

# Online Dispute Redressal – A Blessing or Havoc

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**Abstract:-** The role of online dispute resolution in arbitration of conflicts and objections in the most effective and expeditious manner known to date should no longer be neglected. For some, on-line education is a wonderful thing because it is very convenient and open to all but there are those who say that it may cause even further complexities and bewilderment. This paper takes a look into the advantages and constraints of Online Dispute Resolution, evaluating their effect on the different interest groups and the whole judicial system. Digital dispute redressal analysis is designed to examine various aspects and tell us whether this tool serves as an effective solution or the potential source of problems in the legal landscape. In the digital age, with the advent of online platforms, it is digitalization not only we have innovated but also the process of resolution of disputes. This paper examines and explore the nuanced online dispute redressal space, where they can be classified as either a blessing or creations of chaos. This research explores the utility of ODR by giving its pros and cons. A successful pursuit of the study is expected since it shall provide insights into the effectiveness, fairness and impact of ODR on judicial systems and society. The paper evaluates the process of ODR platforms, their technological foundations, the way they increase the access to justice while looking at the problems such as data security, cyber threats or algorithmic prejudice. Moreover, this paper examines the role of regulatory frameworks in forming the narrative of ODR and suggests approaches for extracting the most out of the ODR system while at the same time preventing possible inherent problems associated with it. By pointing out the relationship between technology, legal aspects and people's behaviour, this study leads to complex understanding of the implications of online dispute redressal making the ground for proper policy making and justice advancement in the digital age.

**Keywords:-** Arbitration, Disputes, Mechanism, Justice, Technology.

## I. INTRODUCTION

The development of the global economy and global trade is increasingly accompanied by cross-border disputes requiring establishment of efficient mechanisms of dispute resolution on the international level. Traditional mediating methods are in many cases not sufficient to deal with the complicated nature of such problems and thus there is necessity for different ways of resolving conflicts. Online Dispute Resolution (ODR) has developed into a successful alternative which takes advantage of technological innovation in order to assist in settling disputes that involve

multiple jurisdictions. The technological breakthroughs that happened in the last few centuries have allowed many innovations to take place in human life. Furthermore, almost every sector of an economy took the advantage of the technological developments and used them attaining of the better business results. These are the banking, insurance, education, trade, entertainment facilities, and the public services sectors. Digitalization in various domains makes possible to connect people and carry on various types of business transactions without barrier of distance. In addition to the technological advancements, there are people's relationships in society which are facing issues that may spark conflicts. The ability to implement online transactions without having a face-to-face meeting with the customers has had the potential of increasing the number of disputes leading to the necessity for quick and dependable alternative dispute resolution. They can then choose to refer the matter to one of the formal justice institutions for dispute resolution. Nevertheless, formal justice systems commonly receive complaints about their unproductive and complex procedures. Slow and complex dispute resolution will undoubtedly bring justice seekers about a lot of damage. Eventually, it will lead to an economy with high costs that can consume the company's resources and productivity. However, there are a weighty issues about rapid, low costs dispute resolution, as well as an informal mechanism that is flexible and complies with formal requirements.

The emergence of information and communication technology may become a step to the solution of this. Technology has been used to create new innovations and to make it easier for parties to settle a dispute outside the courtroom today. Technologies like ODR are being used as part of the ADR which has existed earlier. Online Dispute Resolution is seen to be the modern tech-enabled Alternative Dispute Resolution to the problems that the formal justice system created, which includes it being slow and complicated. In terms of international disagreements, Online Dispute Resolution has proved itself to be efficient by the fact that it does not need physical meetings.

The Online Dispute Resolution platform as a type of dispute resolution which parties use online platforms supporting digital technology to resolve their disputes is a global phenomenon. The Online Dispute Resolution continued to gain its popularity ever since it was first developed due to the reason that it was the first dispute resolution service provider online, presenting itself as lower cost, effective, and is able to answer cross-border disputes by changing the traditional views to the one that is more innovative and technological.

## II. MEANING AND CONCEPT

ODR is a brief expression for using information & communication technology to deliver the ADR services in online environment or with the help of ADR in the online setting. The online dispute platforms considerably reduce time and costs for parties by offering a variety of ADR means as in traditional ADR

Hon. Arthur M. Monty Ahalt (ret.) defined ODR as,

**“ODR is a branch of dispute resolution which uses technology to facilitate the resolution of disputes between parties. It primarily involves negotiation, mediation or arbitration, or combination of all three. In this respect it is often seen as being the online equivalent of ADR.”**

Resolution of online disputes is a mechanism to deal with issues between consumers and businesses where online platforms are used for resolving them. Online dispute redressal in India is catching up fast as a more convenient and inexpensive platform without the requirement of showing physical presence in a court or legal setup. For example, this can be achieved through online mediation, arbitration, or other dispute resolution methods that will help the parties to settle without going to the court. Online dispute resolution in India is subject to the stipulations of different laws and regulations, including the Information Technology Act, 2000 and the Consumer Protection Act, 2019. These bodies of law enounce the principles applicable to the online dispute resolution and lay down the rules on how the disputes shall be settled on the Internet in a fair and transparent manner.

