An Examination of Online Dispute Resolution of Commercial Transactions in Nigeria: Principles, Practices and Procedures

Course Title: Law Of Commercial and Consumer Transaction

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ABSTRACT

The rapid expansion of electronic commerce and digital financial services in Nigeria has generated a correspondingly significant increase in commercial disputes that are transacted, and must therefore be resolved, entirely or substantially online. Traditional dispute resolution mechanisms, comprising litigation and conventional alternative dispute resolution processes, have proven increasingly inadequate to meet the demands of speed, cost-efficiency, and cross-border accessibility that characterise modern digital commerce. Online Dispute Resolution (ODR) has emerged globally as the preferred mechanism for addressing disputes arising from electronic commercial transactions, offering technology-assisted processes of negotiation, mediation, and arbitration conducted through digital platforms without the necessity of physical attendance.

This research examines the principles, practices, and procedures of ODR as applicable to commercial transactions in Nigeria. It analyses the existing legal and regulatory framework governing ODR in Nigeria, evaluating the contributions of the Arbitration and Mediation Act 2023, the Federal Competition and Consumer Protection Act 2018, the Evidence Act 2011, and the Cybercrimes (Prohibition, Prevention, Etc.) Act 2015.

While identifying the significant legislative gaps that presently impede the full development of ODR in Nigeria. The research further undertakes a comparative analysis of international ODR frameworks, particularly the UNCITRAL Technical Notes on Online Dispute Resolution and the European Union ODR Regulation, drawing lessons relevant to the Nigerian context. Hence, this research adopts a doctrinal and comparative methodology, drawing on primary sources including Nigerian legislation, judicial decisions, and international instruments, as well as secondary sources comprising academic texts, journal articles, and institutional guidelines.

However, the study concludes with recommendations aimed at establishing a coherent, effective, and internationally aligned ODR framework for Nigeria.

Keywords: Online Dispute Resolution, Electronic Commerce, Commercial Transactions, Arbitration and Mediation Act 2023, UNCITRAL, Digital Dispute Resolution, Nigeria, Access to Justice.

INTRODUCTION

The emergence of electronic commerce as a dominant mode of commercial activity in Nigeria has fundamentally transformed the landscape of commercial transactions and, with it, the nature and volume of commercial disputes requiring resolution. Nigeria's digital economy has expanded with remarkable speed: the country ranks among the largest e-commerce markets on the African continent, with millions of consumers and businesses engaging daily in online purchases, digital financial services, and platform-based commercial exchanges.[1] As the volume and complexity of these transactions grow, so too does the incidence of disputes arising from them, disputes concerning non-delivery of goods, defective products, unauthorised electronic payments, breach of digital service agreements, and a wide range of consumer protection concerns.[2]

Traditional dispute resolution mechanisms have proven structurally ill-suited to addressing disputes of this nature. Litigation in Nigerian courts, notwithstanding the efforts of the judiciary to modernise court processes, remains characterised by significant delays, prohibitive costs, and procedural complexity that render it impractical for the resolution of low-value, high-volume e-commerce disputes.[3] Conventional alternative dispute resolution processes, including arbitration and mediation as traditionally conducted, share many of the same limitations in the digital commercial context: they generally require physical attendance, rely on paper-based documentation, and are not calibrated to the speed and cross-border character of online commercial transactions.[4]

Online Dispute Resolution (ODR) has emerged in response to these structural deficiencies as a distinct and rapidly developing field of dispute resolution practice. ODR encompasses a range of technology-assisted dispute resolution processes, including automated negotiation, online mediation, and online arbitration, which are conducted through digital platforms and communication technologies without requiring the parties to attend a physical venue.[5] The defining characteristic of ODR is its use of technology not merely as a communication medium but as an integral component of the dispute resolution process itself, a feature that has led some scholars to describe the technology deployed in ODR as a “fourth party” participating alongside the disputants and the neutral.[6]

At the international level, ODR has received significant institutional recognition. The United Nations Commission on International Trade Law (UNCITRAL) adopted its Technical Notes on Online Dispute Resolution in 2017, providing a non-binding framework of principles and procedural guidelines for ODR in cross-border e-commerce disputes.[7] The European Union established a continent-wide ODR platform under Regulation (EU) No 524/2013, offering consumers and traders across member states access to a centralised online mechanism for the resolution of disputes arising from online transactions.[8]

In Nigeria, however, the development of ODR remains nascent. While the Arbitration and Mediation Act 2023 represents a landmark modernisation of the Nigerian dispute resolution framework and contains several provisions relevant to ODR, Nigeria is yet to enact dedicated ODR legislation or establish a government-mandated ODR platform for e-commerce disputes.[9] The regulatory framework applicable to ODR in Nigeria is fragmented across multiple statutes, and significant legislative gaps remain. This research seeks to examine that framework critically, analyse the principles, practices, and procedures of ODR as they operate in the Nigerian context, and identify the reforms necessary to position Nigeria as a credible ODR jurisdiction.

