

www.growkudos.co

KBLSP Journal

[GoogleAnalytics](#) [GoogleScholar](#)[Open Research Europe](#) [CERN](#)

THE CHALLENGES IN SUSTAINING ELECTRONIC COMMERCE IN THE NIGERIAN LEGAL SYSTEM

Ruth Omonkhefe Oaihimire**Godwin Luke Umoru**

1Doctoral Candidate, Igbinedion University School of Postgraduate Studies Okada

<ruth.oaihimire@iuokada.edu.ng> |<<https://orcid.org/0009-0003-5861-5585>>

2 Professor of Law & Head of Department, Business Law, Oba Erediauwa College of Law, Igbinedion University, Okada

<umoru.godwin@iuokada.edu.ng><<https://orcid.org/000-0002-8567-1158>>

10.5281/zenodo.23635789

Abstract

The e-commerce sector in Nigeria has grown rapidly over the last decade. This has been driven by mobile technology, internet penetration as well as fin-tech advancements across the nation. Beside the astronomical growth, it is significant to observe that the Nigerian judiciary has been struggling to keep pace due to under-funding, manual case management systems, and a seemingly lack of digital training for judges. These deficiencies have been causing significant delays, increase litigation costs, and diminish investor confidence. The authors therefore argued that a comparison of the Nigerian judicial handling of e-commerce disputes with practices in other jurisdictions such as England, the United States, and China, where electronic filing, online dispute resolution, and specialized cyber courts are utilized, leaves much to be desired, apparently due to critical gaps in the Nigerian legal framework regarding electronic contracts, data privacy, consumer protection, and cybersecurity. Consequent on the above, the authors maintained the need for adoption of international best practices immediately by institutionalizing e-filing, establishing specialized e-courts, and legally recognizing enforceable e-contracts. The paper therefore concluded the need for a unified national e-commerce policy framework, enhanced regulatory collaboration, and continuous investment in digital judicial infrastructure, with an aim to improving judicial efficiency, restoration of investor trust, and boosting of Nigeria's long-term competitiveness in the evolving global digital economy.

Keywords: E-Commerce, Judicial Reform, Online Dispute Resolution, Cybersecurity, Digital Economy

©Terms and conditions of access and use can be found at <https://www.kbsjournals.com/index.php/kblsp>

1. Introduction

E-commerce refers to the use of the Internet and digital technologies to buy, sell, market goods, products, and services to consumers and customers worldwide. The Internet has ushered in a fundamental shift in national economies, previously isolated from one another by barriers to cross-border trade and investment, as well as by

distance, time zones, languages, and national differences in government regulations.¹ E-commerce, enabled by digital transformation, has disrupted conventional retail paradigms, altering how products are bought, sold, and experienced. The integration of digital technologies into operations and customer engagement has reshaped business strategies, competitiveness, and market dynamics.²

In a globalized world, e-commerce transcends geographical constraints, connecting businesses and consumers seamlessly. Moreover, as the world accelerates towards a digital future, understanding how digital transformation fuels e-commerce growth is vital for sustaining innovation, remaining relevant, and achieving long-term success in an increasingly interconnected and tech-driven business landscape.³

A more comprehensive definition of e-commerce is the use of digital information processing and electronic communications in business transactions to create, transform, and redefine relationships for the purpose of creating value between or among organizations, and between organizations and individuals.⁴ Although some people confuse the terms e-business and e-commerce, they are not the same. E-commerce predominantly involves transactions such as the exchange of goods and services for money. E-business, on the flipside, delves into the entire spectrum of business processes, such as marketing, customer support, collaboration, and internal operations, all of which are facilitated by digital technologies.⁵

Information and communications technology (ICT) is used in e-commerce for both business-to-consumer transactions (transactions between businesses/organizations and

¹ D. Cumming, S. Johan, Z. Khan, et al., "E-Commerce Policy and International Business" (2023) 63 *Management International Review* 3–25 <https://doi.org/10.1007/s11575-022-00489-8> accessed 20/01/2026.

² R. Sharma, S. Srivastva, and S. Fatima, "E-Commerce and Digital Transformation: Trends, Challenges, and Implications" (2023) *International Journal for Multidisciplinary Research (IJFMR)* Vol. 5, Issue 5, September–October 2023, E-ISSN: 2582-2160, <https://www.ijfmr.com/> accessed 20/01/2026.

³ Ibid.

⁴ T. Semerádová and P. Weinlich, "The Broad and Narrow Definition of E-Commerce" in T. Semerádová and P. Weinlich (eds), *Achieving Business Competitiveness in a Digital Environment: Contributions to Management Science* (Springer, Cham 2022) https://doi.org/10.1007/978-3-030-93131-5_1 accessed 20/01/2026.

⁵ Dylan Noorhusein, "Navigating the Digital Landscape: Unraveling the Distinction Between E-Commerce and E-Business" <https://noorhusein.com/navigating-the-digital-landscape-unraveling-the-distinction-between-e-commerce-and-e-business/> accessed 28/02/2026.

individuals) and inter-business or inter-organizational transactions (transactions between and among firms/organizations).⁶

On the other hand, in e-business, ICT is applied broadly to enhance and transform business operations. Any procedure carried out by a commercial organization - whether for profit, nonprofit, governmental, or otherwise - over a computer-mediated network falls under this umbrella. Using the technologies, ideologies, and computing paradigms of the new economy, e-business is defined more broadly as "the transformation of an organization's activities to generate greater customer value."⁷

The primary purpose of e-commerce is to facilitate international cooperation through trade, making goods and services available to a wider audience with enhanced speed and efficiency. It is an alternative to traditional, physical mediums of exchanging goods and providing services. Historically, trade relied on physical exchanges, paper-based documentation, and intermediaries like brokers and banks, which were time-consuming and costly.⁸

The 20th century saw incremental improvements with the advent of telecommunication and early computing, enabling faster communication and data processing. However, the late 1990s marked a turning point with the rise of the internet, which laid the foundation for digital trade. E-commerce emerged as a game-changer, allowing businesses to establish online storefronts and reach global markets without physical presence.⁹ The early 2000s saw the proliferation of digital payment systems, like PayPal, which simplified cross-border transactions by reducing reliance on traditional banking systems. The introduction of mobile technology accelerated this transition that enabled SMEs in remote regions to participate in global trade through smartphones.¹⁰

⁶ Ifeyinwa J. B. Iyawa, "Utilization of Information and Communication Technology (ICT) in E-Commerce Platforms and Digital Sales Channels" (2025) 16(2) South Eastern Journal of Research and Sustainable Development (SEJRSD) 40-62.

