INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

Digital Filing Is Not Digital Justice: Reconstructing Consumer Redress in Malaysian E-Commerce

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DOI: https://doi.org/10.47772/IJRISS.2026.100700640

Received: 26 July 2026; Accepted: 01 August 2026; Published: 08 August 2026

ABSTRACT

Malaysia has progressively digitised consumer transactions and the entry point to consumer claims, but online filing alone does not create digital justice. This article examines whether the Consumer Protection Act 1999, the Trade Descriptions Act 2011, the Consumer Protection (Electronic Trade Transaction) Regulations 2024 and the Tribunal for Consumer Claims Malaysia (TTPM) convert unlawful online conduct into timely and enforceable recovery. It adopts doctrinal legal research supplemented by descriptive analysis of publicly reported complaint and tribunal statistics, illustrative award-enforcement outcomes, and functional comparison with Singapore, ASEAN and the European Union. The administrative evidence supports, but does not fully prove, the article's concept of a redress conversion gap. KPDN reported 33,400 e-commerce-related complaints between 2023 and 2025, while TTPM recorded 9,203 filings worth RM77.2 million from 1 January to 14 November 2025 and reported 6,881 cases resolved. At the same time, prosecutions for failure to comply with TTPM awards show that a favourable decision does not invariably produce payment. The analysis finds that Malaysian law is relatively strong in defining prohibited conduct and transaction-level remedies, yet remains fragmented at the points connecting seller identification, evidence access, internal complaint handling, forum allocation, adjudication and enforcement. The article proposes a revised Platform-Assisted Consumer Redress Model based on verified trader due diligence, portable transaction records, time-bound and reasoned complaint processes, interoperable ODR, collective restoration and a tiered test for conditional operator responsibility. Platform responsibility would arise only where the operator controlled the failed function, breached a defined duty, materially contributed to the loss, and could have prevented or reduced the harm through reasonable measures. Proportionate safe harbours and lighter obligations for low-control and small-scale services would prevent the model from turning platforms into universal insurers or imposing excessive compliance burdens on small digital businesses.

Keywords: consumer redress; e-commerce; online marketplaces; Tribunal for Consumer Claims; online dispute resolution; platform accountability

INTRODUCTION

Electronic commerce is no longer a peripheral mode of contracting in Malaysia. The Department of Statistics Malaysia reported e-commerce income of RM1,288.1 billion in 2024 and business-to-consumer transactions of RM374.7 billion. The scale of the market magnifies an established consumer-law proposition: a right has limited social value when its holder cannot convert it into recovery at a cost proportionate to the dispute. This proposition is especially important online, where transactions are rapid, evidence is commonly platform-controlled, sellers may be remote or transient, and individual loss may be too small to justify conventional litigation.

Malaysia possesses a substantial body of consumer law. The Consumer Protection Act 1999 (CPA) applies to transactions conducted through electronic means and prohibits misleading conduct, false representations, misleading prices, bait advertising and other unfair practices. It implies statutory guarantees into supplies of goods and services and establishes the TTPM. The Trade Descriptions Act 2011 (TDA) separately regulates false trade descriptions and misleading statements in trade. The Consumer Protection (Electronic Trade Transaction) Regulations 2024 (2024 Regulations), effective from 25 December 2024, impose disclosure duties on marketplace suppliers and direct obligations on online marketplace operators concerning seller information, complaint channels, advertisements and transaction records. On paper, these instruments create several routes from misconduct to legal consequence.

The central problem is that legal consequence is not synonymous with consumer redress. Criminal investigation may punish a trader without restoring the consumer. A statutory guarantee may establish a refund right, but the consumer may still be unable to identify the seller, secure platform records, select the proper forum or enforce an award. A complaint channel may exist while operating without a prescribed response period, reasoned outcome or external escalation route. Digital filing may reduce the effort needed to commence a claim while leaving the remaining stages of the dispute chain fragmented. The distinction between access to a form and access to an effective remedy is therefore fundamental.

This article develops the concept of the redress conversion gap. It denotes the distance between recognition of a consumer wrong and its practical conversion into an effective remedy. Conversion requires more than substantive entitlement. It requires an identifiable defendant, obtainable evidence, a competent and accessible forum, a procedure suited to the value and digital character of the claim, and an outcome capable of enforcement. A legal system may be normatively dense yet remedially thin when any one of these links fails.

