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Product Overclaim Practices in Digital Marketplaces: An Islamic Economic Law and Consumer Protection Perspective

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ABSTRACT :

The rapid expansion of digital marketplaces has fundamentally altered the structure of commercial transactions, creating unprecedented efficiency while simultaneously intensifying legal and ethical risks. One of the most pervasive issues in this context is product overclaim, namely the practice of exaggerating or misrepresenting product attributes to influence consumer decisions. This article critically examines product overclaim practices through the lens of Islamic Economic Law and modern consumer protection principles. Employing a normative juridical method with doctrinal analysis, this study explores classical fiqh concepts such as *tadlis*, *gharar*, and contractual consent (*ridha*), and juxtaposes them with contemporary consumer protection norms. The findings demonstrate that overclaim practices constitute a serious violation of Islamic commercial ethics and undermine the moral legitimacy of digital transactions. Moreover, Islamic Economic Law offers a robust ethical-legal framework that complements modern regulatory regimes by emphasizing moral accountability alongside legal enforcement. This study argues that integrating Islamic ethical principles into digital marketplace governance can enhance consumer protection and foster sustainable digital commerce..

Key words: *Islamic Economic Law; Digital Marketplace; Product Overclaim; Consumer Protection; Tadlis.*

INTRODUCTION

Digital marketplaces have emerged as dominant platforms for commercial exchange, reshaping consumer behavior and redefining the relationship between sellers and buyers. The convenience and accessibility of these platforms, however, are accompanied by heightened risks of information asymmetry, where sellers possess superior knowledge regarding product quality and characteristics compared to consumers. This imbalance creates fertile ground for deceptive practices, particularly product overclaim. Product overclaim refers to the deliberate exaggeration or misrepresentation of product benefits, performance, or quality beyond their actual attributes. In digital transactions, consumers rely almost entirely on textual descriptions, images, and promotional claims, making them especially vulnerable to misleading information. While modern legal systems attempt to address this issue through consumer protection regulations, enforcement challenges persist due to the scale and transnational nature of digital commerce.

From the perspective of Islamic Economic Law, commercial transactions are not merely economic exchanges but moral engagements governed by ethical and legal principles. Honesty (*sidq*), transparency (*bayān*), and fairness (*‘adl*) are foundational values in Islamic commercial jurisprudence³. Therefore, product overclaim raises fundamental questions regarding the legitimacy of digital trade practices under Islamic law. This article seeks to critically analyze product overclaim practices by integrating Islamic legal principles with contemporary consumer protection discourse. Digital marketplaces have emerged as dominant platforms for commercial exchange, reshaping consumer behavior and redefining the relationship between sellers and buyers. The

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Methods

This study employs a normative juridical research method with a qualitative approach to examine product overclaim practices in digital marketplaces from the perspective of Islamic Economic Law and consumer protection. Normative legal research is appropriate for this study because it focuses on the analysis of legal norms, ethical principles, and doctrinal interpretations rather than empirical measurement, enabling a critical evaluation of whether digital marketplace practices conform to Islamic commercial jurisprudence, as explained by Hutchinson 2013. The research is designed to assess the legal and ethical legitimacy of product overclaim practices by interpreting authoritative legal texts and scholarly opinions.

The research adopts a doctrinal and conceptual approach by integrating classical Islamic jurisprudence (*fiqh al-mu‘amalat*) with contemporary theories of consumer protection. This approach allows the study to examine key Islamic legal concepts such as *tadlis*, *gharar*, and contractual consent (*ridha*), and to analyze their relevance in the context of digital commerce, following the methodological framework outlined by Kamali 2008. In addition, a comparative perspective is employed to identify normative convergence between Islamic Economic Law and modern consumer protection regimes, consistent with comparative legal research principles described by Zweigert and Kötz 1998.

The study relies on primary and secondary legal materials. Primary sources include the Qur’an, Hadith, and classical works of Islamic jurisprudence representing major schools of Islamic law, which are used to derive foundational principles governing honesty, transparency, and fairness in commercial transactions, as articulated by Al-Zuhayli 1989. Secondary sources consist of peer-reviewed international journal articles, scholarly books, and reports issued by international organizations related to digital marketplaces and consumer protection, providing contemporary regulatory context, as recommended by Watkins and Burton 2017.

Data collection was conducted through a systematic literature review, focusing on authoritative and credible academic sources published in English. The selection of materials was guided by relevance to the research problem, academic credibility, and theoretical contribution, in accordance with established legal research practices described by Booth, Colomb, and Williams

2016. This study does not employ empirical data collection techniques such as surveys or interviews, as its primary objective is normative legal evaluation rather than behavioral analysis.