⁷ A. Z. Ismaeel and S. R. M. Zeebaree, "E-Business Evolution: A Systematic Review of Technologies and Strategies Shaping Digital Transformation" (2025) Asian Journal of Economics, Business and Accounting Vol. 25, No. 4, 48–68.

⁸ Abuzar Zeya, "Transforming Trade: The Enduring Impact of Digital Technologies on International Commerce" (2025) International Journal of Law ISSN: 2455-2194, <https://www.lawjournals.org/assets/archives/2025/vol11issue9/11203.pdf> accessed 20/01/2026.

⁹ Ibid.

¹⁰ Ibid.

The mantra of globalization has been to dismantle trade barriers, ensuring that goods and services produced anywhere in the world can reach markets thousands of miles away.¹¹ The advancements in information and technology and the widespread use of the Internet has transformed the world in numerous ways, disrupting traditional brick-and-mortar businesses and reshaping commercial transactions on a global scale.¹² With the rise in digital transformations, the e-commerce landscape has become increasingly dynamic, and new forms of conducting commerce and business activities continue to evolve worldwide.¹³ However, with the advent of technology, the growth in mobile telecommunications usage across the globe, and the emphasis on paperless transactions, most commercial activities have migrated from traditional brick-and-mortar models to online platforms, breaking down jurisdictional barriers to trade and creating a more interconnected global marketplace.¹⁴

Nigeria has experienced a steady rise in internet penetration and digital connectivity, with approximately 84 million users recorded in 2022 and projections estimating 117 million users by 2027. Internet penetration stood at over 38% in 2022 and is expected to increase to 48% by 2027.¹⁵ While digital growth has improved access to services, it has also facilitated the emergence of cybercrimes, making criminal activities easier to perpetrate and harder to trace geographically over time.¹⁶

Given the on-going rapid digital transformation, understanding e-commerce laws is critical for navigating Nigeria's evolving online business environment. These laws are essential in regulating electronic transactions, ensuring consumer protection, and

¹¹ R. Charan and R. McGrath, "The Radical Reshaping of Global Trade" Harvard Business Review (HBR) (1 November 2023) <https://hbr.org/2023/11/the-radical-reshaping-of-global-trade> accessed 20/01/2026.

¹² M. Rice, "Bricks vs. Clicks: How Businesses Survive" Integrated Studies (2022) 451, <https://digitalcommons.murraystate.edu/bis437/451> accessed 20/01/2026.

¹³ J. Verma, "Digital Transformation of Commerce: Emerging Trends and Their Impact on Global Business" (2025) 7(3) International Journal for Multidisciplinary Research DOI: 10.36948/ijfmr.2025.v07i03.44372,

https://www.researchgate.net/publication/391838524_Digital_Transformation_of_Commerce_Emerging_Trends_and_Their_Impact_on_Global_Business accessed 20/01/2026.

¹⁴ Abuzar Zeya, "Transforming Trade: The Enduring Impact of Digital Technologies on International Commerce" (2025) International Journal of Law ISSN: 2455-2194, <https://www.lawjournals.org/assets/archives/2025/vol11issue9/11203.pdf> accessed 20/01/2026

¹⁵ Doris Dokua Sasu, "E-commerce in Nigeria - statistics & facts" Statista (14 December 2023) <https://www.statista.com/topics/6786/e-commerce-in-nigeria/#topicOverview> accessed 20/01/2026.

¹⁶ UNODC, Cybercrime: Understanding the Threats (2021).

fostering ethical business conduct.¹⁷ They address core issues such as data privacy, digital payments, and electronic contracts, providing legal certainty for businesses and consumers alike.¹⁸

2. History, Nature, and Scope of Electronic Commerce in Nigeria

Historically, the concept of e-commerce emerged in the late 20th century, evolving from traditional commerce through significant technological advancements. It began in the 1960s with Electronic Data Interchange (EDI), followed by Michael Aldrich's 1979 online shopping system. However, the 1990s saw the launch of the World Wide Web and Amazon, founded by Jeff Bezos, which transformed online shopping.

In Nigeria, e-commerce has evolved over the span of some decades, largely shaped by rapid technological advancements, regulatory frameworks, and changing consumer behavior over time. From its humble beginnings to becoming a booming sector, Nigeria's e-commerce landscape has gone through significant transformations. Below is a detailed history and evolution of e-commerce in Nigeria:

A. Early Stages (1990s – Early 2000s)

The E-commerce industry in Nigeria began in the mid-nineties when the internet and telecommunications industry started becoming popular,¹⁹ though the country was far from a digital economy at this time. Internet services in Nigeria started with limited email services in 1991. The first ISP (Internet Service Provider), the National Center for Communication Technologies (NCCT), was established in 1991.²⁰ Key milestones during this phase are:

B. Introduction of the Internet (1995)

In 1995, the Regional Information Network of Africa (RINAF) collaborated with Rose Clayton Nigeria Limited to provide internet services at Yaba College of Technology.²¹ At this time, internet penetration was limited to a small number of institutions and government bodies. This created the foundational framework for e-commerce to emerge, but the lack of infrastructure, high cost of access, and low

¹⁷ M. E. Okoro, "Legal Framework for E-commerce in Nigeria" (2022) 14(1) Journal of Cyber Law Studies 45

¹⁸ NITDA, Guidelines for Electronic Commerce (2020).

¹⁹ T. I. Akomolede and M. S. Afolayan, "Socio-Legal Analysis of Electronic Commercial Transactions in Nigeria" <https://www.ajol.info/index.php/nauijl/article/view/200371/188971> accessed 20/01/2026.