CONCEPTUAL AND THEORETICAL FRAMEWORK

Meaning and Nature of Online Dispute Resolution

Online Dispute Resolution is broadly defined as the use of information and communications technology to

[1] Nigerian Communications Commission, 'Industry Statistics' (2024) < https://www.ncc.gov.ng> Accessed 12 June, 2026; Statista, 'E-Commerce in Nigeria' (2024) <https://www.statista.com> Accessed 12 June, 2026.
[2] Federal Competition and Consumer Protection Commission, 'Annual Report 2023' (FCCPC 2023) 14-17.
[3] G. Ezejiofor, *The Law of Arbitration in Nigeria* (Longman 1997) 3-5.
[4] E. Katsh and J. Rifkin, *Online Dispute Resolution: Resolving Conflicts in Cyberspace* (Jossey-Bass 2001) 1-3.
[5] C. Rule, *Online Dispute Resolution for Business* (Jossey-Bass 2002) 13-15.
[6] E. Katsh and J. Rifkin (n 4) 93-95.
[7] UNCITRAL, 'Technical Notes on Online Dispute Resolution' (2017) <https://uncitral.un.org> Accessed 12 June, 2026.
[8] Regulation (EU) No 524/2013 of the European Parliament and of the Council on Online Dispute Resolution for Consumer Disputes (2013) OJ L165/1.
[9] O. Abdulhameed, 'The Arbitration and Mediation Act 2023: A New Dawn for Dispute Resolution in Nigeria' (2023) 10 *Nigerian Journal of Arbitration* 1, 4.

facilitate the prevention, management, and resolution of disputes.[10] The term encompasses a wide spectrum of processes ranging from fully automated systems that resolve disputes through algorithmic decision-making, to technology-assisted versions of conventional dispute resolution processes such as negotiation, mediation, and arbitration conducted through online platforms.[11] What unifies these diverse processes is their common reliance on digital technology as the primary medium through which the dispute resolution process is conducted.

It is important to note that ODR is not a single, uniform process but rather a family of related mechanisms that share the common feature of technology-assisted dispute resolution. At one end of the spectrum are fully automated ODR systems, such as the blind-bidding platforms used by eBay and PayPal, which resolve monetary disputes through algorithmic processes without the involvement of a human neutral.[12] At the other end are online versions of conventional arbitration, in which the entire arbitral process, from the filing of the request to the issuance of the award, is conducted through secure digital platforms. Between these poles lie a variety of hybrid processes combining automated and human elements in different proportions.[13]

Distinction between ODR and Traditional ADR

While ODR draws heavily on the principles and processes of traditional alternative dispute resolution, it is conceptually and operationally distinct in several important respects. The major distinctions between ODR and the Traditional ADR are that:

1. The traditional ADR processes, including negotiation, mediation, and arbitration, are premised on the physical presence of the parties and, where applicable, a neutral third party at a common venue.[14] On the other hand, ODR, by contrast, eliminates the requirement of physical co-presence, which enables parties located in different cities, countries, or even continents to participate in a dispute resolution process through their digital devices.[15]

   This spatial unbundling of the dispute resolution process has profound implications for access to justice. It removes the geographical barriers that have historically limited access to dispute resolution for parties in remote or underserved locations, reduces the travel costs and time associated with physical attendance, and enables the resolution of low-value disputes that would be economically irrational to pursue through conventional processes.[16]
2. At the same time, ODR introduces new challenges around the verification of identity, the security of digital communications, and the enforceability of outcomes reached through online processes, challenges that do not arise, or arise less acutely, in conventional ADR.[17]

Categories of ODR Mechanisms

ODR mechanisms may be classified into three principal categories corresponding broadly to the three main forms of traditional ADR, which are:

1. **Online Negotiation**: Here parties communicate directly through a digital platform to reach a mutually acceptable resolution of their dispute without the assistance of a neutral third party.[18] Online

[10] E. Katsh and C. Rule, *Online Dispute Resolution: A Guide to ODR* (American Bar Association 2016) 7.
[11] T. Schultz, 'Online Dispute Resolution: An Overview and Selected Issues' (2002) United Nations Economic Commission for Europe Working Paper 2–3.
[12] C. Rule (n 5) 45–47.
[13] G. Kaufmann-Kohler and T. Schultz, '*Online Dispute Resolution: Challenges for Contemporary Justice*' (Kluwer Law International 2004) 1, 23–25.
[14] S.J. Ware, *Principles of Alternative Dispute Resolution* (3rd edn, West Academic Publishing 2016) 12.
[15] E. Katsh and Rifkin J (n 4) 35.
[16] O. Rabinovich-Einy and E. Katsh, 'Digital Justice: Reshaping Boundaries in an Online Dispute Resolution Environment' (2012) 1 *International Journal of Online Dispute Resolution* 5, 9-11.
[17] T. Schultz (n 11) 8-10.
[18] C. Rule (n 5) 55-58.

