

**ONLINE DISPUTE RESOLUTION AS AN EFFECTIVE MEANS OF RESOLVING
E-COMMERCE DISPUTE IN NIGERIA**

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ABSTRACT

Commercial transactions have been a part of humankind since the evolution of humanity even until the present dispensation. However, just as commercial transactions have been a part of mankind, so has the evolution and continuous change of the means of transaction. This work focuses not on the present commercial transaction but on the advent and impact of technology on commercial transactions. Therefore, electronic commerce, being the main focus, is aligned to dispute resolution which is another dimension to this work. This work examines e-commerce in tandem with online dispute resolution and using the doctrinal research method, this work discovers that the use of technology to resolve disputes in the online commercial sector is necessary and pivotal in this age and time. Also, there is a need to align the current practice in Nigeria with what is obtainable in the United Kingdom or China which is the comparative countries in this work.

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1.0 INTRODUCTION

A new paradigm of trade based on the use of the internet or electronic medium to conduct business is known as e-commerce. Many difficulties have been brought to the attention of lawmakers, legal professionals, regulators, international organisations, and others, due to the recent rise of electronic commerce globally. As companies and customers use new technologies to complete transactions without the need for in-person meetings, they look to the legal frameworks already in place for clarity to understand their rights and responsibilities, potential tax liabilities, and degree of security, when supplying personal and financial data. In addition, they look for ways to get justice in cases of contract violations, problems with trust and privacy, non-compliance, or fraud.¹

This resulted in the development of Online Dispute Resolution (ODR), which is now the method of choice for resolving issues involving e-commerce due to its flexibility, low cost, and efficiency of process. Notwithstanding the aforementioned advantages, ODR still faces several difficulties, particularly for developing countries such as Nigeria. The efficient use of ODR in Nigeria is seriously threatened by many issues, including inadequate infrastructure and technology, regulatory gaps in communication and enlightenment, issues with privacy and confidentiality, and regulatory framework shortcomings.² Hence, this work will consider an overview of electronic commerce in Nigeria, the significance and barriers to electronic commerce transactions in Nigeria,

¹ R. Mohamed, “International Law on E-Commerce: Legal Issues and Impact on the Developing Countries,” being a paper presented at the China University of Political Science and Law, Beijing, China on 27 September 2013, available at: <https://www.aalco.int/E-Commerce%20and%20International%20Law%202013.pdf> (accessed 22 June 2024).

² Ibid pp 8-11.

and lessons from the United Kingdom and China on the use of ODR for settling e-commerce disputes alongside other sub-issues.

1.1. Clarification of Concepts

This section will define key terms used throughout this work to ensure clarity and consistency in the interpretation and understanding of concepts within the article.

1.1.1 *Online Dispute Resolution*

The phrase "Online Dispute Resolution," or "ODR," refers to a broad category of technical advancements meant to supplement or even replace traditional methods of resolving disputes. Online Dispute Resolution (ODR) shares and enhances the core components of Alternative Dispute Resolution (ADR) mechanisms by emphasising less complicated and more efficient methods of resolving conflict.³

Oxford University defines ODR, as one kind of ADR that utilises the simplicity and speed of the Internet and Information and Communication Technology (ICT). ODR is the best, and often the only means to enhance the way customer complaints are resolved, increase consumer trust in the marketplace, and promote the long-term growth of e-commerce.⁴ Therefore, the most appropriate setting for the use of ODR is e-commerce.

³ Resolution Systems Institute, "Online Disputes Resolution," available at <https://www.aboutrsi.org/special-topics/online-dispute-resolution> (accessed 25 July 2024).

⁴ Pablo Cortés, "What Should the Ideal ODR System for E-commerce Consumers Look Like? The Hidden World of Consumer ADR: Redress and Behaviour," available at: https://www.law.ox.ac.uk/sites/default/files/migrated/dr_pablo_cortes.pdf (accessed 25 July 2024).

1.1.2 E-Commerce

Electronic commerce, sometimes referred to as e-business or e-commerce, is the purchasing and selling of goods and services via electronic networks like the Internet.⁵ E-commerce has become prevalent across the world, and this is why it is posited that international electronic commerce increased from \$19.3 trillion in 2012 to \$27.7 trillion in 2016, according to the U.S. International Trade Commission (USITC).⁶ The United Nations Conference on Trade and Development (UNCTAD) estimated that in 2017, the value of electronic commerce worldwide was \$29 trillion.⁷

The number of internet users in Nigeria has increased astronomically.⁸ Additionally, companies have moved their customer-facing communication and transactions online. One of the main reasons why electronic-based transactions are currently being encouraged is because of the impact of globalisation.

2.0 EVOLUTION AND GROWTH OF ELECTRONIC COMMERCE IN NIGERIA

By the beginning of 2023, there were approximately 122.5 million internet users in Nigeria⁹ and Nigeria is among the top nations with the greatest proportion of internet

⁵ T. Oguntunde & O.T Damilola, "Abandonment Factors Affecting E-commerce Transaction in Nigeria," (2012) 46 *International Journal of Computer Application*, p 41, available at: [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=3086703](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=3086703) (accessed 23 July 2024).

