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Management

STANDARD FORM CONTRACTS AND CONSUMER PROTECTION IN INDIA: A LEGAL REVIEW

KEY WORDS: Standard Form Contracts, Consumer Protection, Unconscionability, Indian Contract Act, Consumer Protection Act, Digital Contracts, Regulatory Harmonization, Comparative Law

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ABSTRACT

Standard form contracts (SFCs) consist of critical frameworks for the commercial and consumer transactions in India, that is efficient and scalable across key sectors such as banking, insurance, telecoms and the digital economy. However, their excessive usage has raised significant legal and policy concerns, like the substantial imbalance of bargaining power, the limited awareness among the customers as well as the frequent addition of one-sided clauses. Even though the Indian Contract Act, 1872, makes the solid foundation, later updated by the Consumer Protection Act, 2019, still India's legal framework faces several gaps, because its enforcement is weak. The oversight for it is not trustworthy, with digital and cross border contracts only making the problem worse. By employing a doctrinal legal system, this research looks upon statutory frameworks, landmark judicial decisions, agency regulations, and empirical research based on consumer experience. This research also compares legal government of UK and Australia. These countries have implemented standardized fairness tests that are easy to understand. Also, they have created the rules and policies prior to protect consumers. The findings explain the Indian consumers are not well protected from the risks in these contracts. These risks are hidden fees, confusing terms, and very difficult or impractical ways to solve a problem if something goes wrong. Another big problem faced is that the different government authorities and the courts in India are not working together effectively to protect Indian consumers. The concluding chapter recommends ways to improve consumer protection in India. This involves laws that clearly defines what is fair and unfair in the contract. Proper coordination of different government bodies to create rules and putting strong safeguards in place for online agreements. It also suggests consumer's awareness regarding their rights and adapting right practices from other developed countries.

1. INTRODUCTION

Standard form contrasts are considered as one sided and non-negotiable contracts given to consumers by the seller. These are on basis of take-it-or-leave-it that is they are forced to agree to the terms and conditions in India. These contracts formed are forced on consumers if they want to avail the services offered by the seller. these types of contracts relations involve banking (loan agreements), insurance (policy bonds), real estate (builder-buyer agreements), and the digital economy (e-commerce user terms, mobile applications) and telecommunications (service provider contracts) (Gupta, 2020). These contrasts are lifeline for modern commerce, and it takes away the power and freedom of consumers without them realizing it. Most consumers don't prefer to read the long, complicated text and don't have any legal knowledge to understand those terms and conditions. These contracts are considered great for the businesses, but they can be risky for the regular people who might be agreeing to unfair terms without even realizing it. Most people simply do not have the technical expertise, time, or legal resources to read, interpret, or think of challenging the terms of SFCs (Patel, 2020). Companies are aware of these things, so they often hide unfair clauses in these long agreements that we only get to discover when we face a problem regarding that. These one-sided clauses are like liability waivers, penal clause that are uneven to the damage suffered or forced arbitration. The main point here is that most people can't understand or negotiate these terms, so it leads to massive power imbalance.

As it is so important to protect customers from unfair deals, courts including supreme court have started to use regular principles of fairness to protect customers wherever the statues stood mute or ambiguous (Law Commission of India, 1984). A major new law, the consumer protection act of 2019 was created to define unfair contract and give consumers a chance to understand and complain about their problems faced. Consumer Protection Act, 2019). On the other hand, Information Technology Act,2000 made online and digital contracts legally valid, that highlighted the need to also protect consumer rights in online era. (Singh, 2022). Consumer Rights Act of 2015 of the United Kingdom and competition and consumer law in Australia, are now benchmark for India as they have successfully protected their citizens. (Thompson, 2019).