negotiation may be entirely unassisted, relying solely on the parties' own communications through email, messaging platforms, or dedicated negotiation portals, or it may be assisted by automated tools such as blind-bidding systems that facilitate the convergence of positions without requiring the parties to communicate directly.[19]

2. **Online Mediation**: Here a neutral third party, the online mediator, assists the parties in reaching a negotiated settlement through a structured process conducted via video conferencing, email, or a dedicated online mediation platform.[20] Online mediation retains the essential features of conventional mediation, including the voluntariness of participation, the confidentiality of the process, and the non-binding character of the outcome unless and until a settlement agreement is concluded.[21]

3. **Online Arbitration**: Here the parties submit their dispute to one or more arbitrators whose decision, the online award, is legally binding on the parties.[22] Online arbitration follows the essential procedural framework of conventional arbitration but conducts all or substantially all of the arbitral process, including the submission of pleadings, the exchange of evidence, oral hearings, and the issuance of the award, through digital means.[23]

Theoretical Framework

Two principal theoretical frameworks inform the analysis of ODR in this research.

The first is **the Fourth Party Theory**, advanced by Ethan Katsh and Janet Rifkin, which holds that in ODR the technology platform itself functions as a participant in the dispute resolution process, alongside the two disputing parties and the human neutral.[24] Under this theory, the technology is not merely a passive communication medium but an active shaper of the dispute resolution environment, influencing the pace, structure, and outcome of the process through its design features, algorithmic functions, and communication architecture.[25] The fourth party theory has important implications for the regulation of ODR: if the technology platform actively shapes the process, then the design and governance of ODR platforms becomes a matter of significant public interest, warranting regulatory oversight to ensure fairness and accountability.[26]

The second theoretical framework is the **Access to Justice Theory**, which evaluates dispute resolution mechanisms by their capacity to provide effective, affordable, and accessible remedies to all disputants regardless of their economic resources, geographical location, or legal sophistication.[27] ODR's potential to dramatically expand access to dispute resolution for ordinary consumers and small businesses, particularly in a country as large and geographically diverse as Nigeria, makes access to justice the most compelling normative justification for the development of ODR in the Nigerian context.[28]

THE LEGAL AND REGULATORY FRAMEWORK FOR ODR IN NIGERIA

The Arbitration and Mediation Act 2023

The Arbitration and Mediation Act 2023 (AMA 2023) represents the most significant reform of Nigerian dispute resolution law in recent decades and constitutes the primary statutory foundation upon which any

[19] E. Katsh and C. Rule (n 10) 45-48.
[20] S. J. Ware (n 14) 267-270.
[21] O. Abdulhameed (n 9) 8.
[22] G. Kaufmann-Kohler and T. Schultz (n 13) 55-57.
[23] Ibid 58-60.
[24] E. Katsh and J. Rifkin (n 4) 93-100.
[25] Ibid 100-103.
[26] O. Rabinovich-Einy and E. Katsh (n 16) 15-18.
[27] S. J. Ware (n 14) 2-4.
[28] C. Ejifor, 'Online Dispute Resolution and E-Commerce in Nigeria: Challenges and Prospects' (2022) 14 *Journal of International Arbitration* 45, 48.

Nigerian ODR framework must be built.[29] Enacted with the express objective of modernising Nigerian arbitration and mediation law and aligning it with international best practice, the AMA 2023 introduced a number of provisions that are directly relevant to the conduct of ODR.

Most significantly, **Section 2** of the AMA 2023 provides that a requirement under the Act that any communication be "in writing" is satisfied if the communication is made by electronic means, provided that the information contained therein is accessible so as to be useable for subsequent reference.[30] This provision is foundational for ODR: by expressly recognising electronic communications as legally equivalent to written communications for the purposes of the Act, it removes a significant potential barrier to the conduct of online arbitration and mediation under Nigerian law. A request for arbitration transmitted by email, a notice of appointment of an arbitrator communicated through an online platform, or a settlement agreement concluded through an electronic medium are all, on the face of **Section 2**, legally valid communications for the purposes of the AMA 2023.[31]

Section 88 of the AMA 2023 further provides deeming rules for the receipt of written communications, stipulating that a written communication is deemed received when delivered to the addressee personally, to the addressee's place of business, habitual residence, or mailing address.[32] These deeming provisions, read together with Section 2's recognition of electronic communications, provide a workable, if incomplete, framework for determining when electronically transmitted ODR communications are legally effective.

