CONSUMER FIRST

9th Edition

The Price of Convenience

Trust, Choice and Accountability in India's Digital Marketplace

Inside: The Dark Patterns Accountability Gap

Five Figures That Define This Edition

20 lakh	5.11 lakh	₹91 crore	24.43 bn	3 hours
e-commerce and quick-commerce complaints on the NCH over five years	complaints in 2025 alone — a 16% rise on 2024	in refunds facilitated by the NCH, Apr 2025 – Jun 2026	calls and SMSes AI-flagged as suspected spam in Apr–Jun 2026	the takedown window for flagged unlawful synthetic content, down from 36

E-Commerce Complaints Rise as Quick-Commerce Platforms Expand

A recent Lok Sabha response on defective products sold through quick-commerce platforms shows a steady increase in consumer complaints across India's e-commerce sector. Complaints received by the National Consumer Helpline rose from **2.24 lakh in 2021 to 5.11 lakh in 2025**. Over the five-year period, close to **20 lakh e-commerce-related complaints** were recorded.

In 2025, some of the most common complaints related to **non-delivery of products, receipt of wrong products, delays or denial of refunds and replacements, and defective or damaged goods**. Complaints concerning fake, duplicate or counterfeit products were also recorded.

The parliamentary question specifically sought information on quick-commerce platforms. However, much of the data provided in the government's response covers the broader e-commerce sector rather than quick commerce as a separate category.

The platform-wise data for 2025 also includes quick-commerce companies. **Zepto recorded 5,774 complaints, while Blinkit recorded 5,102 complaints** with the National Consumer Helpline during the year.

The government also highlighted existing consumer-protection measures. Between April 25, 2025 and June 30, 2026, the National Consumer Helpline facilitated more than **₹63 crore in refunds** in e-commerce-related grievances.

The response also refers to **IS 19598:2026**, a voluntary self-governance standard introduced by the Bureau of Indian Standards for e-commerce platforms. It covers areas including product authenticity, delivery, cancellations, refunds, grievance redressal and measures against counterfeit products.

Read Further: [Lok Sabha Unstarred Question No. 4041, *"Defective Products by Quick Commerce Platforms,"* answered on August 12, 2026.]

RBI Tightens Rules on Sale of Financial Products

The Reserve Bank of India has introduced new rules governing how banks and other regulated lenders advertise, market and sell financial products and services. The framework seeks to address mis-selling by setting requirements around customer consent, product suitability, disclosures and digital sales practices. The final rules are scheduled to come into effect from **January 1, 2027**.

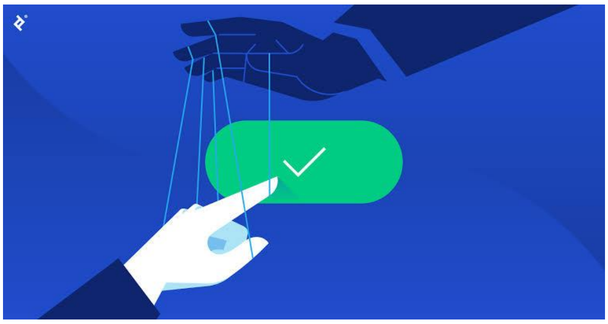
Under the framework, financial institutions will not be permitted to use **dark patterns**. The RBI's framework covers practices such as false urgency, pre-selected choices, hidden charges, difficult cancellation processes and interfaces that make certain options more prominent while obscuring others. Banks will also be expected to periodically review their digital interfaces for such practices.

The rules also broaden the approach to **mis-selling**. This can include selling a product that is unsuitable for a customer's profile, providing incomplete or misleading information, selling without explicit consent, or requiring customers to purchase an additional product alongside the one they originally sought. Customer consent must be specific and recorded rather than assumed through pre-selected options.

Banks will also be required to provide clearer information about a product's features, risks, fees and terms. The framework addresses sales conducted by bank employees as well as Direct Selling Agents and Direct Marketing Agents, and places responsibility on regulated entities for oversight of these channels.

Where mis-selling is established, the rules require the amount paid by the customer to be refunded and the sale to be cancelled where applicable. The RBI framework also provides for compensation for losses resulting from mis-selling, in accordance with the institution's approved policy.

Read Further: *Reserve Bank of India — Responsible Business Conduct framework on* *advertising, marketing and sale of financial products and services.*



Dark Patterns Could Be Costing Indian Online Shoppers Up to ₹28,000 Crore a Year

Indian consumers may be losing between **₹25,000 crore and ₹28,000 crore annually** because of dark patterns and hidden charges on digital platforms, according to a 2026 study by market research firm Datum Intelligence. The study estimates that around **88% of India's 304 million online buyers** are affected, with impacted consumers losing approximately **₹78–₹87 per month** through practices such as hidden fees, forced add-ons, drip pricing, subscription traps and false urgency.