Online dispute redressal India brings in speedy resolution of disputes, costs effectiveness, convenient ways, and equal access for people who don't have the ability to pursue legal option through traditional way. While, there are also some challenges and limitations to online dispute settlement like the privacy and security of the online dispute settlement, the need of trained personnel to conduct the process, and the ability of the online dispute resolution to be enforceable. Virtual dispute redress resolve in India is a critical tool which is useful in resolving disputes in a modern and quick manner, and will also increase in importance as technology progresses and more businesses and consumers embrace E- Commerce platforms for the conduct of transactions and resolving of disputes.

## III. ORIGIN OF ONLINE DISPUTE REDRESSAL

With the advent of Online Dispute Resolution (ODR), it has now become a significant mechanism for resolving conflicts in the digital era. The development of ODR can be traced back to the 1990s, when the internet started to become more popular.

The National Arbitration Forum launched the first ODR Platform in 1996 which was more affordable and time efficient than the conventional methods of dispute resolution. And then, as a result, ODR has been developed to embrace various processes ranging from negotiation,

mediation and arbitration that are supported by technology. The globalization and e-commerce phenomena have largely contributed to an increase in cross-border trade disputes, which in turn create the need for prompt and practical dispute settlement mechanisms. ODR is a good product that makes it possible for dispute resolutions to go across the borders with the help of technology. The development of ODR is a consequence of the failings of the traditional dispute resolution mechanisms such as high cost, long duration and limited coverage.

### ➤ Key Concepts and Mechanisms

ODR denotes the application of technology in the resolution of a conflict between two parties. The framework of the ODR consist of negotiation, mediation, and arbitration that are enhanced by technology.

In negotiation parties have face to face discussions through an ODR platform. Mediation utilizes a neutral third party to promote communication and negotiation between the parties and eventually reach a settlement that will satisfy both. Arbitration is a mechanism when the conflict is referred to a non-biased third party, who resolves the dispute based on the evidence provided. ODR platforms generally provide a variety of tools and features to make the process of resolution easier, including secure messaging, document sharing, and video conferencing. Technology in ODR, allows parties to participate remotely from wherever in the world they are located, thus, increasing accessibility and lowering costs. ODR platforms provide multilingual support, which empowers.

### ➤ Online Dispute Redressal – A Blessing or Havoc

#### • Accessibility

Individuals in the modern world can easily access services of online dispute redressal platforms which have a convenient and easy to use mechanism for resolving conflicts without the requirement of physical presence or tedious legal procedures.

#### • Cost-Effective

Using online dispute redressal systems commonly helps people save both time and money, instead of involving too complicated and expensive traditional court proceedings.

#### • Efficiency

Online dispute redressal platforms are often faster and more efficient in resolving conflicts, as they eliminate the need for lengthy legal procedures and paperwork.

#### • Fairness and transparency

Online platforms for dispute redressal provide a convenient alternative to legal procedures which are typically long and tedious as they remove all the complicated paperwork.

- *Improved Customer Satisfaction*

As the virtual area for dispute settlement, online platforms offer neutral and impartial space for conflict redressal. These platforms ensure fairness and justice in the decision making.

- *Access to Expert Guidance*

Online and offline dispute redressal platforms can be viewed as one of the most effective and quick ways to deal with conflicts and make sure that customers will always come back and have good relationships with the businesses. A lot of such online dispute resolution forums are equipped with the professionals in law and mediators who can expertly guide wine tasters and resolve matters wisely.

- *Privacy and Confidentiality*

Most times, online mediation platforms will focus on privacy and confidentiality, which are important for a person's information whether it is about the identity or the sensitive details.

- *Opportunities for Resolution*

Online platforms for dispute resolution are comprised of flexible instruments that can be applied to each differing case to the possible disadvantage of a number of people compared to a judicial decision.

- *Limitations of Technology*

Online dispute redressal platforms can come across problems of the inadequacy to tackle complex cases that need physical evidence or personal contacts to be examined.

- *Reliability and Trustworthiness*

People might show hesitation with entrusting their deep legal issues to virtual platforms because this could lead to dubiety in the veracity and integrity of the process of dispute resolution.