²⁰ Sitehub Network, "The History and Growth of the Internet in Nigeria" <https://sitehub.net.ng/nigeria-internet-history/> accessed 20/01/2026

²¹ Ibid.

internet literacy meant that e-commerce was not immediately feasible for most Nigerians.

C. Initial Growth and Development (2000s)

Telecommunications Boom: The liberalization of the Nigerian telecommunications industry in the year 2001 led to the entry of mobile network providers like MTN, Glo, and Econet (Airtel), which significantly expanded mobile internet access. The early 2000s saw a significant expansion in internet access, driven by the widespread adoption of mobile phones and advancements in wireless technologies like GPRS and 3G.²² This played a crucial role in enabling more Nigerians to access the internet and use online services, including e-commerce platforms. This period marked a turning point, with more Nigerians gaining access to the internet. The factors that contributed to the growth of e-commerce included the increase in internet penetration, improvements in telecommunications, and early entrepreneurial initiatives.²³

D. Maturity and Expansion (2010s)

In the mid-2000s, some Nigerian entrepreneurs began launching online stores, offering products ranging from electronics to fashion. The rise of e-commerce marketplaces in Nigeria, particularly with the launch of Jumia and Konga around 2012, marked a significant shift in the country's online shopping landscape.²⁴

a. Major Nigerian E-Commerce Platforms/Market Places:

i. Jumia: Launched in 2012, became one of the most popular e-commerce platforms in Nigeria and later expanded across Africa. It revolutionized online shopping in the country by offering a wide range of products,²⁵ including electronics, fashion, and groceries. Jumia's success helped popularize e-commerce, making it more mainstream.

ii. Konga: Launched in 2012, also became one of Nigeria's leading e-commerce giants, competing with Jumia.²⁶ It offered both local and international products, including electronics, fashion, and home goods.

²² Ibid.

²³ Ibid.

²⁴ M. Winny, "The History of E-Commerce in Nigeria: What to Know" <https://truehost.com.ng/history-of-e-commerce-in-nigeria/> accessed 20/01/2026.

²⁵ Adenike Adekunle, "E-commerce Evolution: How Jumia Empowers Entrepreneurs to Succeed Online" <https://instincthub.com/blog/e-commerce-evolution-how-jumia-empowers-entrepreneurs-to-succeed-online> accessed 20/01/2026.

²⁶ Makuochi Nkwo et al., "E-Commerce Personalization in Africa: A Comparative Analysis of Jumia and Konga" https://www.researchgate.net/publication/329608934_ECommerce_Personalization_in_Africa_A_Comparative_Analysis_of_Jumia_and_Konga accessed 20/01/2026.

iii. Jiji: Founded in 2014, Jiji became Nigeria's leading online classified ads platform, where users can buy and sell second-hand goods, cars, electronics, and more.²⁷

b. Mobile Commerce (M-Commerce): With the growth of mobile phone usage, Nigerians increasingly turned to mobile devices for online shopping.²⁸ This shift toward mobile commerce was supported by better mobile internet connectivity and apps for platforms like Jumia and Konga, which allowed users to shop on the go.

c. Growth of Fintech: Nigeria's growing fintech sector made it easier for e-commerce platforms to process payments securely.²⁹ Fintech companies like Flutterwave, Paystack, Paga, and Opay allow businesses to accept payments across different channels,³⁰ facilitating smoother online transactions for both local and international purchases.

d. The Rise of Logistics and Delivery Services: The growth of e-commerce in Nigeria was accompanied by the development of delivery and logistics services.³¹ Companies like Gokada and Sendy began providing last-mile delivery services,³² making it easier for online businesses to get products to customers across the country. Nigeria is currently among the countries with the highest internet and IT penetration, with thousands of businesses leveraging online platforms for rapid transactions. It ranks as the leading e-commerce nation in Africa,³³ ahead of South Africa, Egypt, Kenya, and others such as Morocco, Ghana, Tanzania, Uganda, Algeria, and Ethiopia. South Africa follows with a more established e-commerce infrastructure,³⁴ while Egypt and Kenya are rapidly expanding due to increased internet access and the adoption of mobile payments.

²⁷ Viktor Handelsmann, "How Does Jiji Make Money? Dissecting Its Business Model," <https://productmint.com/how-does-jiji-make-money/> accessed 20/01/2026.

²⁸ Marvelous Gwani, "The Growth of E-commerce in Nigeria" <https://www.hostafrica.ng/blog/business/the-growth-of-e-commerce-in-nigeria/> accessed 20/01/2026

²⁹ Ibid.

³⁰ Top Payment Gateway Companies in Nigeria" <https://cosmopolitandaily.com/blogs/top-payment-gateway-companies-in-nigeria/> accessed 20/01/2026.

³¹ Marvelous Gwani, "The Growth of E-commerce in Nigeria" <https://www.hostafrica.ng/blog/business/the-growth-of-e-commerce-in-nigeria/> accessed 20/01/2026.

³² Ibid.

³³ Doris Dokua Sasu, "Internet usage in Nigeria - statistics & facts" Statista <https://www.statista.com/topics/7199/internet-usage-in-nigeria/#topicOverview> accessed 20/01/2026.

³⁴ Natalie Cowling, "E-commerce in South Africa - statistics & facts" Statista <https://www.statista.com/topics/11038/e-commerce-in-south-africa/#topicOverview> accessed 20/01/2026.

E-commerce has become deeply integrated into Nigerian business operations, especially with the government's implementation of a cashless policy.³⁵ As such, almost every commercial transaction now depends on internet-based systems.