The AMA 2023 also introduced comprehensive provisions governing mediation, making Nigeria one of the few African jurisdictions to codify mediation within its principal dispute resolution statute.[33] These mediation provisions, which draw significantly from the UNCITRAL Model Law on International Commercial Mediation and International Settlement Agreements Resulting from Mediation 2018 (the Singapore Convention Model Law), provide a statutory basis for the conduct of online mediation in commercial disputes.[34]

The Federal Competition and Consumer Protection Act 2018

The Federal Competition and Consumer Protection Act 2018 (FCCPA 2018) is significant for ODR in Nigeria primarily because of its establishment of the Federal Competition and Consumer Protection Commission (FCCPC) as the principal regulatory body for consumer protection in Nigeria, with broad powers to investigate and resolve consumer complaints.[35] The FCCPC has increasingly employed technology-assisted complaint resolution mechanisms in the discharge of its consumer protection mandate, and its activities represent one of the most concrete examples of ODR-adjacent practice in the Nigerian regulatory context.[36]

Section 167 of the FCCPA 2018 empowers the FCCPC to receive and investigate complaints from consumers and to facilitate the resolution of disputes between consumers and businesses through mediation and other consensual dispute resolution mechanisms.[37] While the Act does not expressly mandate ODR, the FCCPC's adoption of online complaint portals and digital dispute resolution processes represents a de facto development of ODR capacity within the Nigerian consumer protection framework.[38]

[29] O. Abdulhameed (n 9) 1–3.
[30] Arbitration and Mediation Act 2023, s 2.
[31] Ibid.
[32] Arbitration and Mediation Act 2023, s 88.
[33] O. Abdulhameed (n 9) 12-13.
[34] UNCITRAL Model Law on International Commercial Mediation and International Settlement Agreements Resulting from Mediation 2018.
[35] Federal Competition and Consumer Protection Act 2018, s 1.
[36] FCCPC (n 2) 20-22.
[37] Federal Competition and Consumer Protection Act 2018, s 167.
[38] FCCPC (n 2) 23.

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

The Cybercrimes (Prohibition, Prevention, Etc.) Act 2015 is relevant to ODR in Nigeria principally as part of the broader legal infrastructure governing electronic transactions and digital communications.[39] While the Act is primarily concerned with the criminalisation of cybercrimes rather than with the regulation of dispute resolution, its provisions on the security and integrity of electronic communications and computer systems are relevant to the conduct of ODR in that they establish the legal framework within which the digital platforms used for ODR must operate.[40]

The Act's provisions on electronic signatures and the admissibility of electronic evidence are of particular relevance to online arbitration, where the authentication of digital documents, electronic signatures on arbitration agreements, and the integrity of electronically transmitted pleadings and evidence may all come into question.[41]

The Evidence Act 2011 and Electronic Records

The Evidence Act 2011 constitutes a critical component of the Nigerian legal framework for ODR by virtue of its provisions governing the admissibility and evidential weight of electronic records in legal proceedings.[42] **Section 84** of the Evidence Act 2011 provides that a statement contained in a document produced by a computer shall be admissible as evidence of any fact stated therein if the document was produced by the computer in the course of activities regularly carried on, and the computer was operating properly during the relevant period.[43]

These provisions have direct implications for online arbitration proceedings conducted in Nigeria, as they govern the admissibility of electronically generated documents, digital communications, and computer-produced records that will frequently constitute the primary evidence in e-commerce disputes.[44] An online arbitral tribunal seated in Nigeria must therefore be cognisant of the requirements of **Section 84** when admitting electronic evidence submitted by the parties, and parties to ODR proceedings must ensure that their electronic records meet the statutory requirements for admissibility.[45]

Regulatory Gaps and the Absence of a Dedicated ODR Statute

Notwithstanding the provisions discussed above, the Nigerian legal framework for ODR is characterised by significant gaps that substantially impede its development. Most fundamentally, Nigeria lacks dedicated ODR legislation of the kind that has been enacted in several other jurisdictions.[46] The existing statutory provisions relevant to ODR are fragmented across multiple instruments, none of which was specifically designed with ODR in mind, and their interaction with one another is not always clear or coherent.[47]

The absence of a dedicated ODR statute means that critical questions remain unresolved under Nigerian law, including the legal status of ODR agreements, the enforceability of settlement agreements concluded through online mediation, the validity of online arbitral awards, and the liability of ODR platform providers for failures of the dispute resolution process.[48] These gaps create legal uncertainty that deters both businesses and consumers from utilising ODR mechanisms, and undermines the confidence of international counterparties in