Read Further: *Datum Intelligence — Dark Patterns in India's Online Marketplaces* (2026)

Government Says UPI Will Remain Free for Users; Limited Merchant Charges May Be Considered

The Ministry of Finance has clarified that **UPI transactions will continue to remain free for consumers**, amid discussion around proposed changes to the Payment and Settlement Systems Act, 2007. Person-to-person transactions will also continue without transaction charges, the government said in an August 8 statement.

The clarification follows a proposed amendment to **Section 10A of the Payment and Settlement Systems Act** through the Taxation and Other Laws (Amendment) Bill, 2026. According to the government, the amendment is intended to create an enabling framework for the future sustainability and development of the UPI ecosystem rather than introduce charges on individual users.

However, the government has left open the possibility of introducing a **Merchant Discount Rate (MDR) on a limited category of UPI merchant transactions** in the future.

Read Further: *Ministry of Finance — "No Charges for UPI Users: Vast Majority of the Transactions to Remain Free of Charge for Merchants as well," Press Information Bureau, August 8, 2026.*

India's UPI story isn't over; credit and AI are the next layer

India's fintech sector is moving from a first phase focused on building digital payment rails to a second focused on what is built on top of them — credit, embedded finance and AI.

UPI processed 23.68 billion transactions worth ₹29.8 lakh crore in July. NPCI's Executive Director for Growth, Sohini Rajola, said this does not indicate saturation: UPI has about 240 million daily and 500 million monthly active users, below the number of Indians with bank accounts, phones and internet access. She noted remaining gaps in metros as well as smaller towns, including among women and non-smartphone users.

PayU CEO Anirban Mukherjee said the comparison is not against a costless alternative — cash-on-delivery can cost large e-commerce firms around 400 basis points once returns and fraud are included — and estimated India is 30–35% digitised across payment types, with significant headroom in B2B. Cashfree CEO Akash Sinha said online merchants, who already absorb higher card costs, could take on some additional cost.

Credit on UPI grew more slowly than NPCI anticipated but is now accelerating: about ₹1,000 crore across FY26 versus roughly ₹500 crore a month currently, with Rajola expecting further growth over the next two to three months and an eventual market in the tens of thousands of crores monthly. UPI AutoPay has largely displaced NACH among digital lenders, reducing collection friction and recovery costs.

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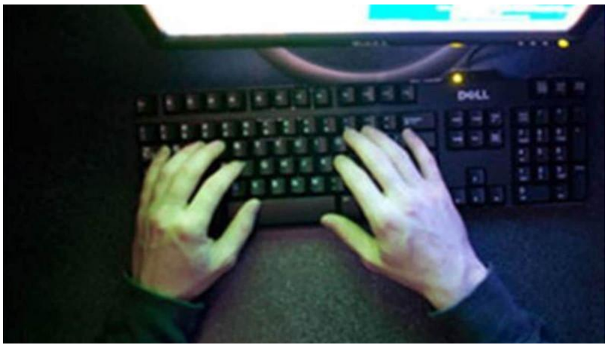

India Shortens Timeline for Platforms to Remove Unlawful Content

India has significantly reduced the time available to online intermediaries, including social media platforms, to remove or disable access to unlawful content after receiving a valid government intimation or court order. Under amendments to the **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021**, the compliance window has been reduced from **36 hours to three hours**.

The three-hour requirement applies when an intermediary receives an order from a **court of competent jurisdiction** or a **reasoned intimation from the appropriate government or its agency** regarding unlawful information. The change therefore relates to specified legal or government directions rather than requiring platforms to independently remove every piece of potentially unlawful content within three hours of it appearing online.

The amendments also shorten other grievance-redressal timelines.

The updated framework also addresses **synthetically generated information**, including AI-generated and deepfake content.

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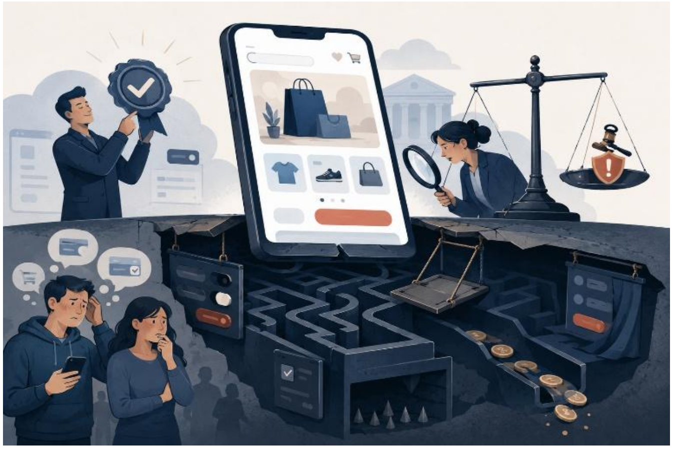
Dark Patterns Accountability Gap



In June 2025, the Central Consumer Protection Authority (CCPA) advised e-commerce platforms to conduct self-audits under the **Guidelines for Prevention and Regulation of Dark Patterns, 2023**, and submit declarations confirming that their digital interfaces did not employ prohibited dark patterns. By December 2025, twenty-six platforms had submitted declarations, including Flipkart, Swiggy, Zomato, Blinkit, Meesho, BigBasket and Zepto. Amazon submitted its declaration in February 2026 after receiving an extension.