E. Prospects of E-Commerce in Nigeria

According to Statista, Nigeria is Africa's largest economy and most populous nation, making it a strategic and prime market for e-commerce. As of 2023, internet penetration in Nigeria stood at approximately 50%, with over 100 million active internet users.³⁶ The e-commerce market is expected to reach \$75 billion by 2025, largely fueled by increased smartphone adoption, a youthful population, and the expansion of fintech solutions that facilitate online transactions.³⁷ Several major e-commerce platforms dominate the Nigerian market, including Jumia, Konga, PayPorte, and international players such as Amazon, which has a limited presence. Jumia, often referred to as the "Amazon of Africa," is a key industry leader, offering a wide range of products from electronics to fashion.³⁸ Social commerce through platforms like Instagram, Facebook, and WhatsApp has also gained traction, enabling small businesses to reach consumers directly. A significant driver of e-commerce in Nigeria is the rise of digital payment solutions. The proliferation of fintech companies such as Flutterwave, Paystack, and Opay has simplified online transactions, reducing reliance on cash-based payments.³⁹ The Central Bank of Nigeria's initiatives, including the launch of the eNaira digital currency, aims to further enhance financial inclusion and support e-commerce growth.

3. Legal and Regulatory Framework for E-Commerce in Nigeria

Currently, Nigeria lacks a single, comprehensive e-commerce law, as there are several statutes, regulations, and policy instruments which collectively form the country's e-commerce legal framework. These laws aim to promote safe, fair, and transparent online commercial practices while encouraging trust in the digital economy.⁴⁰ To respond to the growing complexities of internet commerce, broader laws with wider

³⁵ Cashless Policy Implementation Guidelines, Central Bank of Nigeria

³⁶ Meredith Alda, "E-commerce in Nigeria - statistics & facts" Statista

<https://www.statista.com/topics/6786/e-commerce-in-nigeria/#topicOverview> accessed 20/01/2026

³⁷ Ibid.

³⁸ Ibid.

³⁹ Jacob Augustine et al., "Driving Economic Growth: Financial Innovations in Nigeria's Multifaceted Emerging

Markets"<https://www.researchgate.net/publication/383908880_Driving_Economic_Growth_Financial_Innovations_In_Nigeria's_Multifaceted_Emerging_Markets> accessed 20/01/2026.

⁴⁰ FCCPA 2018; Cybercrimes (Prohibition, Prevention, etc.) Act 2015

applicability have been introduced to provide regulatory oversight and guide the conduct of online businesses in Nigeria.⁴¹ The key components of this framework are highlighted and briefly discussed below:

A. Companies and Allied Matters Act 2020⁴²

This Act prohibits the transaction of business in Nigeria without registration with the Corporate Affairs Commission. The 2020 CAMA made provisions for electronic signature of a director, secretary, or other authorized officer of a company, with respect to the authentication and service of company's documents,⁴³ electronic instrument of transfer of shares and electronic register of transfer⁴⁴ etc. S.860 of the Act makes provision for electronic filing of any document required to be filed with the Commission.

B. Evidence Act, 2011⁴⁵

This Act made provisions for the admissibility of electronically generated evidence⁴⁶ to prove the existence of electronic transactions, in case of any dispute arising therefrom. S. 93 recognizes electronic signature, which is vital to electronic transactions.

C. Cybercrimes (Prohibition, Prevention, etc.) Act⁴⁷

This Act addresses cybercrimes and online fraud and provides measures to protect consumers from fraudulent activities on e-commerce platforms. It prohibits fraudulent online transactions, including those conducted through e-commerce platforms. S.16 CCPA criminalizes unauthorized access to computer systems, networks, or electronic devices with the intent to commit fraud. Interestingly, S.17 validates the use of electronic signatures in respect of the purchase of goods and places the burden of proof of the genuineness or otherwise of the electronic signature on the contender.⁴⁸ It further outlines the legal and regulatory measures for preventing and prosecuting cybercrimes, ensuring cyber security, and protecting electronic communications and data. This Act is crucial for e-commerce as it aims to provide a secure environment for online transactions.

D. Nigerian Communications Commission Act 2003

The Act established the Commission to regulate telecommunications services, including aspects related to e-commerce, such as online transactions and data

⁴¹ O. Adebayo, "E-commerce Regulation in Nigeria: A Legal Perspective" (2021) Nigerian Law Review 73.

⁴² Companies and Allied Matters Act (CAMA), 2020.

⁴³ S. 101 CAMA, 2020.

⁴⁴ Ss. 175 & 176 CAMA, 2020.

⁴⁵ Evidence Act (Amended), 2023.

⁴⁶ S. 84 Evidence Act, 2011.

⁴⁷ Cybercrimes (Prohibition, Prevention, Etc.) Act 2015, as amended by the Cybercrimes (Prohibition, Prevention, Etc.) (Amendment) Act, 2024.

⁴⁸ S. 17(2) Cybercrimes Act, 2024 (as amended).

protection. It regulates electronic commerce, protects consumers, licenses e-commerce service providers, and establishes dispute resolution mechanisms.

E. The Advance Fee Fraud and Other Fraud Related Offences Act⁴⁹

This Act also impacts e-commerce by requiring businesses involved in telecommunications or internet services to register with the Economic and Financial Crimes Commission, maintain customer registers, and submit usage reports, enhancing transparency and security in e-commerce operations.

F. National Information Technology Development Agency Act⁵⁰

This Act mandates the National Information Technology Development Agency to develop Information Technology in Nigeria through the use of regulatory instruments.⁵¹ In the exercise of the powers conferred on it by S.32 of the Act, the Agency developed the Nigeria Data Protection Regulation (NDPR), for electronic governance, to monitor the use of electronic data interchange and other forms of electronic communication transactions which are alternative to paper-based methods in government, commerce, education, private and public sectors, labour and other fields where the use of electronic communication may improve the exchange of data and information. The NITDA is the regulatory body responsible for the development of the framework of rules for the governance and monitoring of the exchange of data and conduct of transactions online.⁵² Thus, e-commerce regulations now fall under the scope and authority of the NITDA.⁵³

The fact that any information fed into the internet could be accessed anywhere in the world, consumers transacting online require assurances that their personal information would be protected⁵⁴ and not compromised by e-commerce merchants. The data required from e-consumers, most often than not, range from personal details, addresses, delivery addresses, bank details (e.g., credit card or debit card details), etc. S.37 of the 1999 Constitution (as amended) recognizes the right to privacy as a fundamental human right. It provides as follows:

"The privacy of citizens, their homes, correspondence, telephone conversation and telegraphic communication is hereby guaranteed and protected." Pursuant to the provisions of the NITDA Act, Regulations and Guidelines, customer's compromised data or privacy violations can be redressed.