[39] Cybercrimes (Prohibition, Prevention, Etc.) Act 2015, long title.
[40] Ibid, ss 6-9.
[41] Ibid, ss 17-19.
[42] Evidence Act 2011, Part III.
[43] Evidence Act 2011, s 84.
[44] C. Ejifor (n 28) 55-57.
[45] Ibid 58.
[46] O. Abdulhameed (n 9) 15.
[47] C. Ejifor (n 28) 60-62.
[48] Ibid 63-65.

the reliability of Nigerian ODR outcomes.[49]

PRINCIPLES GOVERNING ODR IN COMMERCIAL TRANSACTIONS

Party Autonomy

Party autonomy is the foundational principle of ODR, as it is of all forms of alternative dispute resolution. In the ODR context, party autonomy encompasses the freedom of the parties to choose ODR as their preferred dispute resolution mechanism, to select the specific ODR platform and process through which their dispute will be resolved, and to determine the substantive and procedural rules that will govern the resolution of their dispute.[50] This principle is reflected in the AMA 2023, which consistently affirms the primacy of the parties' agreement in determining the procedures governing arbitration and mediation.[51]

In practice, party autonomy in ODR is frequently exercised not through individual negotiation between the parties but through the incorporation by reference of the ODR rules of a particular institution or platform into the parties' commercial contract.[52] E-commerce platforms routinely include ODR clauses in their terms and conditions, directing consumers and merchants to designated ODR mechanisms for the resolution of transaction disputes. While such clauses are generally enforceable as a matter of contract law, their validity may be subject to challenge on grounds of unconscionability or inequality of bargaining power in consumer contracts, particularly where the ODR clause was included in a standard form contract without genuine negotiation.[53]

Accessibility and Inclusivity

Accessibility is perhaps the most distinctive and important principle of ODR, reflecting its foundational promise of expanding access to dispute resolution beyond the limitations of geography, cost, and physical mobility that constrain conventional processes.[54] An ODR system that is genuinely accessible must be usable by parties with varying levels of technological literacy, available in multiple languages where relevant, affordable in terms of both platform fees and connectivity costs, and operable on the devices most commonly used by the target population.[55]

In the Nigerian context, the principle of accessibility must be assessed against the backdrop of significant digital inequality. While Nigeria has a large and growing internet user base, internet penetration remains uneven, with significant disparities between urban and rural populations, and between different socioeconomic groups.[56] An ODR framework designed primarily for internet-connected, technologically sophisticated urban consumers will fail to serve the significant proportion of the Nigerian population that lacks reliable internet access or the digital literacy necessary to navigate complex online platforms.[57]

Fairness and Due Process

The principle of fairness requires that ODR processes afford each party a reasonable opportunity to present its case, to respond to the case of the opposing party, and to participate meaningfully in the process leading to the resolution of the dispute.[58] This principle is directly reflected in Section 29 of the AMA 2023, which provides

[49] Ibid 65.
[50] S. J. Ware (n 14) 156-158.
[51] Arbitration and Mediation Act 2023, ss 15, 25, 55.
[52] C. Rule (n 5) 102-104.
[53] C. Ejifor (n 28) 50-52.
[54] E. Katsh and C. Rule (n 10) 90-92.
[55] O. Rabinovich-Einy and E. Katsh (n 16) 20-22.
[56] Nigerian Communications Commission (n 1).
[57] C. Ejifor (n 28) 67-69.
[58] S. J. Ware (n 14) 160-162.

that the parties shall be treated with equality and each party shall be given a full opportunity to present its case in arbitral proceedings.[59]

The application of the due process principle to ODR raises specific challenges that do not arise, or arise less acutely, in conventional dispute resolution. The asynchronous nature of much online communication may make it difficult for parties to engage in real-time exchange of arguments and evidence. Technical failures or connectivity problems may prevent a party from participating fully in an online hearing.[60] Automated ODR systems that make decisions through algorithmic processes may lack transparency, making it difficult for the parties to understand how the outcome was reached and whether the process was conducted fairly.[61]

Confidentiality

Confidentiality is a core principle of ODR, as it is of conventional ADR. Parties to commercial disputes gener-

ally have strong interests in keeping the existence and outcome of their dispute resolution proceedings private, both to protect commercially sensitive information and to avoid reputational damage.[62] In the ODR context, however, the principle of confidentiality faces heightened challenges arising from the digital nature of the process. Electronic communications are inherently more susceptible to interception, unauthorised access, and data breaches than paper-based communications, and the digital platforms through which ODR is conducted must employ robust cybersecurity measures to ensure the confidentiality of the process.[63]