⁶ United States International Trade Commission, "Global Digital Trade 1: Market Opportunities and Key Foreign Trade Restrictions" (August 2017), available at <https://www.usitc.gov/publications/332/pub4716.pdf> (accessed 13 March 2024).

⁷ United Nations Conference on Trade and Industry (UNCTAD), "Digital Economy Report 2019, Value Creation Capture: Implications for Developing Countries," available at https://unctad.org/en/PublicationsLibrary/der2019_en.pdf (accessed 13 March 2024).

⁸ T. Orimobi, "The Growth of E-Commerce in Nigeria: A Brief Overview," *Mondaq*, 9 November 2018, available at: <https://www.mondaq.com/nigeria/it-and-internet/753436/the-growth-of-e-commerce-in-nigeria--a-brief-overview> (accessed 13 March 2024).

⁹ S. Kemp, "Digital 2023: Nigeria," DataReportal, 13 February 2023, available at <https://datareportal.com/reports/digital-2023-nigeria> (accessed 13 March 2024).

users. However, traditional commerce which requires the buyer and seller to be physically present to form a valid contractual transaction is what is common in Nigeria's business sector. This is because, transactions persist following this approach (the traditional commerce approach), which hinders the expansion of the electronic commerce sector, because of the widespread belief that only a select few can make online transactions and that only the elites can pay the associated costs, and this has contributed to the slow growth of electronic commerce transactions in Nigeria.¹⁰

The growth of e-commerce in Nigeria would have remained stunted if there had not been online payment methods like Nigeria's Visa-Packed ValueCard, Interswitch, and e-Transact. These online payment methods enable local intra and inter-bank online transaction banks. In a similar vein, the online banking apps of First Bank and Guaranty Trust Bank at the time gave hope for electronic commerce.¹¹

By 2010, the rise of social media usage had started to alter Nigeria's electronic commerce narrative. This was made possible by social media platforms, which gave entrepreneurs the opportunity to market their products and services to prospective customers. People grew receptive to the idea of doing business online as a result, but delivery remained a critical factor, particularly for interstate and even worldwide shipments.¹²

¹⁰ Speedaf Nigeria, "The Evolution of E-Commerce in Nigeria," *LinkedIn*, 27 July 2022, available at: https://www.linkedin.com/pulse/evolution-e-commerce-nigeria-speedaf-nigeria?trk=pulse-article_more-articles_related-content-card (accessed 13 March 2024).

¹¹ *Ibid.*

¹² *Ibid.*

Jumia opened up electronic commerce in Nigeria in June 2012. In seven years of business, the Jumia online marketplace partnered with 50,000 local African businesses and individuals and employed about 4,000 people.¹³ Konga, the second-biggest e-commerce business in Nigeria, is its nearest rival. The short-term profitability of local electronic commerce businesses is currently unattainable, but data revealed that there were 92.3 million internet users in 2018, rising to 187.8 million in 2023, suggesting more competitors and increased demand for e-commerce.¹⁴

2.1 Models of Electronic Commerce

Various forms of electronic commerce models exist, contingent upon the characteristics of market interaction and technological differentiations.¹⁵ They include the following: Business-to-Business (B2B), Business-to-Consumer (B2C), Consumer-to-Consumer (C2C), Consumer-to-Business (C2B), Business-to-Government (B2G), Government-to-Business (G2B), and Government -to-Citizen (G2C). For this work, only those relevant to the context will be examined.

2.1.1 Business-to-Business (B2B)

Electronic trade that is carried out between business organisations is known as business-to-business, or B2B. In this instance, business organisations make up both the supplier and the buyer. Over 85% of all electronic commerce volume is made up of business-to-business (B2B) e-commerce, which is made up of various marketplaces and trading

¹³ W. Enang, "History of E-Commerce in Nigeria," *ProGuide*, 3 December 2022, available at: <https://proguide.ng/history-e-commerce-nigeria/> (accessed 13 March 2024).

¹⁴ *Ibid.*

¹⁵ S. Korper & J. Ellis, "The E-commerce Book: Building the E-Empire," *Perlego*, 2000, available at: <https://www.perlego.com/book/1900219/the-ecommerce-book-building-the-eempire-pdf> (accessed 13 March 2024).

platforms.¹⁶ For example, all wholesale transactions for Dell are B2B. Dell uses electronic commerce to purchase the majority of its parts and uses it to sell its goods to both consumers and businesses (B2B and B2C).¹⁷ Another good example of this model in the world today is *Alibaba.com* which is the world's largest B2B marketplace.