The issue is empirically visible even though public data remain incomplete. In February 2026, the Minister of Domestic Trade and Cost of Living stated that KPDN had received 33,400 complaints concerning e-commerce transactions between 2023 and 2025 and was considering an integrated online dispute resolution (ODR) platform capable of taking disputes from filing to adjudication and decision. Separately, TTPM reported 9,203 claims worth RM77.2 million filed from 1 January to 14 November 2025, of which 6,881 were reported as resolved. These figures show substantial demand for redress, but aggregate filing and resolution data do not reveal the proportion involving marketplaces, the time to actual payment, the grounds of decision, repeat seller patterns or consumer satisfaction.

The article asks: to what extent does Malaysia's post-2024 consumer framework convert misleading, defective or non-performed e-commerce transactions into timely and enforceable consumer recovery, and what reforms are required to close the remaining gap? It argues that the present framework contains three partially connected layers: a violation layer, a transaction-repair layer and a platform-infrastructure layer. The first defines unlawful conduct; the second provides guarantees, remedies and tribunal orders; and the third places selected compliance and information duties on marketplace operators. The principal weakness lies at the interfaces between these layers.

The article makes four contributions. First, it shifts attention from whether rights exist to whether they are institutionally convertible into recovery. Secondly, it supplements the doctrinal analysis with available administrative statistics and enforcement examples, while carefully distinguishing descriptive evidence from primary empirical research. Thirdly, it compares complete and incomplete forms of ODR, including Singapore's integrated tribunal system and the discontinued European Union ODR platform. Fourthly, it develops a clearer and more proportionate test for platform responsibility that links liability to functional control, breach, causation, knowledge and remedial proportionality.

LITERATURE REVIEW

Consumer Redress as a Component of Substantive Protection

Consumer scholarship treats redress as part of protection rather than an optional procedural supplement. Amin's study of Malaysian consumer redress identified accessibility, publicity, enforcement and judicial review as recurring challenges even where a specialist tribunal offered a cheaper and less formal alternative to ordinary courts. Low filing costs do not remove the costs of identifying the correct legal basis, collecting evidence, tracing a supplier and enforcing an outcome. Procedure therefore determines whether substantive rights alter marketplace behaviour.

Research on business-to-consumer e-commerce also emphasises immediacy and responsiveness. Ong and Teh found that consumers expect accessible complaint processes and that conventional litigation is generally disproportionate to routine online disputes. A graduated pathway is required: internal resolution, facilitated negotiation or mediation, adjudication where necessary, and enforceable outcomes. A system that begins only at adjudication may be too costly, whereas one that ends with an unregulated platform complaint process may be too weak.

More recent Malaysian work has argued for ODR in e-commerce disputes, reflecting recognition that electronic transactions require digitally coherent resolution rather than the replication of paper processes on a screen. This literature establishes the importance of accessibility and speed but leaves an architectural question after the 2024 Regulations: how do operator-held identity and transaction records reach consumers or adjudicators, how do internal complaint channels connect to TTPM proceedings, and when should breach of an operator duty create a consumer-facing consequence?

Online Marketplaces as Transactional Governors

Online marketplaces perform functions that complicate the traditional bilateral model of consumer law. They set entry requirements for sellers, organise search and ranking, present product information, intermediate communication, retain transaction histories, facilitate payment and sometimes provide fulfilment, refund or guarantee programmes. Comparative scholarship and policy increasingly assess platform responsibility by functional role rather than contractual label. A platform controlling essential aspects of a transaction may be better positioned than the consumer or regulator to prevent harm, preserve evidence and implement redress.

This does not justify automatic liability. A rule making every marketplace responsible for every seller default could raise entry costs, incentivise excessive removal and burden smaller intermediaries. Complete immunity, however, externalises the costs of weak seller verification and complaint handling. The proper inquiry is whether an operator failed in an independent function that it controlled. The seller remains primarily responsible for contractual performance; the operator becomes responsible for its own failure to verify, preserve, communicate, investigate or implement a remedy where law assigns that function to it.