⁴⁹ Advance Fee Fraud and Other Fraud Related Offences Act, 2006.

⁵⁰ National Information Technology Development Agency (NITDA) Act, 2007.

⁵¹ S. 32 NITDA Act, 2007

⁵² S. 6 NITDA Act, 2007

⁵³ NITDA, Guidelines on Data Protection (September 2013).

⁵⁴ Adeniji Kazeem, *Nigerian Law of Electronic Transactions* (West African Book Publishers Ltd, Lagos 2024) 123.

G. Federal Competition and Consumer Protection Act⁵⁵

This Act established the Federal Competition and Consumer Protection Commission (FCCPC) to ensure fair and competitive markets, safeguard consumer rights, and guarantee access to safe products in Nigeria. As a regulatory agency under the Federal Ministry of Trade and Investment, the FCCPC is charged with overseeing business conduct to prevent consumer deception or exploitation. S.73 of the Act expressly prohibits businesses from engaging in unfair practices likely to mislead consumers. Entities offering goods and services are obligated to comply with FCCPA provisions and associated regulations. Key mandates include transparent price display, truthful product descriptions, fair pricing, and delivery of goods as agreed. Under S.17(h), the FCCPC is empowered to resolve disputes, impose sanctions, and investigate complaints. Aggrieved consumers may lodge complaints with the Commission for redress.

Importantly, the FCCPA now holds overriding legal authority in matters of competition and consumer protection, superseding sector-specific laws like the Nigerian Communications Act and Civil Aviation Act.⁵⁶ The Act also vests a dedicated Tribunal with original jurisdiction over FCCPC decisions, positioning the Commission as both regulator and adjudicator.

To address the growing e-commerce sector, the FCCPC released the Business Guidance on E-commerce in August 2021. It mandates clear and accessible terms of service, product and price transparency, pre-payment disclosures, and consumer-friendly complaint mechanisms. These rules aim to enhance trust and accountability in Nigeria's digital marketplace.

H. Consumer Protection Council Act⁵⁷

The CPC Act establishes the Consumer Protection Council, which is tasked with protecting consumers from unfair trade practices, including those prevalent in e-commerce. S. 3(a) of the Act provides that:

"The Council shall have power to conduct investigations into complaints, allegations, and situations regarding or touching on the quality of goods and services, misleading advertisement, unfair trade practices and other matters relevant to the protection of consumers."

I. Nigerian Data Protection Act⁵⁸

The objectives of this Act are to provide for the regulation of processing personal data; to promote data processing practices that safeguard the security of personal data and privacy of data and to ensure that personal data is processed in a fair, lawful, and accountable manner.⁵⁹ The provisions of the Act extend to automated and non-automated data processing, where:

⁵⁵ Federal Competition and Consumer Protection Act (FCCPA), 2018.

⁵⁶ Nigerian Communications Act, 2003 and Civil Aviation Act, 2006.

⁵⁷ Consumer Protection Council (CPC) Act, 1992.

⁵⁸ Nigerian Data Protection Act (NDPA), 2023

⁵⁹ S. 5 NDPA, 2023.

a. The data controller or data processor is domiciled or resident or operating in Nigeria.⁶⁰

b. The processing of personal data occurs within Nigeria.

c. The data controller or data processor is NOT domiciled or resident or operating in Nigeria but is processing personal data of a data subject that is in Nigeria.

The Act confers on the Nigeria Data Protection Commission the power to entertain complaints, conduct investigations, and enforcement of compliance orders.⁶¹ In order to breach the gap to justice for data subjects whose privacy rights have been violated, the Act established an outlined procedure for making and investigating complaints at the Data Protection Commission.⁶²

J. Finance Act, 2020

By virtue of Section 3 of the Act, titled “Amendment of S 2 of the Principal Act,” changes to the Value Added Tax Act were introduced by expanding the scope of taxable goods and services to include intangible products, assets, or property. Therefore, online vendors and businesses dealing with intangible products are required to account for VAT on their supplies in accordance with this provision of the Finance Act.⁶³

K. Regulation on Various Electronic Payments in Nigeria Issued by the Central Bank of Nigeria

The Central Bank of Nigeria (CBN) in the exercise of its oversight functions pursuant to the powers conferred on it by the CBN Act, 2007,⁶⁴ to promote a good financial system in Nigeria, issued guidelines to regulate and facilitate the development of an efficient electronic payments system in Nigeria.⁶⁵ Some of the Regulations issued by the CBN are as follows:

a. Framework for Quick Response (QR) Code Payments in Nigeria, 2021: The CBN issued this regulation to ensure the safety and stability of the Nigerian Financial System, to promote the use and adoption of electronic payments and foster innovation in the payments system. The Quick Response (QR) Codes are a kind of matrix barcode representing information presented as square grids, made up of black squares against a contrasting background that can be scanned by an imaging device, processed, and transmitted by appropriate technology.⁶⁶ Imaging devices include smartphone cameras, tablet cameras, etc.

⁶⁰ S. 2 NDPA, 2023

⁶¹ Ss. 46 and 47 NDPA, 2023

⁶² Kazeem (n 54) 129

⁶³ Finance Act, 2020 https://firs.gov.ng/wp-content/uploads/2021/01/finance-act-2020_signed.pdf accessed 17/09/2024.

⁶⁴ Ss. 2(d), 33(1)(b) and 47(2) of the Central Bank of Nigeria Act, 2007.

⁶⁵ Kazeem (n 54) 49.