2.1.2 Business-to-Consumer (B2C)

This work further focuses on the Business-to-Consumer (B2C) sales model, which is one of the most popular and well-known.¹⁸ The business model involves only two parties interacting with one another: the seller and the customer, without the need for a middleman or other third party like a broker or store.¹⁹

Additionally, the business-to-consumer (B2C) paradigm embodies e-tailing or the retail application of Internet commerce. For instance, Jumia enhances the offline purchasing experience by bringing it online in Nigeria. Similar to this, Nigerian restaurants offer websites where patrons can order any food item or confectionery, such as Domino's Pizza, Cold-Stone Creamery, Chowdeck, and Jumia Food, among others. In a similar vein, ride-hailing services like Uber and Bolt prioritise their customers. As a result, these companies use the internet to provide global sales and services to customers 365 days a year, 24 hours a day, seven days a week. Also, consumers have the liberty to

¹⁶ E. Turban et al, "Overview of Electronic Commerce" (January 2018), pp.3-39.

¹⁷ Ibid.

¹⁸ M. Faiz, et. al, "Importance of Business to Consumer Model of E-Commerce," 25 June 2021, *International Journal of Civil, Mechanical and Energy Science*, available at:

https://www.academia.edu/49385481/Importance_of_Business_to_Consumer_model_of_E_commerce (accessed 15 March 2024).

¹⁹ Ibid.

shop on these websites at any time of the day from the privacy of their homes as the internet has been called “the mall that never sleeps.”²⁰

2.2 The Legal Framework for E-Commerce in Nigeria

Generally, Nigeria does not have a specific law on electronic commerce that addresses the concerns and interests of both businesses and consumers. However, there are other laws that address certain issues that deal with the use of electronic commerce which will be discussed.

2.2.1 *The Constitution of the Federal Republic of Nigeria (1999 as amended)*²¹

The Constitution of the Federal Republic of Nigeria 1999 as amended, is the ultimate law of the land, binding on all authorities and individuals inside the Federal Republic of Nigeria.²² It serves as a guide for both the people and the government and it also outlines the responsibilities and rights of citizens.

In essence, the rights of citizens are fully provided for and guaranteed under Chapter Four of the Constitution. For transactions involving Internet commerce, this is crucial. Customers are entitled to a number of rights, including the right to life, the respect of their personhood, personal liberty, a fair trial, privacy, freedom of opinion, conscience, and religion, freedom of expression, and the ability to form **associations**.²³ **Customers**

²⁰ Ibid.

²¹ Cap C.23, LFN 2004 (as amended) hereinafter referred to as CFRN 1999.

²² Section 1(1) of the CFRN.

²³ Section 33-40 of the Constitution of the Federal Republic of Nigeria 1999 (as amended).

therefore have the right to privacy and a fair hearing, in the event that disagreements emerge during online transactions.

2.2.2 Federal Competition and Consumer Protection Act (FCCPA) 2018²⁴

In general, the FCCPA aims to defend the rights of all Nigerian consumers, enable fair, effective, and competitive marketplaces in the country's economy, and make safe products more accessible to all residents. Its key objectives are to (a) promote and maintain competitive markets in the Nigerian economy;²⁵ (b) promote economic efficiency;²⁶ (c) protect and promote the interests and welfare of consumers by providing consumers with a wider variety of quality products at competitive prices;²⁷ (d) prohibit restrictive or unfair business practices, which prevent, restrict, or distort competition or constitute an abuse of a dominant position of market power in Nigeria;²⁸ and (e) contribute to the sustainable development of the Nigerian economy.²⁹

Under the FCCPA, a long list of rights is guaranteed for data subjects or e-consumers. These rights include the right to information in a plain and understandable language; the right to disclosure of the price of goods or services; the right to product labelling and trade descriptions; the right to disclosure of reconditioned or second-hand goods; right to sales records; right to select suppliers; right to cancel advance reservation, booking or order; right to choose or examine goods; right to return goods; right to

²⁴ Cap C25 LFN 2004.

²⁵ Section 1(a) of the FCCPA.

²⁶ Ibid, Section 1(b).

²⁷ Ibid, Section 1 (c).

²⁸ Ibid, Section 1 (d).

²⁹ Section 1(e).

general standards for the marketing of goods and services; right to fair dealings; rights pertaining to the quality and safety of goods and services; and the right to safe, good quality goods.³⁰ Nevertheless, none of the consumer rights mentioned address the protection of personal information pertaining to individuals who use electronic commerce.

2.2.3 Cybercrimes (Prohibition, Prevention) Act 2015³¹

One significant obstacle to electronic business is cybercrime. In order to combat cybercrimes, the Nigerian government passed the Cybercrimes Act in 2015. Unsolicited texts, emails, frauds, and phone calls are popular ways for cybercrimes to be committed electronically. These actions are typically taken as a lead-up to the actual cybercrime.

The Cybercrimes (Prohibition, Prevention) Act 2015 ensures the protection of crucial national information infrastructure, promotes cybersecurity and protects computer systems and networks, electronic communications, data and computer programs, intellectual property, and privacy rights. It also offers a comprehensive, unified, effective legal, regulatory, and institutional framework for the prohibition, prevention, detection, prosecution, and punishment of cybercrimes in Nigeria.