The OECD's survey of 28 countries and 15 marketplace businesses identifies recurring difficulties in obtaining seller contact details, securing timely action against problematic listings and improving complaint data. It also records marketplace initiatives that go beyond formal legal duties. The policy lesson is dual: platforms can materially improve consumer protection, but legal standards should support consistent minimum performance without freezing innovation or treating all services alike.

Online Dispute Resolution and the Risk of Portal Formalism

ODR is frequently described as the digital delivery of negotiation, mediation and adjudication, but its value depends on institutional integration. ASEAN's Guidelines on ODR address system design, interoperability, data security, privacy, legal procedure and regional cooperation. Singapore's Community Justice and Tribunals System (CJTS) illustrates a more complete model: users can undertake pre-filing assessment, submit guided claims and documents, receive notifications, monitor cases, negotiate or mediate online and, where settlement is approved, obtain an order without attending court.

The European Union experience provides a counter-example. Its central ODR platform attracted millions of annual visits, but only two per cent of submitted complaints received a positive trader response and approximately 200 cases per year were transferred to an ADR body. The platform was discontinued in 2025. The lesson is not that ODR is ineffective; it is that a portal that merely asks a trader to agree to ADR, without sufficient participation incentives, procedural integration or enforcement connection, may digitise referral rather than deliver resolution.

The research gap is therefore architectural. Malaysian law has often been analysed instrument by instrument, while e-commerce disputes unfold as a chain. This article evaluates whether every transition in that chain is supported by a duty, a procedural right and a consequence.

RESEARCH METHODOLOGY

This study adopts doctrinal legal research supported by descriptive administrative evidence and functional comparative analysis. The primary Malaysian materials are the CPA, TDA, the 2024 Regulations, official TTPM information and reported cases concerning Tribunal jurisdiction, reasons, finality and judicial review. The analysis focuses on statutory provisions governing misleading conduct, trade descriptions, guarantees, marketplace duties, Tribunal jurisdiction, awards and enforcement.

The doctrinal analysis proceeds through a six-stage redress chain: legal violation, defendant identification, evidence access, forum allocation, remedial determination and outcome enforcement. At each stage, the study asks whether the framework creates a sufficiently clear duty, right, procedure and consequence. The method is designed to expose discontinuities that may remain hidden when statutes are examined only by subject heading.

To respond to the need for stronger factual grounding, the study also analyses publicly reported administrative indicators: KPDN's 2023-2025 e-commerce complaint total; TTPM filing and resolution figures for 1 January to 14 November 2025; the published TTPM client charter; the five-year filing trend reported for Terengganu; and selected prosecutions for non-compliance with Tribunal awards. These materials are descriptive and illustrative. They do not form a closed longitudinal dataset, do not identify all marketplace-related claims and do not permit causal inference about the effectiveness of any individual platform or legal rule.

The functional comparison uses three benchmarks. Singapore's CJTS is examined for end-to-end tribunal functions. ASEAN materials are used for regional interoperability and complaint-processing principles. European Union materials are used for trader traceability under the Digital Services Act and for the institutional lesson arising from discontinuation of the former EU ODR platform. These benchmarks are not proposed for wholesale transplantation; they identify functions and safeguards that may be adapted to Malaysia.

No interviews, consumer survey, platform audit or confidential case-file analysis was conducted. The study therefore does not claim primary empirical validation. It provides administrative corroboration for the existence and location of conversion problems while retaining a doctrinal and policy-design character.

RESULTS

Malaysia’s Three-Layer Consumer Protection Architecture

The violation layer consists principally of the CPA and TDA. The CPA addresses conduct capable of misleading consumers, false or misleading representations, misleading prices and specific unfair practices. The TDA supplements this structure through offences concerning false trade descriptions and misleading statements. These provisions are sufficiently broad to characterise common online wrongs involving product condition, quality, origin, price, availability and approval. The principal defect is not the absence of a prohibition.

The transaction-repair layer comprises statutory guarantees and remedies against suppliers and manufacturers. The CPA supplies rights concerning title, acceptable quality, fitness for purpose, correspondence with description or sample, reasonable care and skill, completion time and price. TTPM operationalises these rights for qualifying claims and may order payment, refund, replacement, repair, resupply, compensation, variation or setting aside of a contract, costs and interest. Its jurisdiction is generally limited to claims not exceeding RM50,000 that accrue within three years, subject to statutory exclusions.