⁶⁶ Kazeem (n 54), 50

b. Regulation for Bill Payment in Nigeria, 2018: This regulation was issued for the purpose of identifying the stakeholders⁶⁷ in the Bill payment space, to ensure adequate protection for the stakeholders in the Bill payment, and to provide clarity on the minimum standard that must be complied with for the facilitation of bill payment transactions amongst other reasons.⁶⁸ The payment methods include Cheques, Cards, Direct Debit, Instant Payments, and Automated Clearing House, etc.⁶⁹

c. Regulation on Instant (Inter-Bank) Electronic Funds Transfer Services, 2018: This regulation sets out the rules and minimum standards for electronic funds transfer services.⁷⁰

d. Regulation on Mobile Payment Services in Nigeria: This regulation addresses business rules governing the operation of mobile payment services in Nigeria. It specifies basic functionalities expected of any mobile payment service and solution in Nigeria. It also set the basis for the regulation of mobile payment services offered at different levels and by diverse participants (including service providers, infrastructure providers, solution providers, scheme operators and consumers). However, this framework does not cover the use of mobile phones as an access point to the internet for the purpose of using internet banking services.⁷¹

e. Regulation on Electronic Payments and Collections for Public and Private Sectors in Nigeria 2019 (Revised): This regulation aims to provide guidelines and standards for electronic payments and collections across various sectors, including e-commerce. This regulation encompasses provisions that impact online businesses and e-commerce activities in Nigeria.

Some key provisions related to online business and e-commerce include:⁷²

i. Payment Gateway Integration:⁷³ This sets standards for integrating payment gateways with e-commerce platforms to ensure secure and efficient payment processing.

ii. Transaction Security:⁷⁴ The Central Bank Nigeria's regulation emphasizes the importance of transaction security for online payments. It mandates the implementation of robust security measures, such as encryption and authentication protocols, to protect sensitive financial information during electronic transactions.

⁶⁷ Operational Regulation on Bill Payment in Nigeria, 2018; Kazeem (n 54) 50

⁶⁸ Ibid

⁶⁹ Ibid.

⁷⁰ Regulation on Instant (Inter-Bank) Electronic Funds Transfer Services, 2018.

⁷¹ [Kazeem (n 54) 51; Regulation for Mobile Payment Services in Nigeria.

⁷² CBN Circular, "Regulation on End-to-End Electronic Payment of Salaries, Pensions & Other Remittances, Suppliers and Revenue Collections in Nigeria"
<https://www.cbn.gov.ng/out/2019/psmd/circular%20and%20guideline%20on%20e-payment.pdf>
accessed 18/09/2024.

⁷³ Aarndale Solicitors, "E-Commerce in Nigeria: Legal Framework and Challenges"
<https://www.mondaq.com/nigeria/dodd-frank-consumer-protection-act/1465156/e-commerce-in-nigeria-legal-framework-and-challenges> accessed 05/02/2026.

⁷⁴ Ibid.

iii. Customer Protection:⁷⁵ The regulation mandates e-commerce businesses to offer transparent terms of service, refund policies, and dispute resolution mechanisms to protect consumer interests in online transactions.

iv. Anti-Money Laundering (AML) and Know Your Customer (KYC) Compliance:⁷⁶ The regulation requires online businesses to comply with AML and KYC requirements, ensuring thorough customer due diligence to prevent financial crime.

v. Cross-Border Transactions: The regulation offers guidelines on foreign exchange transactions, settlements, and adherence to global payment standards.

f. Bankruptcy Act and the Council for the Regulation of Freight Forwarding in Nigeria Act: This regulation provides additional regulatory layers that affect e-commerce indirectly by governing business solvency and logistics operations, respectively.

In terms of digital infrastructure and promotion of ICT, the Nigerian government has implemented policies such as the Nigeria ICT Innovation and Entrepreneurship Vision (NIEV) by the National Information Technology Development Agency (NITDA).⁷⁷ It aims to foster a conducive environment for technology and innovation, crucial for the growth of e-commerce.

4. Importance of Supportive Legal Framework for E-Commerce

The success of e-commerce hinges on factors such as the legal and institutional framework established to ensure that the rights of e-consumers are effectively safeguarded. It is believed that this would significantly boost consumer confidence and trust in all transactions conducted via the Internet. Legal and institutional frameworks are needed worldwide to tackle issues bedeviling e-commerce, including data and privacy protection, unfair trade practices, cybercrime, and trans-border disputes.⁷⁸ The United Nations has enjoined its member countries, Nigeria inclusive, to enact laws and establish institutions that will protect the interests of the public who use the Internet as a means of conducting commercial transactions, thereby keeping pace with the evolving legal challenges of modern technological advancement.⁷⁹ The legal and institutional framework for e-commerce in Nigeria is governed by a combination of laws, regulations, and policies that aim to facilitate and regulate online

⁷⁵ Aarndale Solicitors, "E-Commerce in Nigeria: Legal Framework and Challenges" <https://www.mondaq.com/nigeria/dodd-frank-consumer-protection-act/1465156/e-commerce-in-nigeria-legal-framework-and-challenges> accessed 05/02/2026.

⁷⁶ Ibid.

⁷⁷ NITDA, National Digital Economy Policy and Strategy <https://nitda.gov.ng/wp-content/uploads/2020/11/National-Digital-Economy-Policy-and-Strategy2.pdf> accessed 20/01/2026.

⁷⁸ United Nations Conference on Trade and Development (UNCTAD), UNCTAD B2C E-commerce Index 2017 (2017).

⁷⁹ Ibid.

business activities. The primary legislation governing e-commerce is the Cybercrimes (Prohibition, Prevention, etc.) Act, which provides a legal framework for the prevention, detection, and prosecution of cybercrimes, including those related to e-commerce.⁸⁰ Additionally, the Nigerian Communications Act establishes the Nigerian Communications Commission as the regulatory authority for the communications sector, which includes internet services crucial for e-commerce operations. The NCC is responsible for creating an enabling environment for the supply of telecommunications services, promoting fair competition, and ensuring the availability of network services across Nigeria.

The Advance Fee Fraud and Other Fraud Related Offences Act, 2006,⁸¹ also play a significant role in the e-commerce framework by mandating the registration of telecommunications and internet service providers with the Economic and Financial Crimes Commission (EFCC). This Act aims to prevent fraud and ensure the integrity of online transactions.

Regulations such as the Nigeria ICT Innovation and Entrepreneurship Vision (NIIEV)⁸² and the National Information and Communication Technology (ICT) Policy further support the e-commerce ecosystem by promoting digital innovation, entrepreneurship, and the development of ICT infrastructure.⁸³ These policies aim to increase access to digital infrastructure, improve digital literacy, and support the growth of technology start-ups.