It is noteworthy that the Cybercrimes Act protects customers' right to privacy, which is ingrained in the Constitution as their basic human right. Additionally, it criminalises

³⁰ Section 114-131 of the FCCPA.

³¹ Act No 17, Page A617-660.

several actions commonly associated with service providers in the normal course of business.

2.2.4 National Information Technology Development Agency Act 2007³²

The National Information Technology Development Agency (NITDA) Act 2007 was enacted to create an effective, impartial, and independent regulatory framework for the development of the Nigerian information technology sector and digital economy.³³

The NITDA Act seeks to establish fair business practices and contains privacy principles in its provisions. Section 1 of the NITDA Act promotes the use of innovative digital services, systems, practices and emerging technology in Nigeria and it also protects the rights and interest of all consumers in the digital world. Hence, the NITDA Act is a specific framework that focuses on the digital economy which encompasses electronic commerce transactions amongst other things.

The NITDA Act also establishes the National Information Technology and Development Agency to establish standards and guidelines for the development, standardisation, and regulation of information technology practices in Nigeria.

2.2.5 Nigeria Data Protection Act 2023³⁴

The Nigeria Data Protection Act (NDPA) 2023 provides a comprehensive legal framework for the protection and regulation of personal information. The Act applies to all transactions intended for the processing of personal data, and the actual processing of

³² Act No 25, Page B805-811.

³³ Section 1 of the NITDA Act.

³⁴ Act No 37, Page 40. A756.

personal data in respect of natural persons domiciled in, resident in or operating in Nigeria, or if the data processing takes place in Nigeria, or the processing of a data subject in Nigeria by a data controller or processor who does not reside in Nigeria.³⁵ Moreover, the Act makes adequate provisions for the protection and the rights of consumers.³⁶

2.2.6 Evidence Act 2011³⁷

The Evidence Act 2011 is the legislation that guides judicial proceedings in or before courts in Nigeria and for related matters. According to Section 1 of the Act, parties in a dispute before the court can give evidence as to any fact existing or non-existing in the proof of their cases.

Regarding the nature of electronic commerce transactions, the Act allows the rendering of computer-generated evidence. Section 84(1) provides for the admissibility of "computer-generated evidence." Thus, it indicates that for transactions conducted online, for proof of evidence in a dispute relating to the transaction, both parties can tender before the court the transaction details as produced from the computer.

Similarly, the Evidence Act lays the bedrock for the admissibility of any evidence before the court relating to any issue. Additionally, the Evidence Act provides for the area of electronic signature which is common in electronic commerce. The use of electronic signatures to execute a document is recognised under section 93(2) of the Evidence Act of 2011.

³⁵ Section 2(1) of the Nigeria Data Protection Act (NDPA) 2023.

³⁶ Section 34, 35, 36 and 37 of the NDPA 2023.

³⁷ Act No 18, Page A294.

2.2.7 Advance Fee Fraud and Other Related Offences Act 2006³⁸

Certain offences linked to advance fee fraud and other similar offences are forbidden and punished by the Advance Fee Fraud and Other Related Offences Act of 2006. It aims to outlaw some crimes and make it illegal to use computer-related technologies to commit new ones. Due to the rising use of computers, information technology, and internet commerce, advanced fee fraud is becoming more and more common in the digital world. Those who use credit cards and conduct other online transactions are typically the target victims. Advanced fee fraud involves a perpetrator sending emails to victims asking them to transfer large amounts of money to them in a dishonest way. After this occurs, the offenders lose contact with the victim because they have deceived them.

According to the Act, anyone who, under false pretences and with the intention of defrauding another person, induces that person to confer a benefit on him or any other person in Nigeria or any other country by acting or allowing something to be done with the understanding that the benefit has been paid for or will be paid for, is guilty of an offence under this Act.³⁹

It is also important to identify some international legal frameworks on electronic commerce, which are generally accepted principles and laws from which countries can develop their legislations, policies, and practices that are well suited to the growth and development of electronic commerce in their territories. These international legal frameworks include the following: United Nations Convention on the Use of Electronic

³⁸ Cap. A6 LFN.

³⁹ Advance Fee Fraud Act, Ibid, Section 1(2).

Communications in International Contracts 2005;⁴⁰ United Nations Commission on International Trade Law on Electronic Commerce (UNCITRAL Model Law) 1996;⁴¹ United Nations Commission on International Trade Law Model on Electronic Signature 2001⁴² and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Consumer Protection in the Context of Electronic Commerce.

The OECD guidelines seek to encourage fair business advertising and marketing practices while also eliminating any uncertainties that both consumers and businesses encounter in electronic commerce transactions.

3.0 SIGNIFICANCE AND BARRIERS TO ELECTRONIC COMMERCE TRANSACTIONS IN NIGERIA

How business is conducted has been revolutionised by electronic commerce, which, like all business models, has its benefits and drawbacks. The significance of electronic commerce includes improved flexibility, ease, and convenience as consumers are seen as the market kings as well as consumer sovereignty.⁴³ Oppenheim and Ward⁴⁴ asserted

⁴⁰ The Electronic Communications Convention ensures that agreements made and other communications sent electronically are equally enforceable and legitimate as their conventional paper-based counterparts, hence promoting the use of electronic communications in international trade.