2. Aim of the Study

The core objectives of this legal research paper include the following:

1. It analyses the legal and doctrinal foundation of standard forms contracts in India, that focuses on core principles of contract and defines how these contracts are one-sided that becomes unfair for the consumers. (Sharma, 2021).
2. It examines the responses of past cases and laws decisions, understanding how Indian Contract Act, 1872, Consumer Protection Act, 2019, and Information Technology Act, 2000 have changed over time to deal with these unfair terms. (Consumer Protection Act, 2019).
3. It investigates how well the rules from the sectoral regulatory approaches and implements that also includes RBI guidelines for banks, IRDAI circulars in insurances and TRAI regulation in telecommunication. It also tries to see if these organizations coordinate effectively with each other to protect consumers. (RBI, 2024; IRDAI, 2024; TRAI, 2025).
4. It studies and evaluates how real court cases really work in practice. It studies if consumer courts and judges step in to either strike down or modify the unfair clauses in these contracts to help their consumers. (Supreme Court of India, 1986; NCDRC, 2023).
5. It tries to identify gaps in laws, government rules and official processes that people have to follow. It also tries to pay special attention to problems in the digital world, like ecommerce related contracts and solving those problems by recommending best possible solutions that are already are in practice in other countries. (Thompson, 2019).

3. Literature Review

3.1 Theoretical Foundations of Standard Form Contracts

Traditionally, the law viewed contract as a fair agreement between two equal parties who both can negotiate the terms. A modern contract, standard form contracts are also known as a contract of adhesion which completely challenges this ideology. It can be defined as an agreement were one party drafts it, and other party accepts it without having power to negotiate. (Gupta, 2020; Krishnamurthy, 2018).This idea limits the consumer choices or their knowledge of what they are getting themselves into (Sharma, 2021).This leads to a debate on a big question, whether benefits of businesses like saving time, lower cost, mass commercialization worth the huge inequality and legal risks that are forced on the consumers? (Law Commission of India, 1984; Bhatia & Verma, 2023).

3.2 Historical Developments in India

India's ancient contract law was based on Indian Contract Act of 1872, that followed British legal traditions with the idea of "freedom of contract." (Indian Contract Act, 1872; Krishnamurthy, 2018). Later when SFCs began to be used by big companies in areas like banking, insurance, and public services, experts and courts had to face the reality that these agreements were often fundamentally unfair from consumer's side. (Gupta, 2020). A major turning point was observed by Law Commission (1984), was their 103rd Report which suggested that the new laws were created to protect people from unfair contract terms. Their report also mentioned a critical point that even if contract makes businesses quick and efficient, efficiency cannot be more important than the justice and fairness within that contract. (Law Commission of India, 1984).

3.3 Doctrinal Innovations: Unconscionability and Public Policy

The Supreme court began using the doctrine of "Unconscionability" to ensure justice in these contracts. A popular case mentioned is Central Inland Water Transport Ltd. v. Brojo Nath Ganguly (1986). In that case, they threw out the contract term for firing an employee because of excessive harsh, oppressive and contrary to public policy. (Supreme Court of India, 1986; Bhatia & Verma, 2023). While this judicial action was a good thing, it's also been criticized as it created unpredictability. The problem with this approach is that firstly, there was no official law that clearly defined what unconscionable means. Secondly, the court itself hasn't provided a clear set of rules for when the contract should be considered unfair that made it so hard to predict how a judge will be able to rule in future cases. (Sharma, 2021; Krishnamurthy, 2018).

Also, the public policy concerns gave more power to the courts to cancel contracts that have unfair or morally wrong terms. (Patel, 2020). But there was a problem with this, that every judge has their own opinion and what one considers unfair other might think it's perfectly fine. This leads to inconsistencies of decisions and make law confusing and unpredictable. (Gupta, 2020).

3.4 Statutory Developments: Consumer Protection Laws

From the history, the original consumer protection law from 1986 was a major step forward. But it didn't have any clear rules to identify unfair or discriminatory terms in contracts. (Patel, 2020). The Consumer Protection Act, 2019, a new law was introduced as the old one was criticized. This law specifically defined what is unfair contract is, also gave clear reason to legal bodies to cancel them. This (Section 2(46)), new law also changed the power consumer agency has, that restricted them in some ways but expanded their overall authority. (Consumer Protection Act, 2019; Bhatia & Verma, 2023).