The AMA 2023 does not contain specific provisions governing the confidentiality of ODR proceedings, and this represents a significant legislative gap. The general confidentiality provisions applicable to arbitration and mediation under the Act will apply to online proceedings, but they do not address the specific cybersecurity and data protection dimensions of ODR confidentiality.[64]

Enforceability of ODR Outcomes

The enforceability of ODR outcomes is arguably the most critical principle from a practical standpoint, since the utility of any dispute resolution mechanism depends ultimately on the ability of the successful party to obtain effective relief.[65] The enforceability of ODR outcomes in Nigeria depends on the nature of the outcome: settlement agreements reached through online mediation, online arbitral awards, and determinations made by automated ODR systems each attract different enforcement regimes.[66]

Online arbitral awards made in proceedings conducted under the AMA 2023 are enforceable in the same manner as conventional arbitral awards, subject to the grounds for refusal of recognition and enforcement set out in the Act and the New York Convention.[67] Settlement agreements reached through online mediation may be enforced as contracts under Nigerian law, or, where they fall within the scope of the Singapore Convention on Mediation (to which Nigeria is a signatory), may be directly enforceable under the terms of that Convention.[68]

[59] Arbitration and Mediation Act 2023, s 29.
[60] G. Kaufmann-Kohlerand T. Schultz (n 13) 80-82.
[61] O. Rabinovich-Einy and E. Katsh (n 16) 25-27.
[62] S. J. Ware (n 14) 165.
[63] T. Schultz (n 11) 20-22.
[64] O. Abdulhameed (n 9) 18.
[65] G. Kaufmann-Kohlerand T. Schultz (n 13) 110-112.
[66] C. Ejifor (n 28) 70-72.
[67] Arbitration and Mediation Act 2023, s 56; Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958), art V.
[68] United Nations Convention on International Settlement Agreements Resulting from Mediation 2018, art 3.

PRACTICES: ODR IN NIGERIAN COMMERCIAL TRANSACTIONS

E-Commerce Disputes and Platform-Based ODR

The most prevalent context in which ODR is practised in Nigeria today is the resolution of disputes arising from e-commerce transactions on digital retail platforms. Major Nigerian e-commerce platforms, including Jumia, Konga, and a range of fintech and ride-hailing services, have developed internal dispute resolution mechanisms that exhibit the essential features of ODR, enabling consumers to lodge complaints, engage in structured communication with the platform and the merchant, and obtain refunds or other remedies through a wholly online process.[69]

These platform-based ODR mechanisms operate largely outside the formal legal framework of the AMA 2023 and the FCCPA 2018, functioning instead as contractual dispute resolution processes governed by the platform's terms and conditions.[70] While they have proven effective in resolving a large volume of low-value consumer disputes, their informal character raises concerns about procedural fairness, the accountability of platform operators, and the absence of independent oversight of the dispute resolution process.[71]

Banking and Financial Services Disputes

The Nigerian banking and financial services sector has been at the forefront of technology-assisted dispute resolution in Nigeria. The Central Bank of Nigeria (CBN) has established the Consumer Protection Department, which operates an online complaint resolution portal enabling bank customers to lodge complaints against financial institutions and track the progress of their resolution.[72] The Financial Services Complaint Resolution Framework established by the CBN represents one of the most developed examples of ODR-adjacent practice in the Nigerian regulatory context, combining online complaint submission, structured dialogue between the consumer and the financial institution, and regulatory intervention where bilateral resolution fails.[73]

Similarly, the Nigerian Communications Commission (NCC) operates an online consumer portal for the resolution of disputes between telecommunications subscribers and service providers, demonstrating the potential of sector-specific regulatory ODR mechanisms as a model for broader adoption across the Nigerian economy.[74]

ODR in Consumer Protection: The FCCPC Framework

The Federal Competition and Consumer Protection Commission has progressively incorporated technology-assisted complaint resolution into its consumer protection activities. The FCCPC's online complaint portal enables consumers to submit complaints electronically, track the status of their complaints, and receive responses from the Commission and the relevant businesses.[75] While the FCCPC's complaint resolution process does not yet constitute a fully developed ODR system in the technical sense, it represents an important institutional foundation upon which a more comprehensive ODR framework could be constructed.[76]

Institutional ODR Initiatives in Nigeria

At the institutional level, the Lagos Court of Arbitration (LCA) and the Chartered Institute of Arbitrators Nigeria (CIArb Nigeria) have taken steps to develop ODR capacity within the Nigerian arbitration community. The LCA introduced provisions for virtual hearings and electronic filing in its rules, responding to the practical

[69] C. Ejifor (n 28) 75-77.
[70] Ibid 78.
[71] Ibid 79-80.
[72] Central Bank of Nigeria, 'Consumer Protection Framework' (CBN 2016) 5-7.
[73] Ibid 8-10.
[74] Nigerian Communications Commission, 'Consumer Complaints Portal' <https://www.ncc.gov.ng> accessed 12 June 2026.
[75] FCCPC (n 2) 25-27.
[76] Ibid 28.