The platform-infrastructure layer was strengthened by the 2024 Regulations. Operators must ensure prescribed supplier disclosure before permitting an electronic transaction, provide a complaint channel, address non-compliant advertisements and take reasonable steps to retain specified seller and transaction records for three years. These obligations recognise that the platform controls information and processes indispensable to redress. They do not, however, create an express end-to-end route connecting retained records, complaint outcomes, TTPM referral, operator breach and private remedy.

Layer	Principal legal content	Consumer-facing strength	Unresolved interface
Violation	CPA and TDA rules on misleading conduct, descriptions, prices and advertising.	Broad characterisation of common online wrongs.	Public enforcement does not automatically identify or compensate each affected consumer.
Transaction repair	CPA guarantees, supplier/manufacturer remedies and TTPM awards.	Refund, repair, replacement, cancellation and compensation are available.	Recovery depends on evidence, correct forum, defendant traceability and compliance.
Platform infrastructure	2024 Regulations on disclosure, complaint channels, advertising and three-year records.	Selected pre-transaction and post-transaction platform duties.	No express workflow linking records, internal resolution, referral, adjudication and operator remedial responsibility.

Administrative Indicators and Illustrative Outcomes

The available administrative indicators support the practical relevance of the redress conversion gap. KPDN reported 33,400 e-commerce-related complaints between 2023 and 2025. The reported categories included online fraud allegations, misleading prices, non-delivery, goods or services not matching their advertised description, counterfeit goods and other online misconduct. The data do not distinguish matters suitable for criminal investigation from contractual or statutory consumer claims, but they demonstrate that online transaction problems are not marginal.

TTPM reported 9,203 filings worth RM77.2 million between 1 January and 14 November 2025 and 6,881 cases resolved. Comparing the reported figures produces an indicative ratio of approximately 74.8 per cent, but this should not be treated as a cohort resolution rate because the public statement does not disclose whether every resolved case was filed within the same period. The Tribunal's client charter promises same-day registration and, where possible, hearing and resolution within 60 days from the first hearing. These indicators show a functioning high-volume institution, while leaving unanswered questions about claim categories, settlement terms, award payment and repeat defendants.

Subnational data reveal rising demand. Terengganu TTPM filings increased from 89 in 2019 to 90 in 2020, 94 in 2021, 130 in 2022 and 156 in 2023; 157 claims worth RM2.04 million were filed by 20 October 2024. Sixty of the 2024 claims concerned umrah and hajj packages, with consumers reportedly paying for services that were not performed. This pattern illustrates how repeated low-information or remote transactions may generate clusters of similar claims.

Enforcement examples expose the final conversion problem. In February 2024, a company and two directors faced 51 charges for failing to comply with TTPM awards requiring RM473,730 to be repaid to 17 consumers. In a separate matter, a company and its director were fined RM18,000 in October 2024 for six offences involving three awards totalling RM67,390; the prosecution stated that the claimants had still not been paid. These cases demonstrate that criminalisation of non-compliance provides deterrence but does not necessarily produce immediate restitution.

The public evidence therefore shows three different measures of performance: complaint intake, adjudicative resolution and actual restoration. They should not be conflated. A claim can be registered without being heard, resolved without an award, awarded without payment, or prosecuted for non-compliance without the consumer receiving the money. Future official reporting should distinguish these stages.

Indicator	Publicly reported figure	What it supports	What remains unknown
KPDN e-commerce complaints, 2023-2025	33,400 complaints.	Large and persistent online consumer problem load.	Marketplace share, duplicate reports, outcomes and consumer recovery.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

TTPM, 1 Jan-14 Nov 2025	9,203 filings worth RM77.2m; 6,881 reported resolved.	Substantial use and institutional capacity.	Closed-cohort rate, online share, award compliance, time to payment.
Terengganu TTPM trend	89 (2019), 90 (2020), 94 (2021), 130 (2022), 156 (2023), 157 by 20 Oct 2024.	Increasing use and recurring categories.	National representativeness and platform involvement.
Award non-compliance examples	51 charges concerning RM473,730 for 17 consumers; separate RM18,000 fine involving awards of RM67,390.	A favourable award is not identical to restoration.	Subsequent payment, asset recovery and average enforcement delay.