Some commentaries suggest that this new law was a positive development but also gave a warning that these new laws may not be implemented carefully. It also suggests that this law doesn't properly align with the other existing sectoral regulations. It also talked about public awareness that were not handled well. (Chandra, 2025; Thompson, 2019).

3.5 Sectoral Regulatory Approaches

Different industries have their own regulation that is recognized in governance with RBI's code of Fair Practices, IRDAI's norms for insurance disclosure, and TRAI's regulations on telecommunication service contracts. Their main goal is to separate these rulebooks to make things clearer and more predictable for the consumers than relying on general contract law. (RBI, 2024; IRDAI, 2024; TRAI, 2025).

Some scholars suggest that these specific regulator for each industry is practical and effective approach. They also believe that its better because these special authorise have the right expertise and the ability to enforce all the rules within their sector. (Chandra, 2025; Gupta, 2020). But some argued and pointed out a major problem with this system. As there are many regulators, this creates a fragmented regulation that can be confusing and inconsistent for the consumers. Especially in digital world, where one app offers combine service from multiple industries. This might cause lack of clarity for consumers as to know when rules to apply to them. (Patel, 2020).

3.6 Digital Contracts and E-Commerce

E-commerce transactions have faced many problems. The COVID-19 pandemic have made the issues worse as it has created new topic for the study for the researchers (Singh, 2022).

Indian courts have started to make decisions about online agreements, like those we accept by clicking a button or simply by using a website. The courts mainly focus on whether the customer was clearly notified of the terms and if those terms were reasonable (HDFC Bank Ltd. v. Kumar, 2016; Singh, 2022).

The international debate argues that Indian laws, including the Information Technology Act, 2000, have major weakness. While these laws confirm that online contracts are legally valid, but they do not offer any specific protections for the people who are treated unfairly by them. (Singh, 2022; Lee, 2020).

3.7 Indian Empirical Studies

Empirical studies on India are in early stages, but it already points to several problems:

3.1 consumers typically do not bother to read or understand the standard contracts they are given. (Verma, 2019).

3.2 When consumers do have a legal problem with an unfair contract, most cases are either settled out of the court or are dropped completely. This happens because going to the court is expensive, takes a lot of time, and is too complicated for the most people to understand. (Verma, 2019).

3.3 In comparison to developed countries, consumers in India are less aware of their rights, and there are fewer effective systems in place to help them solve their issues. (Patel, 2020).

3.8 International and Comparative Literature

Studies compared different countries that showed that UK and Australia have specific laws like UK consumer rights act 2015 and The Australia Competition and consumer Act 2010 to protect their consumers. These laws establish clear tests for the unfairness, require contracts to be in plain simple language, and give authorities the power to examine rules in advance and enforce them for large groups. (Thompson, 2019; Lee, 2020; Australian Competition and Consumer Commission, 2024). In contrast, India develops its consumer protection rules slowly, one court case at the time.

3.9 Comparative Law Perspectives: An International Approaches to Standard Form Contracts

Comparative literature in law shows that many countries with similar legal systems are moving away from relying on judges' decisions to individual cases. Instead, they are creating broad laws to protect consumers. UK Consumer Rights Act 2015, and Australia's Competition and Consumer Act 2010, are perfect examples of this modern approach, that has successfully balanced fairness for consumers with efficiency for the businesses. (Thompson, 2019; Lee, 2020).

3.9.1 Gaps in Indian Law

Legal scholars point out that Indian courts have tried to protect people using existing legal ideas, and the 2019 Consumer Protection Act has helped, still there are major gaps. (Thompson, 2019).

India lacks:

- A single and clear test to decide what is unfair.
- A rule requiring contracts to be in simple language.
- A central authority to enforce these consumer rights.