Challenges in the e-commerce sector include issues related to cybersecurity, data protection, and enforcement of consumer rights. The Cybercrimes Act addresses some of these concerns by enhancing the legal framework for cybersecurity and promoting international cooperation in combating cybercrimes.

From the above, Nigeria's legal and institutional framework for e-commerce is a combination of laws, regulations, and policies that address various aspects of e-commerce, from cybersecurity to digital innovation and entrepreneurship.

⁸⁰ C. C. Ugwu et al., "The Implications of Legal and Policy Frameworks for E-Commerce in Nigeria" CBN Bullion <https://dc.cbn.gov.ng/cgi/viewcontent.cgi?article=1494&context=bullion> accessed 20/01/2026.

⁸¹ S. 13(1) Advance Fee Fraud and Other Fraud Related Offences Act, 2006

⁸² P. Onifade, NIPC Legal Guide to Investing in Nigeria <https://www.nipc.gov.ng/ViewerJS/?#./wp-content/uploads/2019/03/Legal-Guide-Ebook-Ver-B.pdf> accessed 20/01/2026.

⁸³ Marvelous Gwani, "ICT Policies and Regulations in Nigeria" <https://www.hostafrica.ng/blog/technology/ict-policies-and-regulations-in-nigeria/> accessed 20/01/2026.

For e-commerce to attain its full potential in Nigeria, a comprehensive and supportive legal framework is essential to address critical issues such as consumer protection, data security, contract enforcement, and intellectual property rights. The absence of comprehensive regulations or inconsistencies in existing laws creates legal uncertainty for both businesses and consumers in the e-commerce space. In order to sustain the growth of e-commerce, a robust legal framework that ensures transactions are conducted transparently, fairly, and securely is a *sine qua non*.

The following aspects underscore the vital role of legal frameworks in supporting Nigeria's digital economy:

A. Data Protection and Privacy: With the increasing use of digital transactions, protecting personal and financial data is paramount. Nigeria's Data Protection Act, 2023 establishes a comprehensive legal regime for data regulation, replacing the Nigerian Data Protection Regulations (NDPR) 2019. S.37 of the Nigerian Constitution guarantees privacy as a fundamental right, aligning with global standards such as the General Data Protection Regulation.⁸⁴

B. Cybersecurity: Cybercrime remains a significant threat to Nigeria's e-commerce sector. Fraudulent transactions, phishing schemes, and data breaches erode consumer trust and deter online shopping. Strengthened cybersecurity laws will protect businesses and consumers from data breaches, hacking, and financial fraud, ensuring a safer online environment. Nigeria's Cybercrimes (Prohibition, Prevention, Etc.) Act provides a solid legal foundation for addressing cybercrimes, securing critical infrastructure, and protecting computer systems.⁸⁵

C. Consumer Protection and Trust: One of the major impediments to e-commerce growth in Nigeria is the lack of consumer trust. Reports of counterfeit goods, fraudulent transactions, and the failure to honor return policies discourage online shopping. A comprehensive consumer protection law tailored to e-commerce, including enforceable dispute resolution mechanisms, is necessary to build consumer confidence and foster greater participation in the digital marketplace. E-commerce laws should guarantee fair trade practices, clear contractual terms, and effective

⁸⁴ European Union, General Data Protection Regulation (GDPR), Regulation (EU) 2016/679 (2016).

⁸⁵ Cybercrimes (Prohibition, Prevention, Etc.) Act, 2015

remedies for disputes. Nigeria's Consumer Protection Council Act and the Federal Competition and Consumer Protection Act address these concerns.⁸⁶

D. Intellectual Property Rights (IPR): In recent years, e-commerce marketplaces have become popular platforms for buying and selling products, connecting millions of sellers with a global customer base while providing convenience and variety. However, this accelerated growth has also led to a rise in intellectual property rights infringement cases. Counterfeit products, copyright violations, and patent infringements are rampant, undermining the rights of legitimate intellectual property owners and causing significant financial damage. Counterfeiting and copyright infringement are particularly prevalent in Nigeria's e-commerce landscape, with many businesses suffering losses that deter foreign investment in the digital sector.⁸⁷ Strengthening intellectual property laws and their enforcement in online marketplaces is essential to protect innovation and encourage digital entrepreneurship. Intellectual property (IP) protection is crucial for e-commerce businesses that rely heavily on digital content, trademarks, and proprietary technologies.

E. Taxation and Revenue: E-commerce taxation frameworks must provide clear and consistent guidelines for both domestic and cross-border transactions to ensure fair competition and proper revenue collection.⁸⁸

F. Dispute Resolution: E-commerce transactions often rely on digital agreements between buyers and sellers. However, enforcing these agreements in Nigeria remains a challenge due to ambiguities in contract laws and limited access to effective legal recourse. Establishing clear guidelines for electronic contracts, digital signatures, and online dispute resolution mechanisms will enhance legal certainty and promote the growth of e-commerce in Nigeria.⁸⁹

⁸⁶ FCCPA, 2018.

⁸⁷ O. T. Afolayan, "Intellectual Property Rights Protection in Nigeria: Challenges and Prospects" https://www.researchgate.net/publication/342603002_Intellectual_Property_Rights_Protection_in_Nigeria_Challenges_and_Prospects accessed 20/01/2026.

⁸⁸ Ibid.

⁸⁹ UNCITRAL Model Law on Electronic Commerce, 1996.