The Redress Conversion Gap

From Prohibited Conduct to an Identifiable Defendant

A consumer may experience a product listing, marketplace branding, payment interface, fulfilment promise and refund process as one transaction. Legally, responsibility may be distributed among the supplier, manufacturer, advertiser, payment provider and operator. Correct defendant identification is therefore both a legal and evidential task.

The 2024 Regulations improve traceability by requiring disclosure and record retention, but do not specify a detailed verification standard. A platform may collect information without testing whether it is authentic, current or sufficient for enforcement. Nor is there an express procedure through which a consumer or TTPM may obtain the retained identity record when a seller disappears. Display must therefore be distinguished from verification. A reasonable standard should combine baseline documentary or electronic checks, re-verification following material changes, and enhanced review for high-risk categories, cross-border sellers, abnormal complaint patterns or payment-account changes.

From Evidence Retention to Evidence Portability

Online disputes commonly depend on the original listing, total price, seller identity, order record, payment confirmation, platform messages, tracking information, refund requests and changes made after purchase. Regulation 8 provides a three-year retention foundation, which aligns broadly with the Tribunal's limitation period. Retention nevertheless remains platform-centred unless the consumer can obtain and use the record.

A portable dispute dossier should include the listing as displayed at contract formation, seller verification status, price and terms, order and payment confirmation, relevant platform communications, fulfilment history and internal complaint outcome. It should be downloadable in human-readable form and capable of authenticated transfer to TTPM or KPDN with the consumer's consent. Privacy and security require purpose limitation, selective disclosure and audit logs; they do not justify leaving the consumer without evidence necessary to enforce statutory rights.

From a Complaint Channel to a Regulated Resolution Process

Regulation 7 requires a complaint channel but does not prescribe acknowledgement periods, investigation timelines, minimum reasons, internal review, evidence disclosure, preservation of disputed funds or external escalation. The legal existence of a channel therefore says little about its quality. Platform practices may vary from immediate automated refunds to repeated scripted responses and closure without reasons.

A regulated process should be proportionate to transaction value, complexity and urgency. Routine non-delivery and clear non-conformity disputes may be resolved through document-based rules. Safety, counterfeit, identity fraud or repeat-misconduct allegations require human review and preservation of accounts and records. An internal guarantee must not be presented as the exclusive remedy when the CPA provides broader rights. Ordinary complaints should be acknowledged promptly, decided within a prescribed period, accompanied by concise reasons and linked to TTPM or other competent bodies.

From Public Enforcement to Individual Restoration

The CPA and TDA protect market integrity through offences, investigation and penalties. Those measures do not automatically restore each consumer. A prosecution for misleading pricing or a platform's breach of a disclosure duty may establish wrongdoing while leaving consumers to pursue separate claims. This separation is doctrinally understandable but practically weak where a common violation causes widespread low-value harm.

Public findings and platform data should be capable of supporting supervised consumer restoration. Depending on the circumstances, a court or regulator should be able to require a refund programme, restitution order or representative distribution mechanism for an identifiable class. This would avoid forcing every consumer to relitigate the same common issue while preserving individual review where loss or defences differ.

From Tribunal Access to Correct Forum Allocation

TTPM is central to low-cost redress but has statutory boundaries. Telecommunications, financial services, aviation, healthcare and other regulated areas may engage separate regimes. The cases of Telekom Malaysia Bhd v Tribunal Tuntutan Pengguna & Anor and Fairview International School Subang Sdn Bhd v Tribunal Tuntutan Pengguna Malaysia & Anor illustrate that forum competence can turn on statutory exclusions, the claimant's status and the nature of the service. A consumer who chooses the wrong forum may lose time despite having a genuine grievance.

Digital intake should reduce this diagnostic burden. Structured questions can identify the sector and preserve the initial filing date while transferring the matter to the competent body. Consumers should not be required to restart the entire process, re-enter the same facts and rebuild the same evidence bundle merely because institutional allocation is complex.