Further the research shows that systems in UK and Australia, which are based on specific laws, work much better. They are cheaper, more predictable, and more trustworthy for consumers compared to India's system, which is scattered and depends heavily on judges' decisions in individual cases. (Lee, 2020; Verma, 2019).

3.9.2 Lessons and Recommendations

By comparing India to other countries, it's clear that Indian scholars and government bodies need to make changes immediately. Based on the analysis, here is what can be done:

1. The law must be clearly defined what an unfair term is and create a test for it.
2. All the standard form contracts must be written in plain, easy to understand language so that consumers can understand.
3. There is need for stronger monitoring and better ways to fix problems for consumers.
4. An effective system for group lawsuit should be created, making it a better option than individuals suing one by one. (Thompson, 2019; Australian Competition and Consumer Commission, 2024).

3.10 Summary

Legal scholars suggest that there is a general agreement on the situation in India. While the courts and Parliament have made creative efforts to those risks from SFCs, there is still so much to be worked on. (Bhatia & Verma, 2023; Sharma, 2021; Thompson, 2019).

Key areas that need to be improved are as follows:

1. Making all the rules harmonized
2. Updating the laws for online and digital businesses.
3. Conducting more real-world studies and investigations
4. Writing clear standards for the fairness directly into the law i.e. codification.

4. Research Gap of SCFs in India

Even after important changes in both law and legal reforms, in SFCs these changes haven't led to expected improvements in the research or in enforcement of the rules.

1. Lack of Empirical analysis: There has been very little detailed research in India using real data to see how lawsuits over SCFs are handled. Most existing studies only look at a few famous cases, not the overall trends. (Verma, 2019). This means that we don't have a clear picture of how consumer courts rule on unfair terms or how the laws are enforced.
2. Lack of coordination: The system is confusing due to many government bodies that oversee similar issues but don't work together. Regulation for banking, insurance, telecom, consumers courts, and the regular legal system all have overlapping powers. This has led to lack of clarity, and people are involved in a case might tr to shop for the court they think will give them the best result. (NCDRC, 2023).
3. Problems with online contracts: The rules for online contracts like clickwrap where we click "I agree" are inconsistent. The two main problems are defining what real user 's consent means online and figuring out how to enforce Indian rules against companies located in other countries. (Singh, 2022).
4. Low consumer awareness and difficulty getting help: Having laws on books isn't enough to protect people in real life. The biggest roadblock faced by most consumers is that they are not aware of their rights under contract, and the process that leads to solution if they get in a problem. It is complicated, time consuming and far away for the people to get justice, which falls short of the standards seen in other countries. (Law Commission of India, 1984; Thompson, 2019).
5. Lacks a single, clear test for unfairness: Unlike countries like England and Australia that have clear and written down rules for what makes the contract unfair, India lacks it. Indian courts rely on general principles of fairness. This led to inconsistent and unpredictable court decisions, causing how the case will be decided. (Law Commission of India, 1984; Thompson, 2019).

5. Problem Statement

Standard Form Contracts (SFCs) are becoming extremely common in India. Their use is creating many complex legal and policy problems. These contracts have become the norm way of doing business in almost every major service area like bank, insurance, telecom, digital payments, and online shopping. (Gupta, 2020; Bhatia & Verma, 2023).

5.1 Inequality of Bargaining Power and Power Imbalance

SFCs are generally drafted and imposed by corporations that have far more money, legal resources, and information than the average person. Because customers cannot negotiate and must accept the terms as they are, it creates a situation of extreme unfairness and a power imbalance. (Krishnamurthy, 2018; Sharma, 2021).

- Due to these imbalances, companies from being responsible, even for its own major mistakes or negligence.
- These terms force customers into a difficult or expensive process to solve a dispute, like making them to a court in a faraway city.
- Hidden fees that the customers only discover when its time to pay.
- These terms allow the company to change or cancel the contract by itself, often without giving the consumers proper notice. (Patel, 2020).