⁴¹ The UNCITRAL Model Law on Electronic Commerce (1996), which is based on the fundamental principles of non-discrimination against the use of electronic means, functional equivalency, and technology neutrality, is the most widely enacted text. It establishes rules for the equal treatment of electronic and paper-based information as well as the legal recognition of electronic transactions and processes.

⁴² By defining standards of technical dependability for the equivalency of electronic and handwritten signatures, the Model Law on Electronic Signatures (MLES) seeks to promote and facilitate the use of electronic signatures. As a result, the MLES may help States create a contemporary, uniform, and equitable legislative framework to handle the legal handling of electronic signatures and provide clarity on their status.

⁴³ R. Jacob, "Importance of E-Commerce" (2020-21) available at <https://www.scribd.com/document/676831735/86155e0d975ce2c97eb4990f461b2c63> (accessed 20 March 2024).

⁴⁴ C. Oppenheim & L. Ward, "Evaluation of Websites for B2C E-Commerce, Aslib Proceedings: New Information Perspectives," 58(3), pp 237-260.

that convenience is currently the main reason why people conduct business online.⁴⁵ The ability to make cashless payments online with debit cards, credit cards, internet banking, and other payment portals, as well as an enhanced delivery method (Jumia is a prime example of this),⁴⁶ are additional significant features.

Another benefit is fewer overhead costs. Since electronic commerce enterprises do not need physical storefronts, they may cut expenses on things like rent, utilities, personnel, and operating and maintenance expenditures.⁴⁷ Additionally, electronic commerce strengthens and unites individuals. For instance, individualised marketing messages and customised goods and services contribute significantly to the development of positive customer connections. It enhances the company's reputation and competitiveness, permits more flexible work schedules, and makes public service delivery easier. A few examples include online health services (online consultations with physicians or nurses), online tax filing via the Inland Revenue website, university tuition payment, and even streaming music and movies on services like Spotify and Netflix.

There are still various obstacles or restrictions preventing the successful use of electronic commerce among the three main stakeholders—consumers, businesses, and society—despite the many benefits that it offers to these groups of people. One of the obstacles is the low level of computer literacy, particularly in poor nations. For

⁴⁵ M. Faiz, *supra* note 19.

⁴⁶ Jumia, "Jumia Marketplace," available at: <https://group.jumia.com/business/marketplace> (accessed 15 March 2024).

⁴⁷ V. Jain, et al, "An Overview of Electronic Commerce (E-Commerce)," 2021, Vol 12, No 27 *Journal of Contemporary Issues In Business and Government*, available at: https://cibgp.com/article_10898_98b20a1dbfbdb8f7084003b4a035911d.pdf (accessed 14 March 2024).

example, the level of digital literacy is low in Nigeria. Because they are hesitant to adopt electronic commerce and because they are afraid of fraud and the compromise of their personal data, many Nigerians are still not comfortable with online purchases. Another significant drawback is the expense of internet and computer connectivity. In undeveloped nations, most users do not have access to the internet.⁴⁸ The majority of people in developing nations do not have the necessary income to have access to telephone services, particularly those who live in rural areas and have poor incomes. As a result, the penetration of computer equipment is still low.⁴⁹ Lack of fundamental technical understanding, security, and data protection are other obstacles. For example, a lot of internet companies use the personal information of their clients to offer tailored services, tailored advertisements, and targeted connections with clients. Additional impediments include transactional trust; Okoro & Kigho⁵⁰ stated that many consumers nowadays obtain information online but still make in-person transactions. Internet fraud and other delivery and logistical issues continue to be major obstacles to e-commerce.

⁴⁸ J. Lawrence and U. Tar, “Barriers to E-Commerce in Developing Countries” (2010) Vol 3, No 1 *Information, Society and Justice*, available at https://www.academia.edu/39019308/Barriers_to_ecommerce_in_developing_countries (accessed 22 March 2024).

⁴⁹ Organisation for Economic Co-operation Development (OECD), “Promoting Entrepreneurship and Innovative SMEs in a Global Economy Towards a More Responsive and Inclusive Globalisation,” (June 2004).

⁵⁰ E. Okoro & P. Kigho, “The Problems and Prospects of E-transaction (The Nigerian Perspective),” (2013) *Journal of Research in International Business Management*, available at: <https://www.interestjournals.org/articles/the-problems-and-prospects-of-etranaction-the-nigerian-perspective.pdf> (accessed 14 March 2024).

