce platform.<sup>1</sup> E-commerce transaction involves the

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<sup>1</sup> Bolt, "6 Common Types of Ecommerce Fraud and How to Fight them", *The Good* (19 April 2021) <<https://thegood.com/insights/ecommerce-fraud/>> accessed 5 June 2021.