5.2 Lack of Consumer Awareness and Effective real Notice

Indian consumers rarely read these long contracts. even if they tried, they wouldn't understand the complex legal language. (Verma, 2019). The documents are full of legal and technical terms that are poorly explained. This is especially true in the digital world, where users are forced to click "I agree" on many pages before they are allowed to use the service. (Singh, 2022). This kind of contract isn't based on real, freely given consent, which is the foundation of any fair contract. (Law Commission of India, 1984).

5.3 Risks of Digital Economy

The main problem with these standards contracts becomes even bigger in online world. Online standards contracts are often from the large, multinational companies. They include clauses that force Indian consumers to follow the laws of these foreign countries, or they can use courts in faraway location to settle any disputes. This practice easily removes any real chance for the Indian consumers to ger a solution if they face an issue. (Singh, 2022; Lee, 2020). As the e- commerce and apps are growing rapidly and there is absence of strong, protective rules and easy to access systems for the solving problems is the major issue. This absence of protection conflicts with the fundamental principles of consumers rights and justice.

5.4 Remedies for Practical Barriers

Even after an unfair term in the contract can be legally challenged, research has shown that there are major real-world problems that prevent consumers from getting justice:

- The process is often too expensive, complicated and time consuming, which stops people from even trying to file a claim. (Patel, 2020; Verma, 2019).
- Group lawsuits are either very rare or poorly designed in India. (Thompson, 2019).
- There hasn't been a system in place that checks contracts for the fairness before they are offered to the public. This allows unreasonable contract terms to spread easily. (Chandra, 2025).

5.5 Summary

The result is the system where these contracts, which should help the economy moves faster, that ends up working against the consumer's interest. Even with some new laws, consumers, consumers are still unknowingly giving up their basic rights and their ability to get help when dealing with powerful companies.

Without major and through reforms such as making rules consistent, ensuring they can be enforced, and actively protecting consumers from the start, the core ideals of the Indian contract law like fairness, informed consent, and justice will only ever be partly achieved. (Law Commission of India, 1984; Bhatia & Verma, 2023).

6. Research Methodology

6.1 Research Design

This study uses a method called "doctrinal legal research". This means the research is based on carefully reading and analysing existing legal documents like laws, courts decisions, and regulations. This approach works well for legal studies because it allows researchers to systematically study official sources to understand legal rules and how they are used. (Hutchinson, 2012). This type of research doesn't collect new data like from surveys and interview. Instead, it focuses on understanding what the law already says.

6.2 Sources of Information

The main source of information used in this research are official laws passed by the government.

6.2.1 Primary Sources:

➢ Laws and legal Materials:

- Indian Contract Act 1872.
- Consumer Protection Act 1986.
- Consumer Protection Act 2019.
- Information Technology Act 2000.
- Major Amendments, Rules, Legislative debates.

➢ Court rulings (Judicial Decisions):

This includes Central Inland Water Transport v Brojo Nath Ganguly SCC (1986), LIC v Consumer Education and Research Centre (1995), HDFC Bank Ltd. v Kumar (2016), Pioneer Urban Land v Govindan Raghavan (2019) from India's top courts, such as the Supreme Court, High courts, and the national Consumer Disputes Redressal Commission (NCDRC 2023).

➢ Sectoral Regulatory Guidelines and Circulars:

This refers to the rules and notices from the organisations that regulate specific industries, including:

- RBI 'Fair Practices Code' and other notification.
- Guidelines on insurance product disclosure by IRDAI master circulars.
- Consumer protection regulations of TRAI.

6.2.2 Secondary Sources:

These are sources that analyses on the primary laws and court cases. Reports from Law Commission of India: This includes official reports, such as the important 103rd Report from the Law Commission of India, 1984 which discussed unfair terms in contracts.

Academic literature: This includes current articles, textbooks, and studies from legal scholars.

Laws from other countries: This includes important laws from other countries used for the comparison, such as:

- UK Consumer Rights Act, 2015.
- Australia Competition and Consumer Act, 2010.