3.1 Efficacy of Online Disputes Resolution in Resolving E-Commerce Disputes in Nigeria

ODR's electronic format is both a benefit and a disadvantage because it depends on the participants' communication abilities and psychological capacity to establish trust at a distance. ODR proponents emphasise the need of developing standard operating procedures to promote information exchange and a pleasant psychological atmosphere. Regretfully, issues with the ODR environment are likely to occur, primarily because it is impossible to completely ensure justice and rights without compromising the desired speed and cost-effectiveness. Since managing online agreements is typically more challenging than managing agreements created in traditional venues, additional challenges may come up during the enforcement phase.⁵¹

Its advantages can be summed up as follows: lower costs compared to in-person litigation and alternative dispute resolution; flexibility because parties do not need to be physically present; efficiency because time barriers are not an issue and parties can exchange documents and replies instantly online; involvement and influence because in-person biases and influence are reduced; and, finally, the ability to maintain confidentiality between parties.⁵²

ODR has become the preferred technique of conflict resolution for many businesses. In industrialised nations, eBay, PayPal, and ICANN are the leaders in online dispute resolution. Nonetheless, others believe that the conventional approach to handling expensive and complicated legal situations may not always hold. ODR technology has

⁵¹ Ibid.

⁵² Ibid.

produced platforms for quick settlement of disputes. In jurisdictions where they have been implemented, it has also, when optimised, assisted in the containment and avoidance of disputes, which has decreased the number of cases that end up in the normal courts.⁵³

ODR technology has a lot to offer when it comes to resolving e-commerce disputes in Nigeria. The regrettable reasons behind the backlog of cases and delays in the legal system are frequently discussed in public. The judicial system is well-known for having problems with issues such as inadequate court facilities and staffing, corrupt practices, inadequate compensation or welfare for judges, and institutional bottleneck procedures. Even with the establishment of Small Claims Courts, there are still difficulties. It is safe to state that online dispute resolution works well when applied correctly to resolve transactions via the internet. This is because it violates the custom of adhering to the law in court. Additionally, it is affordable and adaptable.

Furthermore, e-commerce has produced special chances for cross-border transactions; but e-commerce has also given rise to a variety of problems and necessitates an alternative dispute resolution process. Online dispute resolution (ODR) may offer a viable remedy for the rise in online disputes and the court system's slow response time to settle them. No ODR system will be successful or used unless it is user-friendly, instils

⁵³ About 60 million disputes that arise yearly through eBay are all solved using ODR eBay's ODR system is a high volume ODR process that addresses disputes from a systems perspective. EBay handles over 60 million disputes a year. EBay's ODR system handles problems like "item not received," "item not as described," and "unpaid item." There is a special platform for claims related to eBay's Vehicle Purchase Protection and Business Equipment Purchase protection plans; Annaleigh Hobbs "Online Dispute Resolution: Companies Implementing ODR," available at: [Companies Implementing ODR - Online Dispute Resolution - Library Guides at University of Missouri Libraries](#) (accessed 8 July 2024). This would have amounted to a disaster to the court processes if there were no ODR arrangements.

confidence in its use, and offers expertise—that is, legitimacy, value, and participation.⁵⁴ Online dispute resolution also gives the disputing parties greater satisfaction because it offers solutions with numerous conveniences. Compared to the usual judicial system, this procedure is quicker, less expensive, and more accessible.

4.0 LESSONS FROM THE UNITED KINGDOM AND CHINA ON THE USE OF ODR FOR SETTling E-COMMERCE DISPUTES

This work will not be concluded without examining how ODR has been used to settle and solve e-commerce disputes. In doing this, the focus countries here would be the United Kingdom and China.

4.1 United Kingdom

Regarding the immense potential of online dispute resolution (ODR) to satisfy the demands of the system and its users in the twenty-first century, the Online Dispute Resolution Advisory Group offered a number of recommendations in 2015. Its goals are to increase access to justice and facilitate the quick, simple, and affordable resolution of conflicts. This paper explores a number of domains where ODR is now being effectively applied, both domestically in the UK and abroad. Additionally, ODR provides a significant potential to assist individuals who lack access to public funds for dispute resolution or find legal expenses prohibitively expensive, particularly during a time of constrained public budgets and rising legal costs.⁵⁵

⁵⁴ O. M Atoyebi “Analysing Online Dispute resolution of E-commerce Dispute in Nigeria,” *The Nigerian Lawyer*, 19 August 2022, available at <https://thenigerialawyer.com/analysing-online-dispute-resolution-of-e-commerce-disputes-in-nigeria/> (accessed 8 July 2024).

⁵⁵ Civil Justice Council, “Online Dispute Resolution for Low Value Civil Claims,” February 2015, available at [Online Dispute Resolution \(judiciary.uk\)](https://www.cjciviljustice.org/online-dispute-resolution-for-low-value-civil-claims/) (accessed 8 July 2024).