5. Challenges to the Growth of E-Commerce in Nigeria

The advantage(s) of e-commerce is enormous and it's unimaginable where the state of the economy would have been without it. Despite the advantages of e-commerce, there is a need to address the barriers to e-commerce growth in Nigeria, so that the benefits can be maximized. Nigeria recorded 58 online marketplaces in 2020, far below South Africa, Morocco, Tunisia, Egypt, and some other African countries, with just 5.9% of males and 2.2% of females engaging in online transactions.⁹⁰ Given Nigeria's huge population and economy, this performance is somewhat abysmal. Some of the factors militating against the growth of e-commerce are poor electricity supply, poor financial support, poor broadband access, and cyber security risks.⁹¹

With the successes recorded in e-commerce, the non-availability of a proper legal framework to effectively guide and regulate its operation has left so much to be desired. Treaties and international conventions on electronic contracts are not enforceable in Nigeria until domesticated.⁹²

Despite the absence of a comprehensive statutory framework to effectively regulate e-commerce in Nigeria, electronic contracts have remained valid and enforceable in the face of the clear provisions of the Evidence Act.⁹³ The Act recognizes documentary evidence generated electronically as proof of electronic transactions and the use of electronic signatures for the authentication of electronic contracts. With the obvious need for a supportive legal environment for e-commerce, several challenges that hinder the development and enforcement of e-commerce laws in Nigeria exist, as follows:

- i. Regulatory Gaps and Overlaps: Multiple agencies oversee aspects of e-commerce regulation, leading to inconsistencies and confusion.⁹⁴
- ii. Limited Awareness and Compliance: Many businesses and consumers are unaware of their rights and obligations under existing digital laws.⁹⁵

⁹⁰ Daniel E. Ufua et al., "Impact of the Commercial Law on E-Commerce Practices and Business Sustainability in Nigeria" https://www.researchgate.net/publication/371958327_Impact_of_the_Commercial_Law_on_E-Commerce_Practices_and_Business_Sustainability_in_Nigeria accessed 20/01/2026.

⁹¹ Ibid.

⁹² S. 12 Constitution of the Federal Republic of Nigeria, 1999 (as amended).

⁹³ S. 84 Evidence Act, 2011

⁹⁴ C. C. Ugwu and A. Ogbo, "The Implications of Legal and Policy Frameworks for E-Commerce in Nigeria" (2021) 45(2) CBN Bullion 73-80 <https://dc.cbn.gov.ng/cgi/viewcontent.cgi?article=1494&context=bullion> accessed 20/01/2026.

- iii. Weak Enforcement Mechanisms: Even where laws exist, inadequate enforcement reduces their effectiveness in protecting e-commerce stakeholders.⁹⁶
- iv. Infrastructure and Technological Barriers: Inconsistent internet access, inadequate cyber security measures, and poor logistics infrastructure affect the smooth operation of e-commerce businesses.
- v. Limited Institutional Capacity: Regulatory agencies tasked with enforcing consumer protection and e-commerce related laws may be underfunded, understaffed, and lack the technical expertise needed to address complex e-commerce and consumer issues. This limitation hampers the ability of governments to effectively monitor markets, respond to consumer complaints, and impose sanctions on violators.⁹⁷

6. Current Status and Future Projections of E-Commerce in Nigeria

Nigeria's rapid technological advancement is largely driven by widespread internet access and a young, tech-savvy population which has fostered the growth of e-commerce across sectors such as fashion, electronics, groceries, and services.⁹⁸ Modern lifestyles and a preference for convenience further accelerate this trend.⁹⁹

Globally, Nigeria ranked 56th in e-commerce markets in 2023, with projected revenue of US\$2,225.2 billion by 2024, surpassing Slovakia, and an expected CAGR of 12.8% through 2028.¹⁰⁰ In 2024, e-commerce contributed 10.1% to global growth, with monthly revenues peaking at US\$193 million in August (-8.1% month-on-month), the highest share in July (9.5%) and the lowest in April (7.3%).¹⁰¹

Beyond vendors, the sector is creating new streams of income and jobs: revenue forecast is expected to reach US\$7.04 billion in 2025, and platforms like Jumia could generate 3 million jobs across Africa by 2025.¹⁰² Continued improvements in internet

⁹⁵ Anuja Dhananjay Naidu, "Consumer Protection in Developing Countries: Challenges and Opportunities" <https://ijrpr.com/uploads/V5ISSUE9/IJRPR33099.pdf> accessed 20/01/2026.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Simon Kemp, "Digital 2024: Nigeria" <https://datareportal.com/reports/digital-2024-nigeria> accessed 30/01/2026.

⁹⁹ NITDA, Digital Lifestyle Trends in Nigeria (2023) https://nitda.gov.ng/wp-content/uploads/2023/07/Policy-National_Digital_Economy_Policy_and_Strategy.pdf accessed 20/01/2026.

¹⁰⁰ Statista, Global E Commerce Market Rankings (2024); Statista, E Commerce CAGR Projections 2024–2028 <https://www.statista.com/outlook/emo/ecommerce/worldwide> accessed 20/01/2026

¹⁰¹ UNCTAD, Global E Commerce Contribution Reports (2024) <https://unctad.org/publication/digital-economy-report-2024> accessed 20/01/2026; Statista, Monthly E Commerce Revenue in Nigeria (August 2024).

¹⁰² Statista, E Commerce Revenue Forecast Nigeria (2025); Boston Consulting Group, Digital Platform Job Creation in Africa (2023).

penetration and smartphone affordability are expanding the pool of online consumers, underpinning the sector's contribution to Nigeria's economy.¹⁰³

7. Conclusion

The Nigerian judiciary plays a vital role in supporting e-commerce through legislation, dispute resolution, consumer protection, and international agreement enforcement. Key policy instruments like the National Digital Economy Policy and Strategy and the pending E-Governance Bill explicitly recognize online transactions. To keep pace with digital commerce, courts must adopt comprehensive technological reforms such as electronic filings, virtual hearings, digital case management, and e-judgments to ensure speedy and accessible justice. This requires proactive legislative support, adequate executive funding, and the judiciary's commitment to modern workflows. As Francis Fukuyama observes,¹⁰⁴ future organizational success hinges on networked structures; similarly, Nigeria's economy can only thrive if its legal system fully embraces e-contracts and e-courts. Without swift adaptation, the slow resolution of disputes will undermine commercial confidence, delaying justice and stifling growth in Africa's leading economy.

¹⁰³World Bank, Digital Inclusion and Smartphone Affordability (2024).

¹⁰⁴ Francis Fukuyama, Quote Archive <https://quotefancy.com/francis-fukuyama-quotes> accessed 20/01/2026.