From Finality to Lawful and Enforceable Outcomes

TTPM awards are final and binding, but lawful finality remains subject to judicial supervision. Hazlinda Hamzah v Kumon Method of Learning Centre and Su Tiang Joo v Tribunal for Consumer Claims & Anor confirm the importance of reasons and the supervisory role of the courts. Digital tools should therefore support structured, reasoned decisions rather than opaque automated outcomes.

Enforcement is the final conversion stage. Treating an award as a Magistrates' Court order and criminalising non-compliance are legally significant, yet the reported prosecutions show that these measures may operate after consumers have already suffered prolonged non-payment. Where an operator controls payment, escrow, reserves or a proprietary guarantee, legislation may authorise proportionate preservation or implementation measures, subject to notice, contestability and limits.

DISCUSSION

Comparative Lessons for an Integrated Malaysian ODR System

Singapore's CJTS demonstrates the difference between electronic filing and integrated digital procedure. It combines pre-filing assessment, guided forms, document submission, online payment, notifications, case monitoring, eNegotiation, eMediation and online consent orders. The system does not eliminate hearings or adjudication; it allocates simple, consensual and contested matters to different stages while keeping the case within one managed environment.

ASEAN's ODR Guidelines provide a regional design vocabulary: interoperability, security, privacy, procedural fairness and cross-border cooperation. Its online complaints function also recognises tracking, collective or representative submission and an expected processing period of 30 working days. For Malaysia, interoperability should mean that a consumer can submit once and authorise the minimum necessary data to move among a platform, TTPM, KPDN and a sectoral body.

The European Union offers two distinct lessons. Article 30 of the Digital Services Act requires platforms enabling distance contracts to obtain specified trader details before trade, including contact information, identification, payment-account information, trade-register details where applicable and self-certification of legal compliance. This shows how trader traceability can be expressed as a concrete pre-market duty. By contrast, the former EU ODR platform was discontinued after low conversion from visits and complaints to actual ADR proceedings. Malaysia should therefore avoid building a portal whose principal function is referral without participation, evidence integration and enforceable outcome pathways.

A Clear Test for Conditional Platform Responsibility

Platform responsibility should arise through a cumulative functional test rather than a general presumption. First, control: the operator must control or substantially influence the function that failed, such as trader admission, listing architecture, payment, evidence retention, complaint resolution or seller suspension. Secondly, duty: a statute, regulation, code or voluntary guarantee must define the relevant obligation with sufficient clarity. Thirdly, breach: the operator must have failed to take reasonable measures expected for that function and risk level. Fourthly, material connection: the breach must have caused, increased or prevented mitigation of the consumer's loss. Fifthly, proportional remedy: the consequence must correspond to the operator's contribution rather than automatically shifting the entire seller obligation.

Knowledge and repeat risk should affect the standard of care. An isolated hidden defect that could not reasonably be detected should not make a compliant platform liable. A seller's repeated substantiated complaints, identity recycling, unsafe listings or unusual refund pattern should trigger enhanced verification and review. Failure to respond after such a trigger provides a stronger basis for responsibility for later similar harm.

Possible consequences should be matched to the failed function. Failure to preserve records may justify an adverse evidential inference or compensation for the resulting evidential loss. Allowing trade without required seller disclosure may justify responsibility for traceability-related loss. Failure to implement a platform-managed guarantee may support direct refund enforcement. Ignoring substantiated repeat misconduct may justify responsibility for losses occurring after the platform should reasonably have intervened.

Proportionality, Compliance Costs and Small Digital Businesses

The model must not impose identical obligations on every digital intermediary. OECD work recognises both the consumer-protection risks of marketplaces and the possibility that stronger obligations may raise barriers for smaller firms. Malaysian reform should therefore use tiered obligations based on transactional role, size, risk, product category and control, rather than turnover alone.

A low-control classified-advertisement service that neither processes payment nor manages fulfilment may be subject to baseline duties: clear trader status, contact information, complaint forwarding, preservation following notice and cooperation with lawful requests. A transactional marketplace controlling communication and order records should additionally provide verification, portable evidence and time-bound complaint handling. An integrated marketplace controlling payment, fulfilment, guarantees, ranking and seller discipline should bear enhanced duties, including risk monitoring, disputed-fund preservation where legally authorised, rapid action on repeat misconduct and implementation of platform-managed refunds.