Operating under Practice Direction 51R—Online Civil Money Claims Pilot—the Online Civil Money Claims (OCMC) Pilot, housed in the County Court and is to run from 7 August 2017 to 1 October 2025.⁵⁶ The pilot's objective is to evaluate an online claims procedure. The trial program aims to offer a more expedient and user-friendly means of initiating a County Court case for sums up to £25,000 (£10,000 for parties without legal representation). Additionally, claims against unrepresented defendants or in cases where the defendant's legal representative is not registered on His Majesty's Courts and Tribunals Service's (HMCTS) Online Service, may be brought in person by litigants if they believe the defendant will not be represented by counsel.⁵⁷

Launched in March 2018, the digital service enables debtors to settle disputes entirely online for amounts outstanding up to £10,000. This implies that no third party is required for the issuance, handling, or settlement of claims. While represented defendants are required to use the online portal, unrepresented defendants may reply to claims either online or on paper. The deadlines and process differ from those of a regular County Court money claim that was initiated outside of the pilot. Where the parties are legally represented, claims involving up to three parties are allowed.

Over 100,000 civil money claims were filed in the first 18 months after the service's debut, according to a 2019 Ministry of Justice announcement. By enabling users to submit claims online from the comfort of their own homes and eliminating complicated legal jargon from the application, the service seeks to expedite and simplify the claims

⁵⁶ Practice Direction 51R - Online Civil Money Claims Pilot, available at <https://www.justice.gov.uk/courts/procedure-rules/civil/rules/practice-direction-51r-online-court-pilot> (accessed 8 July 2024).

⁵⁷ *Ibid.*, section 2.

submission process. The majority of consumers finish the initial claim form in less than 15 minutes. The service has been rated as satisfactory or very satisfactory by nearly 90% of users, and claims are being processed in minutes rather than days.⁵⁸

Despite Brexit, the United Kingdom is still required to comply with consumer protection established under the European Union (EU) ODR Regulation. A business must provide a link from its website to the European Online Dispute Resolution platform website. This is because a large portion of the UK's consumer laws have their roots in the EU.⁵⁹ The goal of this platform is to expedite the resolution of disputes between customers in one EU member state and businesses located in another. For a business, using the platform is not required. Even though the company only conducts business in the UK and has no plans to use the platform to settle disputes, it is nonetheless required by law to disclose the link.⁶⁰ Rather than an EU directive, this duty to offer a link originates from an EU regulation, making it directly application as EU legislation.

4.2 China

Regarding ODR development, China is a noteworthy example to study and is hailed as a pioneer in ODR improvements, given its status as a worldwide leader and driving force

⁵⁸ HM Courts & Tribunals Service, "More Than 100,000 Money Claims Issued Online," 5 November 2019, available at <https://www.gov.uk/government/news/more-than-10000-civil-money-claims-issued-online#history> (accessed 25 July 2024).

⁵⁹ It was established by the EU Regulation 524/2013 of 21st of May 2013. This Regulation details the set procedures, definitions, and legal guidelines concerning the ODR platform. It contains three chapters divided into a total of 22 articles, ten of which are dedicated to the establishment, management, and functioning of the ODR platform.

⁶⁰ The ODR lists the most complained about sectors such as Airlines: 15.22%, Clothing (including footwear): 10.11%, Information and communication technology (ICT) goods: 6:58%, Electronics goods: 4.49%, Hotels and holiday accommodation: 3.95%. Other sectors include furnishings, leisure goods, vehicle spares and accessories, domestic appliances, and mobile telephone services; Lemya Majabri, "EU ODR Platform: The Ultimate Guide for Successful Dispute Resolutions," available at: [EU ODR Platform: The Ultimate Guide for Successful Dispute Resolutions - ODR Guide](#) (accessed 9 July 2023).

in technology and e-commerce. With the development of Internet communication tools and technology, online dispute resolution in China offers a flexible and convenient platform. In China, mediation procedures have always been necessary. Since the beginning of traditional mediation in ancient China, they have had a system and procedure whereby impartial parties with assistance could resolve disagreements.⁶¹

Nonetheless, the expectations around mediation methods have evolved along with the generations. China has now modified its mediation practices to align with contemporary political, social, and commercial standards. It was not until the early 2000s that online dispute resolution became popular in China. The Domain Name Dispute Resolution Centre is the name of the first ODR platform in China.⁶² The advancement of the internet compelled ODR to advance in terms of growth and promotion. By 2016, the Chinese Supreme People's Court had prepared materials to encourage the advancement and adoption of ODR. Five major adjustments in mediation have at some point been implemented by the Chinese government. One of these important adjustments is the application of contemporary technology to online dispute settlement. By 2018, they had over 1,000 courts and 12,000 mediation organisations in ODR as a result of this government initiative.⁶³ A more practical platform where parties can apply for usage, choose their mediator, attend the resolution, and come to an agreement is the result

⁶¹ ODR Guide, "Online Dispute Resolution ODR in China and Its Future," available at [Online Dispute Resolution ODR in China and its future - ODR Guide](#) (accessed on 8 July 2024).

⁶² Z. Lu and X. Zhu, "Study on the Dispute Resolution System in China," (2017) 129 *Advances in Engineering Research*, 6th International Conference on Energy, Environment and Sustainable Development (ICEESD).