6.3 Analytical Framework

Mentioned below are steps taken to study SFCs:

1. Looking at the laws: read the actual laws involved. It focuses on what they originally meant, how they define terms, who they apply to, and what problems they were trying to solve. It also looks over the time and any discussions from the parliament when they were created.
2. Studying past court cases: It examines previous court decisions to see how legal principles have changed over time. It also tracks how ideas like fairness and public policy have developed and how they are applied in different situations. It also looks at the real-world results of these decisions in specific legal cases.
3. Mapping out the rules: it looks at how rules for the specific industries were created and enforced .it also looks at how regulatory bodies fill in any gaps that the main laws don't cover.
4. Comparing with other countries: it compares India's laws with similar laws in the UK and Australia. This will help us identify the strengths and weaknesses of India's approach and suggest possible improvements.
5. Including expert opinions: it uses reports from the Law commission, writings from academic experts, and policy papers to get a better context. This will help us to evaluate if the current laws and courts decisions are effective.

6.4 Scope and Limitation

This resort did not collect new information through surveys or interviews. Instead, when necessary, we used findings from existing service studies that had already collected such data. (Verma, 2019). We have focused on standard form contracts for regular consumers. We have not looked at business to business contracts between companies. we have discussed online contracts, but we have not do a deep technical or economic analysis of ecommerce platforms.

6.5 Justification and Relevance

Our approach of studying existing legal text is justified because there is no much real-world data available on court cases related to SFCs. (Hutchinson, 2012; Law Commission of India, 1984). Legal changes in India happen based on how legal ideas develop and how laws are updated. Therefore, comparing laws is very useful as India often looks at successful international practices were reforming its own laws. measures (Thompson, 2019).

7. Interpretation and Analysis

7.1 Evolution of Courts Principles

Indian courts have played a central role in protecting consumers from unfair standard form contract. A major turning point was Supreme Court case of Central Inland Water Transport V. Brojo Nath Ganguly (1986). In this case, the court cancelled a contract clause that allowed a government employer to fire its employees unfairly. This decision established 3 main principles:

- Terms that are extremely unfair, especially when forced by a more powerful party, go against the public interest.
- Court must look beyond the technical legality of the contract to see if it is genuinely fair.
- when one party has more much more power than the other, courts must examine the contract very closely. (Supreme Court of India, 1986).

This principle of "unconscionability" has since been used to protect consumers in insurance, finance, telecom and real estate contracts. (Bhatia & amp; Verma, 2023).

Later cases built on this foundation for example:

- The case of LIC v. Consumer Education & Research Centre

(1995) strengthens this rule. It allows court to more closely examine standard contracts that were unclear or tried to limit consumer rights. It also said that important terms cannot be hidden or described in misleading way.
- The case of Pioneer Urban Land v. Govindan Raghavan (2019) applied these rules to real estate agreements. The court decided that it was unacceptably unfair for builders to have the one-sided power to increase prices or change the contract on their own.

7.2 Statutory Development: Consumer Protection Act, 2019

The Consumer Protection Act of 22,019 is the most important recent development in India for laws about consumer contracts.

Section 2(46) of this act gives a specific definition of an unfair contract. It includes terms that allow a business to:
- Demand an excessive security deposit
- Post penalties that are too harsh for the situation
- Refuse to let a consumer payback a debt early
- Cancel the contract on their own, without a fair reason
- Transfer the contact to another party, which could harm the consumer, without getting their permission
- Place unreasonable duties or responsibilities on the consumers. (consumer protection act, 2019).

Sections 47 & 58: Give the state and the National Consumer Commission the power to cancel and entire contract, or just unfair parts, if they find such terms. So far, these commissions have used this law to remove unfair clauses for loan, insurance, builder buyer contracts. (NCDRC, 2023). However, even though this act is powerful and help consumers protect their rights, it still needs to be better coordinated with rules for specific industries and be written in simple and clear language.