#### IV. LEGAL FRAMEWORK

The worldwide legal frameworks for ODR (Online Dispute Resolution) is a set of guidelines and rules that give harmonization and basis to dispute resolutions within and outside a state's jurisdiction. The aim of such frameworks is to overcome legal complexities of jurisdiction, harmonization of the laws and the enforcement of ODR decisions at the different legal systems. An illustration of an international legal framework includes the UNCITRAL Model Law on Electronic Commerce as well as the UNCITRAL Model Law on International Commercial Arbitration. 5.2 Having the Same Rules and Standards Enforcement is very important for the explicit realization of ODR. Legal harmonization is a process to level the legal principles and procedures in the different jurisdictions so that international disputes are efficiently solved. In this context, efforts towards harmonizing the law and standards include the imposition of single regulations for ODR processes, recognition of electronic signatures and records, and mutual recognition of ODR.

In India, the online complaints redressal is primarily governed by the Information Technology Act, 2000 (IT Act), which offers a legal framework for conducting electronic transactions, dispute resolution electronically. The IT Act provides e-records and digital signatures as legally binding and the procedure of forum for adjudicating authorities and appeals tribunals to determine the disputes on electronic transactions. Besides from the India IT Act, the government of India has also passed two more acts, namely, the National Internet Exchange of India (NIXI) and Cyber Appellate Tribunal. These acts have been formed to deal with internet related crimes and resolve disputes arising from electronic transactions. In addition to this, the Indian government created the Consumer Protection Act 2019 which gives rise to the setting up of the National Consumer Disputes Redressal Commission (NCDRC).

The legal mechanism for online redressal in India is still in transition, and hence, a consistent monitoring and revision is required laws and regulations to keep update with the growing nature of online transactions and technological improvements.

#### ➤ *Issues and Challenges*

An obstacle for progress of ODR in India includes loss of human contact and communication, inadequate literacy, a lack of adequacy of confidentiality and secrecy of proceedings, poor trust, narrow range of disputes, and cultural boundaries, as well as barriers to education and language, and negative attitude of lawyers. However, the argument about the permissibility of ODR is one of the most important and crucial problems.

- *Awareness:*

The majority of the Indian public including consumers and businesses does not know the availability of the online dispute resolution mechanisms as a result more of these services are not used.

- *Limited Jurisdiction:*

Such restrictions on jurisdiction of online dispute resolution mechanisms in India may mean that the system is not able to settle certain kinds of disputes or matters involving people from different states or countries.

- *Data protection and Privacy Concerns:*

The online dispute resolution processes present privacy and information security concerns through the disclosure of individual data.

- *Technology Limitations:*

The ability to use Online dispute resolution technique in India is limited by the problem of provision of reliable Internet connection and technology infrastructure which may be not available in some places.

- *Enforcement of Decisions:*

There might appear problems with the execution of decisions that have been reached online, particularly when the losing party refuses to observe the order.

- **Legal Recognition:**

Utilization of online dispute resolution mechanisms might not be legally recognized or binding, causing confusion regarding the enforcement of the decisions made via those platforms.

- **Accessibility Issues:**

Certain groups, like people with disabilities or very low internet access, may find it difficult to join online dispute resolution and be engaged in this process.

- **Bias and Impartiality:**

In addition to issues regarding the fairness and neutrality of online dispute resolution providers, there is concern about the possibility of prejudice in the decisions reached.

- **Lack of Standardization:**

The absence of standardized processes and guidelines for online dispute resolution in India will raise the likelihood of inconsistency and disputes in the process of resolving disputes.

- **Need for Capacity Building:**

Even though there will be a need for capacity building and training of the stakeholders involved in online disputes resolution, consumers, businesses, and service providers, this should ensure that these mechanisms are effectively employed.

## V. CONCLUSION

Online redressal system might be a blessing in disguise or a havoc, depending upon its implementation and usage as well. As it provides the ease of handling disputes and saves time, it, however, shows some difficulties such as a security breach and lack of face-to-face communication. It is important that both the users of the online ADR services and the providers attempt the complex negotiations and try to identify the best way of resolving disputes fairly. The online dispute redressal system is perceived as a double-edged sword; the extent and manner to which its benefits are brought hinges on the legal frameworks formulated, technology infrastructure in place and the awareness levels of the users. Getting the mixture right between accessibility, fairness, and accountability will ensure that the AI's capabilities are used to their full potential but also help to minimize its downsides. Eventually, through consistent improvement and joint efforts it is possible for online dispute resolution to turn into a paradigm-shifting force for justice and empowerment in the digital era. This could make the implementation of online mediation itself not successful, so the follow up review of the process can be needed to know the impact or advantage for this community to make the framework of mediation itself more effective and efficient. For the accomplishment of online mediation to achieve desirable benefits in strengthening the mediation system, according to the writer, it is necessary to first establish a transparent legal basis because online mediation has to be made legal.

Dispute resolving mechanisms have been used by human society for decades. Fast and cheap settlement of disputes has been the main goal of creation of online dispute resolution (ODR). Given the fast-growing e-commerce, the ODR mechanism needs all the awareness and training now and that can be done. The starting point on the road to achieving this goal. In light of the above, ODR promotion is a crucial point on the path of international conciliation and cooperation in handling the conflicts across the borders.

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