⁶³ From the Traditional to the Modern: Mediation in China, Weinstein International Foundation, available at [From the Traditional to the Modern: Mediation in China \(weinsteininternational.org\)](#) (accessed 8 July 2024).

of this innovation. They can use their laptops, phones, or tablets to accomplish all of these tasks.

E-processes have completely changed the Chinese legal system. As of 2019, three Internet Courts have been established nationwide, in the major cities of Hangzhou (established in 2017), Beijing (established in 2018), and Guangzhou (established in 2018). These courts have resolved over 120,000 disputes.⁶⁴

Presently, internet disputes and e-commerce claims are the purview of the Hangzhou Internet Court. It is the most reputable court for online mediation. The majority of the mediation proceedings must be completed online by the disputants, making the procedures used by the Hangzhou court, distinct.⁶⁵ The mediator then gets in touch with the parties via phone, internet, or video chat.

Comparable is the Beijing Internet Court. The Beijing court's preference for artificial intelligence (AI) and move away from in-person judicial proceedings are its most notable features. Although ODR experts have anticipated the application of AI in dispute resolution in the future, the Beijing judiciary has led the way globally in this area.⁶⁶ The creation of an AI judge as a component of an online litigation centre has been the most notable development. This will significantly lessen the necessity for

⁶⁴ The Supreme People's Court of the People's Republic of China (Five Aspects of Progress in Chinese Internet) White Paper, Vol. 73, No. 4, 2019 cited in T. Ballesteros, "International Perspectives on Online Dispute Resolution in the E-Commerce Landscape," available at: https://www.elevenjournals.com/tijdschrift/ijodr/2021/2/IJODR_2352-5002_2021_008_002_002 (accessed 25 July 2024).

⁶⁵ The National Center for Technology & Dispute Resolution (NCTDR), "Hangzhou Internet Court," available at <https://odr.info/hangzhou-internet-court/> (accessed 25 July 2024).

⁶⁶ "Beijing Internet Court Launches AI Judge" XINHUANET 27 June 2019, available at: http://www.xinhuanet.com/english/2019-06/27/c_138178826.htm (accessed 25 July 2024).

parties to physically appear in court. The AI judge, who has a feminine appearance and voice, will be essential in finishing mundane, repetitive tasks.⁶⁷

The Guangzhou Internet Court still lags behind the Beijing Internet Court in terms of structure, mimicking that of the Hangzhou Internet Court. The "Rules of Online Litigation of the People's Court of China (Rules)" are a collection of guidelines set by the Supreme People's Court of China to govern these three courts. On 1 August 2021, the Rules were enacted and came into force. There is not enough information available right now to confirm whether the courts have applied the Rules or not. Overall, ODR is thriving in Chinese court procedures, and there are no signs that this will slow down.⁶⁸

Businesses that process complaints online have effectively incorporated ODR into their operations. As of March 2021, the Alibaba Group boasted a global consumer base exceeding one billion consumers, making it the largest e-commerce ecosystem in the world. The Alibaba Group owns Taobao, which is widely recognised as the world's largest C2C e-commerce site. It is sometimes compared to eBay in China. Ten million active merchants and an increasing 423 million active buyers make up Taobao's community.⁶⁹

ODR's acceptability and further expansion in China were made possible by the rise in online conflicts. ODR has thrived because it is highly effective at resolving disputes in the virtual environment where e-commerce transactions take place. Electronic

⁶⁷ T. Ballesteros, "International Perspectives on Online Dispute Resolution in the E-Commerce Landscape," available at: https://www.elevenjournals.com/tijdschrift/ijodr/2021/2/IJODR_2352-5002_2021_008_002_002 (accessed 25 July 2024).

⁶⁸ Ibid.

⁶⁹ L. Liu & B.R Weingast, "'Tabobao' Federalism and the Emergence of Law, Chinese Style," (2018) 102 *Minnesota Law Review*, p. 1583.

information technology grew in tandem with the internet's expansion. Electronic signatures, online payment technologies, and information secrecy are now available for usage on ODR platforms in China. These elements combined to provide a strong foundation for the widespread use and recognition of online dispute resolution systems in China.

5.0 CONCLUSION AND RECOMMENDATION

In retrospect, this work has taken an in-depth study on online dispute resolution for e-commerce transactions in Nigeria. This work explored themes like the history and antecedents of ODR in Nigeria alongside e-commerce. It went further by providing the perspective and applicability of the present extant legal framework on digital dispute resolution. This work also considers the evolution and impact of digital dispute resolution for e-commerce cases in the United Kingdom and China, hence, learning from global best practices.

In conclusion, the full implementation and enforcement of online dispute resolution (ODR) mechanisms are essential for addressing e-commerce disputes effectively. Given the delays and inefficiencies often associated with Nigeria's court processes, adopting ODR can significantly alleviate these challenges. This approach promises not only to streamline dispute resolution but also to benefit disputants and enhance the overall efficiency of the Nigerian justice system. It is therefore recommended that stakeholders prioritise the integration of ODR to foster a more accessible and efficient resolution framework.