The collected legal materials were analyzed using qualitative content analysis and legal reasoning methods. Islamic legal texts were examined through doctrinal interpretation to identify normative rules and ethical standards applicable to product overclaim practices. These principles were subsequently applied to the digital marketplace context through analogical reasoning (*qiyas*) and purposive interpretation, as recognized in Islamic legal methodology by Kamali 2003. Furthermore, a critical legal analysis was employed to identify gaps between normative ideals and regulatory realities, enabling the formulation of normative conclusions and policy-oriented recommendations, following the critical legal approach discussed by Unger 1986.

Discussion

The analysis reveals that product overclaim practices in digital marketplaces constitute a serious ethical and legal violation from the standpoint of Islamic Economic Law. Overclaim, by its very nature, involves elements of *tadlis* (intentional deception) and *gharar* (excessive uncertainty), both of which are expressly prohibited in Islamic commercial jurisprudence. According to classical jurists, including those from the Hanafi, Maliki, Shafi'i, and Hanbali schools, *tadlis* nullifies valid consent (*ridha*) and renders the contract voidable, as emphasized by Al-Zuhayli 1989. When consumers are induced to purchase goods based on exaggerated claims—such as unproven whitening effects in cosmetics or inflated health benefits—they enter the transaction without accurate understanding, violating the ethical principle of informed consent.

This legal conclusion is not merely theoretical. Contemporary studies on consumer behavior in digital commerce have shown that many online sellers engage in hyperbolic or unverifiable advertising to increase sales. Visual editing, ambiguous claims like “100% herbal,” or performance promises not supported by evidence are widely used tactics, especially in highly competitive sectors such as skincare, health supplements, and fashion accessories. OECD 2020 confirms that such practices exploit the information gap between consumers and sellers, especially when product origin, composition, or certification status is unclear or falsified. These behaviors mirror classical definitions of *tadlis* and align with prohibited deception in Islamic law.

The findings also indicate that Islamic contract law offers strong remedial mechanisms to address deceptive transactions. Doctrines such as *khiyar al-tadlis* (option due to fraud) and *khiyar al-'ayb* (option due to defect) allow the consumer to rescind the contract upon discovering that consent was based on misinformation, as elaborated by Nyazee 2016. These options uphold the value of justice (*adl*) and protect consumers against exploitation. However, in digital marketplaces, especially those operating across borders, the practical enforcement of such remedies is limited due to lack of jurisdiction, opaque seller identities, and weak platform governance. In this context, legal theory alone is insufficient—ethical reinforcement through Islamic commercial morality becomes essential.

Furthermore, the analysis shows convergence between Islamic Economic Law and modern consumer protection regimes. Both systems recognize the vulnerability of consumers in asymmetric transactions and impose duties of disclosure on sellers. However, modern legal systems tend to be reactive—focusing on penalties after harm has occurred—whereas Islamic law adopts a proactive approach, obligating traders to uphold truthfulness (*sidiq*) and avoid deception as a religious duty, not merely a legal requirement, as highlighted by Kamali 2008. This preventive

moral obligation distinguishes Islamic Economic Law from secular models and offers a more comprehensive framework for addressing overclaim in digital commerce.

Another key result is the regulatory gap identified in the governance of digital marketplaces. While many platforms publish community guidelines and policies against false advertising, enforcement remains inconsistent and heavily reliant on user complaints. According to UNCTAD 2021, only a minority of platforms conduct active verification of product descriptions or require proof of claims. In contrast, Islamic ethics would demand proactive responsibility from both the seller and the platform operator. As argued by El-Gamal 2006, all actors within a commercial ecosystem bear collective responsibility (*taklif jama'i*) when harm arises from systemic negligence.

These findings underscore the need for an Islamic ethical governance model for digital commerce. Such a model would combine legal standards with moral accountability, requiring sellers to disclose product information transparently and platforms to verify claims that may affect consumer health, safety, or religious values (e.g., halal status). Moreover, embedding Islamic business ethics into education for Muslim entrepreneurs could serve as a preventive measure against overclaim practices, aligning daily commercial conduct with the broader objectives of *maqasid al-shariah*, especially the protection of wealth (*hifz al-mal*) and dignity (*hifz al-'ird*), as outlined by Al-Shatibi.

In summary, the discussion confirms that overclaim in digital commerce violates both the spirit and letter of Islamic Economic Law. It erodes consumer trust, distorts contractual consent, and fosters unjust market behavior. While positive law and regulatory frameworks provide partial remedies, integrating Islamic ethical principles into the structure of digital marketplace governance offers a more holistic and preventive solution.

Beyond ethical and doctrinal violations, product overclaim in digital marketplaces also produces broader systemic consequences for market integrity and public trust. Repeated exposure to misleading claims gradually normalizes deceptive marketing practices, weakening consumer confidence not only in individual sellers but also in the marketplace as an institution. From an Islamic Economic Law perspective, this erosion of trust (*amanah*) undermines the moral foundation of trade, which is premised on mutual reliability and social responsibility, as emphasized by Chapra 2000. When trust collapses, market transactions shift from cooperative exchange to adversarial engagement, contradicting the Islamic vision of a just and balanced economic order.