However, the level of detail contained in these declarations varied considerably. Subsequent independent assessments have raised questions about whether self-declaration alone provides an adequate measure of compliance. A LocalCircles assessment published in January 2026 reported that nearly every major e-commerce and quick-commerce platform it examined, with the exception of Meesho, exhibited practices that failed its dark-pattern assessment.

A separate study published in June 2026 similarly reported continued instances of dark patterns across the twelve platforms it examined. It also found that eight of the twenty-six companies that had submitted self-declarations in 2025 subsequently faced regulatory penalties.

These findings sit alongside relatively limited enforcement specifically attributed to dark-pattern violations. In a parliamentary response in August 2026, the government stated that the CCPA had imposed penalties totalling **₹20 lakh** in cases involving dark patterns.

Four questions this edition puts to the CCPA

- Should dark-pattern audits remain voluntary and self-conducted, or should independent audit be mandatory for platforms above a user threshold?
- Should platforms be required to publish their audit methodology, not merely their conclusion?
- Should repeated violations trigger escalating penalties calibrated to platform revenue, rather than fixed sums?

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Ninety Days, Thirty-Eight Days: The Safety Net Many Delivery Workers May Never Reach

India has created a social-security framework for gig workers. The question now is how many workers will actually cross its eligibility threshold.

India's new labour framework marks an important shift for platform workers. The **Code on Social Security, 2020**, brought gig and platform workers formally within the social-security architecture, while the **Social Security (Central) Rules, 2026**, notified on May 8, set out how registration and eligibility will work. Aggregators must upload details of existing gig and platform workers to the government's designated portal and register new workers — as well as report their exits — on a **real-time or daily basis**.

The funding model is also significant. Aggregators are required under the Social Security Code to contribute **1–2% of annual turnover**, subject to a ceiling of **5% of the amount paid or payable to gig and platform workers**, towards their social-security arrangements. The government has presented this as a way of shifting at least part of the cost of worker welfare from workers themselves to the platforms whose businesses depend on them.

But registration does not automatically mean eligibility for benefits.

Under Rule 48, a gig or platform worker must have been engaged for at least **90 days with one aggregator in the previous financial year** to qualify for a scheme under the Code. Someone working across multiple aggregators must record at least **120 days cumulatively**. A day counts whenever the worker earns any income on that calendar day, irrespective of the amount; importantly, if a worker earns through three aggregators on the same day, the rules allow that to count as three days of engagement.

That threshold looks very different when placed beside the platform industry's own description of how gig work operates. In January, Eternal CEO Deepinder Goyal said that the **average Zomato delivery partner worked only 38 days during 2025**, for around seven hours on each working day. He cited the figure to argue that delivery work is often flexible or supplementary rather than conventional full-time employment. Only **2.3% of Zomato delivery partners worked for more than 250 days**, according to the same disclosure.

The comparison — **90 days required, against 38 days worked by the average Zomato partner** — does not by itself tell us how many workers will be excluded: an average cannot reveal the full distribution of working days. But it does raise an obvious policy question. If flexibility and short-term participation are defining characteristics of platform work, should access to social security depend on remaining active for more than twice the number of days worked by the average partner on one of India's largest delivery platforms?

The eligibility question is particularly relevant because worker protections have moved higher up the policy agenda.

The 2026 Rules solve one part of the problem: they make workers more visible to the state by requiring systematic platform registration. The next question is one of coverage. A worker can be registered, counted and generate an aggregator contribution while still falling short of the engagement threshold required to receive benefits under a particular scheme.

Read More: [Link]

MeitY consultation says blanket social media ban for children won't be effective

MeitY, along with social impact consultancy Space2Grow and civil society organisations, held a closed-door roundtable on online child safety, age-gating and platform regulation at the ministry's office in New Delhi. The two-hour consultation was headed by MeitY Secretary S Krishnan and took place on 20 August, having been postponed from 27 July due to the monsoon session of Parliament. Participants concluded that a blanket social media ban for children would not be effective.

HT reports the NCPCR is preparing a social media code of conduct covering Instagram, Facebook, X and Snapchat, developed in consultation with MeitY, DoT, I4C, social media companies and civil society organisations. Officials said that while the code would operate as guidelines, the NCPCR could use its statutory powers under the CPCR Act to recommend prosecution to appropriate authorities where it finds violations of children's rights under existing laws.

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