7.3 Indian Contract Act: Free Consent and Public Policy

Sections 13-22 of the Indian Contract Act, 1872, explain that for a contract to be legal, it must be based on free consent. This means agreements are not valid if they are made using force, pressure, fraud, lies or a mistake. (Indian Contract Act, 1872). SFCs create a problem here. A consumer may agree to the contract by signing it, but they usually can't negotiate any of the terms. This lack of real negotiation, combined with the fact that the company has more knowledge, and power can mean that consumer's consent isn't truly free. (Sharma, 2021).

Indian courts use Section. 23 of the law as the basis to cancel contracts that are against the public interest or contain in legal terms. Courts interpreted public policy broadly to also include clauses that are extremely unfair. Because of this, Court can cancel unfair clauses in standard contracts even if a consumer technically agreed to them. Because they go against the principal of fairness and justice. This legal reasoning has become the foundation for courts to reject many unfair contract terms such as unreasonable penalty fees, the right for the company to end a contract for any reason, terms that completely free accompany from any responsibility if something goes wrong.

7.4 Evolution and Enforcement of Digital Contract

Court ruling on clickwrap: As expected, Indian courts have become more skilled over time in handling the creation of online contract. Several key court decisions have now set these standards for enforcing click wrap agreement. For instance, the Supreme Court case Trimex International FZE Limited v. Vedanta Aluminium Limited (2010) establish that an electronic contract is real and can be considered valid under Indian law as long as it meets all the basic legal requirement.

Similar review of weather clicks wrap agreements are legally binding happened in the case of HDFC Bank Ltd. vs. Kumar and Ors. (2016). The Delhi High Court stated that these agreements to be valid, they must meet certain essential conditions:
- There must be a clear, noticeable alert about the agreement.
- The user must be given a reasonable chance to read the terms.
- The user must actively give their consent by clicking "I Agree" button
- A written record of the contract must be kept.

These conditions help create a fair balance between protecting consumers and ensuring that the online business deals are predictable.

7.5 Changing Standards and Requirements.

Recent court decision such as DLF Ltd. vs. Manmohan Lowe 2017), Have provided more detail on how quotes view consent in digital age. The courts are flexible as technology changes, but they have strongly emphasised that the terms must be presented clearly, and the user must have real opportunity to review them. The methods for giving consent must be completely clear. The idea from the Consumer Protection Act, 2019 are now being used to analyse online contracts. This shows that courts understand the power imbalance that often exist between companies and consumers online. As a result, courts will now examine online contract terms more strictly, especially clauses that would not be considered fair in traditional offline contract. However, these new standards will also be balanced against the reasonable and established practices of legitimate online business.

7.5.1 Challenges with Browse-wrap and Mobile App Difficulties with Enforcement:

Browse-wrap contracts are major source of legal problems in India. In these situations, a person is simply assumed to have agreed to the website terms just by using it, without taking any specific action to confirm their agreement. Indian courts have been unwilling to enforce these agreements because there is no proof that the user was ever properly notified of the terms or that they consented to them.

Similarly, the terms of service and privacy policies on mobile apps raise concerns about whether user are given proper notice and if their consent is valid. This is due to a small screen sizes and typical user habits. There is currently no standard regulation for mobile app contracts, which causes uncertainty for both consumers and developers.

7.6 International Comparison

7.6.1 United Kingdom Consumer Rights Act 2015

The UK Consumer Rights Act 2015 Provides a highly developed legal framework for regulating unfair contract terms. The act uses a 3-step test to judge if the term is fair, asking whether the term:
- Create significant imbalance in the rights and responsibilities of the parties involved.
- Goes against the requirements of good faith.
- Would cause harm or disadvantage to the consumer if it were enforced. (Consumer Rights Act 2015).

The UK Act also requires that the contract terms be written in plain, understandable language. This gives consumers and authorities the clear power to have unfair terms removed even if the actions in the contract have already been carried out.

7.6.2 Australia (Competition and Consumer Act, 2010)

The Australian Competition and Consumer Act, 2010, also targets unfair contract terms by:
- stating that any unfair terms are legally invalid and cannot be enforced
- providing a clear legal test for what is unfair. A term is considered unfair if it creates significant imbalance, isn't respond reasonably necessary to protect the businesses and would cause harm to the consumer.