Moreover, the persistence of overclaim practices reflects a structural imbalance between profit-oriented incentives and ethical constraints in platform-based economies. Digital marketplaces often prioritize transaction volume and engagement metrics, inadvertently encouraging aggressive marketing strategies that border on deception. Islamic jurisprudence, however, rejects profit maximization detached from moral accountability. Classical jurists maintain that lawful gain (*kasb halal*) must be pursued within clearly defined ethical limits, and any benefit derived from deception is considered illegitimate, as articulated by Ibn Taymiyyah in his legal opinions. This doctrinal position reinforces the view that systemic tolerance of overclaim represents a failure of ethical governance rather than isolated individual misconduct.

The analysis also reveals that product overclaim disproportionately affects vulnerable consumer groups, including individuals with limited digital literacy or insufficient access to product verification tools. In Islamic legal theory, the protection of the weak (*hima'at al-du'afa'*) constitutes a central objective of law and governance. Transactions that exploit consumer ignorance or

informational disadvantage therefore contradict the principle of justice (*'adl ijtima'i*), as elaborated by Kamali 2011. In this regard, overclaim practices cannot be defended on the grounds of consumer responsibility alone, as the ethical burden rests primarily on the party possessing superior information.

In addition, the absence of effective verification mechanisms raises critical questions regarding the liability of digital marketplace operators. While platforms often portray themselves as neutral intermediaries, Islamic legal reasoning would classify them as active facilitators when they enable or profit from deceptive practices. Under the doctrine of collective moral responsibility (*taklif jama'i*), any actor who knowingly contributes to harm bears ethical accountability, even if indirect, as discussed by El-Gamal 2006. This principle supports the argument that platforms must move beyond passive moderation toward proactive ethical oversight.

Integrating Islamic ethical norms into digital marketplace regulation would therefore require a shift from complaint-based enforcement to preventive governance. This includes mandatory verification of material product claims, transparent disclosure requirements, and meaningful sanctions for repeated violations. Such measures resonate with the objectives of *hisbah* in Islamic governance, which historically functioned to supervise market conduct and prevent fraud before harm occurred, as documented by Al-Mawardi. Reinvigorating this preventive ethos in a contemporary digital context offers a normative blueprint for ethical marketplace regulation. Ultimately, the findings suggest that addressing product overclaim cannot rely solely on legal sanctions or consumer awareness campaigns. Instead, a comprehensive approach grounded in Islamic Economic Law must integrate ethical education, platform accountability, and regulatory oversight. By aligning digital commerce practices with the objectives of *maqasid al-shariah*, particularly the protection of wealth (*hifz al-mal*), intellect (*hifz al-'aql*), and dignity (*hifz al-'ird*), Islamic Economic Law provides a holistic framework capable of responding to the moral challenges of the digital economy, as articulated by Al-Shatibi and reaffirmed by contemporary Islamic economists such as Chapra 2008.

Conclusion

This study concludes that product overclaim practices in digital marketplaces constitute a fundamental ethical and legal violation from the perspective of Islamic Economic Law. Such practices inherently involve elements of *tadlis* (intentional deception) and *gharar* (excessive uncertainty), which undermine the validity of contractual consent (*ridha*) and contradict the core principles of honesty (*sidq*), transparency (*bayān*), and justice (*'adl*) that govern Islamic commercial jurisprudence. As a result, transactions formed on the basis of exaggerated or misleading claims cannot be considered morally legitimate within the Islamic legal framework. The findings further demonstrate that while Islamic contract law provides robust remedial mechanisms—such as *khiyar al-tadlis* and *khiyar al-'ayb*—to protect consumers from deceptive transactions, these remedies face significant practical limitations in the context of digital marketplaces. Jurisdictional complexity, anonymity of sellers, and weak platform governance reduce the effectiveness of post-transaction legal enforcement. Consequently, reliance on corrective legal measures alone is insufficient to address the systemic nature of overclaim practices in digital commerce.

This study also establishes a clear normative convergence between Islamic Economic Law and modern consumer protection regimes, particularly in their shared commitment to safeguarding consumers from misleading practices. However, Islamic Economic Law offers a more comprehensive and preventive framework by embedding consumer protection within a moral-

legal obligation that emphasizes ethical responsibility prior to the occurrence of harm. This preventive orientation distinguishes Islamic law from predominantly reactive regulatory models and provides a valuable normative contribution to contemporary digital market governance.

Ultimately, the study argues that addressing product overclaim in digital marketplaces requires the integration of Islamic ethical principles into regulatory and platform governance structures. By reinforcing moral accountability for sellers and platform operators alike and aligning digital commerce practices with the objectives of *maqasid al-shariah*, particularly the protection of wealth, intellect, and human dignity, Islamic Economic Law offers a holistic framework capable of promoting fairness, trust, and sustainability in the digital economy.

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