

## **Behind the Scenes of Online Stores: Whom Does the Law Protect?**

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Although shifting business from traditional methods to online platforms offers advantages such as saving time and costs, the risks associated with these transactions are significantly higher. This difference underscores the necessity for legal protections. In traditional commerce, the direct interaction between buyer and seller compels the seller to be accountable. However, in the virtual space, creating an online store page is simple, requiring neither special licenses nor a transparent identity for the seller. In such circumstances, a buyer can order a product with just a few clicks, often without ever seeing it in person.

Now, if the delivered product does not match the image on the website or arrives defective, on what grounds can the buyer assert their rights? If no product is delivered at all and the seller hides behind a fake website, which laws can assist citizens? How can one distinguish a legitimate website from a fraudulent one? Does a high number of followers indicate the credibility of an online store?

In this brief article, the author attempts—without resorting to complex legal terminology—to examine buyers' rights in the virtual space and provide practical insights in a clear and understandable manner.

### **Online Commerce: A Golden Opportunity or a Hidden Trap?**

In online businesses, unlike traditional commerce, all processes—including buying and selling, payment transfers, and sometimes even product delivery—take place over the Internet. While this eliminates geographical limitations and offers significant advantages such as reduced costs, the ability to compare products, 24/7 support, and increased choice for buyers, it also provides a fertile ground for the emergence of new types of fraud.

In traditional commerce, buyers can verify the quality and authenticity of a product through in-person inspection and direct interaction with the seller. However, cases reported to the Cyber Police (FATA) show that sometimes online sellers send stolen or second-hand goods instead of new products, or redirect customers to fake payment gateways to steal banking information and drain their accounts.

### **Deception in the Buyer's Guise**

Fraud is not limited to dishonest sellers. There are also cases where deceitful buyers attempt to mislead sellers through various means, such as using stolen or rented bank cards for purchases, or presenting fake bank receipts to trick the seller. In some instances, a fraudulent buyer has even posted a false advertisement on behalf of a legitimate seller, causing them to receive advance payments and creating problems for both parties.

## **Warning Numbers**

According to reports by the Cyber Police (FATA), online fraud accounts for approximately 36% of all cybercrimes in recent years<sup>1</sup>. Additionally, the detection rate for these crimes has been reported at around 92%<sup>2</sup>[^2]. While these statistics raise concerns about the security of online transactions, they also highlight the importance of prevention and public awareness to reduce the number of victims.

These differences in buying and selling processes have made the virtual space more susceptible to exploitation than traditional commerce. The lack of physical oversight, difficulties in verifying identities, and the low cost of committing offenses provide opportunities for fraudsters.

## **Online Stores: Responsible or Irresponsible?**

Iranian law recognizes the seller's liability toward the buyer in traditional commerce. But does an online buyer enjoy the same legal protection? For instance, if a buyer purchases a defective product from a platform like Digikala, who is responsible—the platform, the seller, or both?

To answer this question accurately, we will first briefly review international practices and then examine the issue under Iranian law.

## **Platforms Under the Legal Microscope in Europe**

According to this directive, adopted in 2006 (1385 in the Iranian calendar), manufacturers are strictly liable for damages caused by defective products, without the need to prove fault. Recent amendments to the directive also extend liability to online platforms, especially when these platforms play an active role in the sales process.

In the case of *Christian Louboutin v. Amazon* (C-148/21 & C-184/21), the Court of Justice of the European Union ruled in December 2022 that if the way a product is presented on the platform leads consumers to believe it is being sold directly by Amazon, the company can be held liable.

## **Is Iranian Law Adequate for the Virtual Space?**

Iran's Electronic Commerce Law imposes obligations on sellers to protect consumer rights. Among other things, sellers must provide clear and accurate information about the products and costs, and they must disclose their business address for potential complaints. According to the law, buyers have up to seven days to return a product without providing a reason, and the seller is required to fully refund the

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<sup>1</sup> [^1]: Internet fraud tops Iran's cybercrime list. ICT Holding Research Center, Mehr 1402. Link

<sup>2</sup> [^2]: 92% of cybercrimes detected in the country / 70% of FATA cases related to fraud. ISNA News Agency, Farvardin 1404.

payment. Even messages exchanged between buyer and seller can be presented as evidence in court, and consumer protection organizations can file complaints against dishonest sellers.

Despite these legal provisions, enforcing them in practice faces challenges. Many online sellers, especially those operating on social media, do not provide accurate and reliable information about themselves. This makes the legal identification and pursuit of rights difficult for buyers. Moreover, the Electronic Commerce Law mainly addresses direct sales, and the responsibility of platforms acting as intermediaries (such as Digikala, Torob, or even Instagram) is not clearly defined. In such cases, if a product delivered via these platforms is defective or fraudulent, it is unclear who is liable for compensation.

### **The End of the Story or the Beginning of Responsibility?**

Although positive steps have been taken to protect buyers, the hidden identities of some sellers and the growth of intermediary platforms make it increasingly necessary to hold these platforms accountable. As seen in the European Union and the United States, the role of platforms in ensuring the quality and accuracy of products cannot be overlooked.

Therefore, revising the laws and drafting specific regulations for e-commerce platforms seems indispensable. Requirements such as verifying the seller's identity, effectively monitoring product quality, ensuring accountability for customer dissatisfaction, and establishing mechanisms for dispute resolution are among the key measures that lawmakers should implement to strengthen security and trust in online shopping.