- protecting both individual. Consumers and small businesses. (ACCC, 2024).

Furthermore, the enforcement agency in Australia can sue on behalf of consumers and impose heavy fines on companies that repetitively use unfreedom.

7.7 Lessons for India

The way UK and Australia handle unfair contracts is very different from India's current system, which deals with issues as they come up on a case-by-case basis. These countries emphasise having a clear written law that tests for fairness, requires all standard contracts to be in simple and clear language. Having a government authority that actively checks and challenges unfair terms, providing a simple and consistent way for consumers to get help. Legal experts constantly argue that the India should adopt these ideas to improve its laws and provide better practical protection for consumers. (Thompson, 2019).

8. Findings

- Innovation from courts: Indian courts have successfully used legal concepts like extreme unfairness and public policy to protect consumers. However, because this approach is in based on a clear, specific law, it can lead to inconsistent and sometimes unpredictable call court decision. (Supreme Court of India, 1986; NCDRC, 2023).
- Progress with new laws: The Consumer Protection Act of 2019 provides much needed clear foundation for challenging unfair contracts. However, the law is still being fully what into practice. It needs to be improved and better aligned with the rules for specific industries and digital economy. (Consumer Protection Act, 2019; RBI, 2024).
- Sectorial enforcement: Different regulatory bodies in India like banking, insurance, telecom have their own rules to protect consumers. Well, these rules offer good protection. They can be inconsistent and overlapping. This creates confusion, especially when a consumer problem involves more than one sector. (IRDAI, 2024; TRAI, 2025).
- Vulnerabilities in digital economy: Online shopping and app-based services create unique challenges for consumers with digital. Contract. It's hard to enforce rules, make sure users are properly informed, and decide which court should handle a dispute. Current laws in. Courts have only partially solved this problem. (Singh, 2022).
- An international model: The countries like you can Australia have better systems. They have check if contract is fair, require agreements to be written in simple language and allow regulators to review contracts before they are used. India has not yet fully adopted these practices. Into its own system. (Thompson, 2019).

9. Interpretation and Recommendation

The way India handles standard contracts like terms and conditions have improved a lot. First through court actions and now through new laws like Consumer Protection Act of 2019. This act leave lets consumer courts cancel unfair contracts terms.

However, the problem still exists. Rules are inconsistent across different industries like banking. Telecom and finance. Rules aren't coordinated, digital consumer protection is incomplete, and there is no single clear legal test to define what is unfair.

9.1 Recommendations.

- Creation of an official unfairness test: India should create a formal written down law that clearly defines what makes a contract term unfair. This could be done by updating the old Indian Contract Act or by creating a new law based on successful example from UK and Australia.
- Make all rules consistent. The specific rules from different regulators like RBI, IRDAI, TRAI should be standardized and made to work together with the main consumer protection laws. This would reduce confusion, STOP companies from exploiting loopholes and make it clear to consumers what help they can get.
- Improve digital consumer protection: the laws for the Internet like IT ACT need to be updated for online agreement. Companies must display important terms clearly and get proper concept from users. The idea that the consumers consent is assumed just because a notice was posted should not be valid unless the consumer was well informed.
- Give more power to consumer groups. Consumer courts and regulators should be given more skills, resources and authority. This will allow them to actively find and cancel unfair contract terms, find out the damages and provide compensation to large groups of affected consumers at once, not just one by one.
- Educate the public: Support government and community efforts to make people more aware of their rights when signing contracts. Consumers should be taught how to properly complain and get their problem solved, especially when shopping online.
- Learn from other countries: India should adopt the best practices from countries like UK and Australia. This includes requiring contracts to be written in simple language, checking contracts for fairness beforehand and creating complaint systems that are easy for consumers to be part of.

By making these details changes, India can ensure that while business growth is important, consumers will get real fairness in justice whether they are shopping online or physical store.

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