Small operators should receive standardised compliance tools, model notices, shared electronic-verification services and phased implementation. Safe harbours should protect operators that document reasonable verification, timely evidence preservation, reasoned complaints handling and cooperation with TTPM or KPDN. Safe harbours should be conditional, auditable and unavailable where the operator ignores repeat risk or makes misleading claims about seller verification or buyer protection.

This design distinguishes accountability from over-regulation. The object is not to make platforms insurers of every transaction, but to prevent them from externalising the consequences of failures in functions they alone control. Clear duties and safe harbours may reduce uncertainty and compliance cost more effectively than vague standards imposed after harm.

The Revised Platform-Assisted Consumer Redress Model

Component	Minimum legal function	Trigger or safeguard	Expected redress effect
Verified trader due diligence	Risk-based identity and business verification before trade; periodic re-verification.	Enhanced checks for high-risk products, cross-border sellers, changed payment details and repeat complaints.	Reduces anonymous or transient defendants.
Portable transaction record	Consumer-accessible dispute dossier and secure transfer to competent bodies.	Data minimisation, authentication, audit logs and preservation after dispute notice.	Lowers evidential cost and prevents disappearance of listings or messages.
Regulated internal complaints	Acknowledgement, time limit, reasons, internal review and external escalation notice.	Human review for contested, safety-related or repeat-risk cases.	Resolves routine disputes early while preserving statutory rights.
Conditional operator responsibility	Remedy where breach of an operator duty materially contributes to loss.	Control, defined duty, breach, causation, knowledge and proportionality.	Aligns responsibility with control without blanket liability.
Tiered safe harbour	Protection for documented reasonable compliance.	Unavailable for ignored repeat risk, false verification claims or obstruction of lawful requests.	Reduces uncertainty and protects compliant small businesses.
Interoperable ODR	Single intake, negotiation, mediation, evidence exchange, adjudication, referral and tracking.	Accessibility, procedural fairness, reviewability and security.	Creates end-to-end digital justice rather than filing alone.
Public and collective restoration	Restitution or supervised refund scheme for common low-value harm.	Common violation, identifiable class and transparent distribution.	Prevents unlawful gains surviving because individual claims are uneconomic.

Integrating TTPM, KPDN and Platform Processes

Institutional integration is as important as substantive reform. KPDN investigates offences and administers consumer policy; TTPM adjudicates qualifying claims; platforms possess transaction data and operate first-line complaint processes. These functions should form a sequence rather than separate silos.

A consumer should be able to initiate a complaint through the platform, ez-TTPM or a national portal. With consent, core transaction data should follow the complaint. The system should identify whether the matter is a routine contractual dispute, potential offence, product-safety issue, sector-regulated complaint or suspected fraud. It should route the matter without extinguishing the original filing date and provide a tracking number, status information and a reasoned explanation of allocation.

Where TTPM has jurisdiction, the operator should be capable of receiving electronic notice and supplying the authenticated transaction dossier. Where public enforcement is indicated, KPDN should be able to aggregate complaint signals while protecting personal data. An individual refund should not automatically close a systemic investigation, and a regulatory finding should be capable of supporting streamlined restoration where common liability issues have already been established.

POLICY IMPLICATIONS

First, legislation should connect operator duties to private and evidential consequences. The CPA, regulations or a dedicated e-commerce statute should define reasonable seller verification, consumer access to transaction records, complaint standards and the circumstances in which operator breach supports compensation, refund implementation or adverse inference. The supplier's primary obligation should remain intact.

Secondly, national ODR should be common infrastructure rather than another standalone portal. It should support guided allocation, pre-populated transaction data, electronic service, negotiation, mediation, adjudication, reasoned decisions, payment status and enforcement referral. Participation in internal or digital settlement should not waive statutory rights unless the consumer gives informed consent to a binding settlement.

Thirdly, official reporting should measure conversion rather than activity alone. Annual data should distinguish complaints received, claims filed, matters settled, awards made, average processing time, award value, compliance within 14 days, enforcement action, eventual payment and repeat respondents. Marketplace-related matters should be coded consistently without publishing personal data.