demands accelerated by the COVID-19 pandemic, which demonstrated both the feasibility and the necessity of conducting arbitral proceedings through digital means.[77] These institutional developments, while significant, have not yet coalesced into a comprehensive ODR framework, and the gap between institutional practice and legislative provision remains a significant constraint on the development of ODR in Nigeria.[78]

PROCEDURES: HOW ODR WORKS IN PRACTICE

Initiation of ODR Proceedings

The initiation of ODR proceedings follows a broadly similar pattern across different ODR mechanisms, adapted to the specific features of the platform or institutional rules in question. In platform-based ODR, initiation is typically effected by the submission of a complaint or dispute notification through the platform's online portal, specifying the nature of the dispute, the relief sought, and the relevant transaction details.[79] In institutional online arbitration, initiation follows the formal requirements of the applicable arbitration rules, adapted for electronic submission: the claimant submits a request for arbitration electronically, the institution or the other party acknowledges receipt, and the process of constituting the tribunal is set in motion through the platform.[80]

Under the AMA 2023, the commencement provisions of Section 33 apply equally to online arbitration: proceedings commence on the date on which the request for arbitration is received by the respondent, with receipt being determined in accordance with the deeming provisions of Section 88 read together with Section 2's recognition of electronic communications.[81]

Conduct of Online Negotiation and Mediation

Online negotiation may be conducted through different text-based communication via email or messaging platforms, through synchronous real-time communication via video conferencing tools, or through dedicated ODR platforms that structure the negotiation process through guided questionnaires, automated position-mapping tools, and algorithmic bid-matching systems.[82] The UNCITRAL Technical Notes recommend that ODR platforms provide parties with clear information about the process, enable them to communicate securely, and maintain a complete record of all communications for the purposes of verifying the integrity of the process.[83]

Online mediation follows the essential structure of conventional mediation transposed to a digital environment. The mediator may conduct joint sessions and caucuses through video conferencing, exchange documents and proposals through secure file-sharing tools, and conclude the process by facilitating the parties' electronic signature of a settlement agreement.[84] The AMA 2023's provisions on mediation, including the requirements of confidentiality and the mediator's duty of impartiality, apply equally to online mediation proceedings conducted under the Act.[85]

Online Arbitration: Process and Award

Online arbitration follows the procedural framework of conventional arbitration conducted through digital means. Following the initiation of proceedings and the constitution of the tribunal, the parties exchange pleadings and evidence electronically through the ODR platform.[86] Oral hearings, where required, are

[77] Lagos Court of Arbitration, 'LCA Arbitration Rules 2020' <https://www.lcaarb.org> accessed 12 June 2026.
[78] O. Abdulhameed (n 9) 20-21.
[79] C. Rule (n 5) 125-128.
[80] G. Kaufmann-Kohler and T. Schultz (n 13) 130-132.
[81] Arbitration and Mediation Act 2023, ss 33, 88; s 2.
[82] E. Katsh and C. Rule (n 10) 112-115.
[83] UNCITRAL Technical Notes (n 7) para 24-26.
[84] S. J. Ware (n 14) 280-283.
[85] Arbitration and Mediation Act 2023, ss 60-65.
[86] G. Kaufmann-Kohlerand T. Schultz (n 13) 145-147.

conducted via secure video conferencing platforms, with appropriate arrangements for the administration of oaths or affirmations, the examination and cross-examination of witnesses, and the real-time sharing of documentary evidence.[87]

The arbitral award in online arbitration is issued electronically and must comply with the formal requirements of the AMA 2023 for a valid award, including the requirement that it be in writing and signed by the arbitrator or arbitrators.[88] Section 2 of the AMA 2023, read in conjunction with the Electronic Transactions Act and the Evidence Act 2011, supports the conclusion that an award issued and signed electronically satisfies the writing and signature requirements of the Act, though this position has not yet been conclusively confirmed by Nigerian courts.[89]

Enforcement of ODR Outcomes in Nigeria

The enforcement of ODR outcomes in Nigeria is governed by the same legal framework applicable to the enforcement of conventional dispute resolution outcomes, adapted to address the specific characteristics of online proceedings. Online arbitral awards are enforceable under Part III of the AMA 2023, which provides for the recognition and enforcement of both domestic and foreign arbitral awards, subject to the grounds for refusal set out in Section 56 of the Act and Article V of the New York Convention.[90]

The enforcement of settlement agreements reached through online mediation presents a more complex picture. Where the settlement agreement falls within the scope of the United Nations Convention on International Settlement Agreements Resulting from Mediation 2018 (the Singapore Convention), to which Nigeria acceded in 2021, it may be directly enforced in Nigerian courts in accordance with the Convention's requirements without the need to reduce the agreement to a court judgment or arbitral award.[91] This represents a significant practical advantage for parties who resolve commercial disputes through online mediation, and underscores the importance of Nigeria's accession to the Singapore Convention for the development of ODR in the country.