Fourthly, proportionality should be operationalised through tiers, model compliance tools and safe harbours. Smaller and low-control services should not bear the same infrastructure duties as integrated marketplaces that control payment, fulfilment and guarantees. Risk-sensitive regulation can protect consumers while preserving entry and innovation.

Fifthly, representative and collective restoration should be developed for common low-value harm. Recognised consumer bodies or KPDN should be able to seek supervised redress where a shared practice affects an identifiable class. Platform data may assist distribution, subject to legal authority, data minimisation and independent oversight.

SCOPE AND DIRECTIONS FOR FURTHER RESEARCH

This study adopts a principally doctrinal approach, supported by publicly available complaint and tribunal data to contextualise the practical operation of Malaysia's digital consumer redress framework. These administrative sources provide useful indications of complaint patterns, institutional activity and enforcement challenges, although they are not intended to substitute for primary empirical investigation. As the available datasets cover different reporting periods and generally present aggregated figures, they do not always distinguish between disputes involving online marketplaces, social-media sellers, independent websites and fraudulent transactions. Similarly, the classification of a case as resolved may reflect procedural disposal or the issuance of an award rather than confirmed payment or consumer satisfaction.

The analysis is also shaped by the present availability of institutional and commercial data. TTPM decisions are not comprehensively published, while information concerning platform complaint handling, resolution periods, seller-verification mechanisms, settlement outcomes and refund rates is largely retained by individual platform operators. Consequently, the study focuses on the legal and institutional conditions affecting redress rather than attempting to quantify the overall rate of successful consumer recovery. The enforcement examples discussed serve to illustrate the practical significance of post-award compliance, without claiming to establish the frequency of non-compliance across all consumer disputes.

The comparative discussion is deliberately functional and selective. Singapore provides a useful example of integrated digital claims administration, although its institutional capacity and digital identity infrastructure differ from those of Malaysia. The European Union experience similarly offers valuable lessons concerning platform responsibility and the design of online dispute resolution mechanisms, but it operates within a distinct regulatory and market environment. The discontinuation of the EU ODR platform is therefore treated as a design lesson concerning participation and institutional integration rather than as evidence against online dispute resolution itself.

Future research may build on this doctrinal foundation through consumer interviews, anonymised analysis of TTPM case files, platform compliance audits, award-enforcement tracking and assessments of the costs imposed on small digital businesses. Cross-border simulation of ASEAN ODR processes would also assist in testing the practical operation of the proposed framework beyond domestic transactions.

CONCLUSION

Malaysia's consumer framework contains substantial rights. Misleading conduct, false descriptions, misleading prices, non-conforming goods and deficient services are addressed through the CPA, TDA and statutory guarantees. TTPM offers a specialised forum with broad remedial powers. The 2024 Regulations add important operator duties concerning disclosure, complaints and records. The administrative evidence also shows substantial use of consumer-redress institutions.

The weakness lies in conversion. A prohibition does not automatically identify the defendant. Record retention does not automatically give the consumer usable evidence. A complaint channel does not automatically provide a fair and timely process. A resolved claim does not necessarily establish payment. A public penalty does not automatically restore individual loss. Digital filing does not by itself create an end-to-end remedy.

Closing this gap requires platform-assisted, institutionally integrated and proportionate reform. Verified trader due diligence, portable transaction records, time-bound and reasoned complaint handling, conditional operator responsibility, tiered safe harbours, interoperable ODR and collective restoration would connect existing legal layers without turning platforms into universal insurers. Responsibility should follow control over the failed function, and compliance obligations should reflect platform size, risk and transactional role.

The central lesson is that digital consumer justice must be designed as a chain. Malaysia has already built many components. The next stage is to connect them so that a consumer who proves an online wrong can move predictably from complaint to evidence, from evidence to decision and from decision to actual recovery.

ETHICAL APPROVAL

Not applicable. This doctrinal legal study involved no human participants, animals, interviews or collection of personal data.

DATA AVAILABILITY

The legislation, reported cases, official statistics and policy materials analysed in this article are publicly available through the sources listed in the references.

ACKNOWLEDGEMENTS

The authors wish to thank Universiti Kebangsaan Malaysia for funding this study,

FUNDING

This study is funded by research grant UU-2025-016.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

AUTHOR CONTRIBUTIONS

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