COMPARATIVE INSIGHTS: ODR FRAMEWORKS IN SELECTED JURISDICTIONS

The UNCITRAL Technical Notes on ODR

The UNCITRAL Technical Notes on Online Dispute Resolution, adopted by the UNCITRAL Working Group III in 2017, constitute the most authoritative international statement of principles and procedural guidelines for ODR in cross-border e-commerce disputes.[92] Although non-binding, the Technical Notes have achieved significant influence as a reference framework for the development of national and institutional ODR rules, and their content is directly relevant to the reform of the Nigerian ODR framework.

The Technical Notes recommend that ODR proceedings be governed by a set of core principles including efficiency, effectiveness, fairness, accountability, and accessibility.[93] They provide procedural guidelines for the initiation, communication, and resolution phases of ODR proceedings, and recommend that ODR outcomes be capable of enforcement under applicable national or international law.[94] The Notes also address the governance of ODR platforms, recommending that platform providers be subject to oversight mechanisms that ensure compliance with the core principles and provide recourse for parties who suffer procedural prejudice.[95]

[87] Ibid 148-150.
[88] Arbitration and Mediation Act 2023, s 44.
[89] C. Ejifor (n 28) 85-87.
[90] Arbitration and Mediation Act 2023, s 56; New York Convention (n 67), art V.
[91] Singapore Convention (n 68), art 3; O. Abdulhameed (n 9) 22.
[92] UNCITRAL Technical Notes (n 7) preamble.
[93] Ibid para 10-15.
[94] Ibid para 16-30.
[95] Ibid para 35-40.

The European Union ODR Framework

The European Union established a comprehensive ODR framework for consumer disputes arising from online transactions through Regulation (EU) No 524/2013 on Online Dispute Resolution for Consumer Disputes, which came into force in 2016.[96] The Regulation established a centralised EU ODR platform, accessible through a single web portal, which connects consumers and traders across all EU member states with accredited ADR bodies competent to resolve their disputes.[97]

The EU ODR framework is notable for several features that are relevant to the Nigerian context. First, it mandates that online traders established within the EU provide consumers with a link to the EU ODR platform on their websites and in their email communications, thereby ensuring visibility and accessibility of the mechanism.[98] Second, it establishes quality criteria for accredited ADR bodies participating in the platform, including requirements of impartiality, transparency, effectiveness, and legality.[99] Third, it provides for the automatic translation of communications between parties who do not share a common language, addressing one of the significant practical barriers to cross-border ODR.[100]

CHALLENGES OF ODR IN NIGERIA

Technological Infrastructure and Digital Divide

The most fundamental challenge confronting the development of ODR in Nigeria is the inadequacy of the country's digital infrastructure and the pervasiveness of the digital divide. While Nigeria has the largest internet user base in Africa in absolute terms, internet penetration as a percentage of the population remains below fifty percent, and access to reliable, affordable broadband connectivity is heavily concentrated in urban centres.[101] ODR systems that depend on high-bandwidth video conferencing or complex online platforms are simply inaccessible to large segments of the Nigerian population, undermining the principle of accessibility that is the foundational justification for ODR.

The digital divide in Nigeria also has a significant skills dimension. The effective use of ODR platforms requires a level of digital literacy that many Nigerian consumers, particularly those in rural areas or older demographic groups, do not yet possess.[102] Any Nigerian ODR framework must therefore incorporate provisions for digital literacy support, user-friendly platform design, and alternative access mechanisms, such as telephone or SMS-based participation, to ensure that ODR is genuinely accessible to all Nigerians and not only to the technologically sophisticated urban minority.

Legal and Regulatory Uncertainty

The absence of a dedicated ODR statute in Nigeria creates significant legal and regulatory uncertainty that deters both domestic and international stakeholders from investing in and utilising ODR mechanisms. Questions concerning the legal validity of ODR agreements, the enforceability of electronically concluded settlement agreements, the admissibility of electronically generated evidence in enforcement proceedings, and the regulatory status and liability of ODR platform providers remain inadequately addressed by the existing legal framework.[103]

This legal uncertainty is compounded by the relative inexperience of the Nigerian judiciary with ODR-related issues. While Nigerian courts have generally adopted a pro-arbitration stance in recent years, they have had limited occasion to address the specific legal questions raised by online dispute resolution, and their approach

[96] Regulation (EU) No 524/2013 (n 8), art 1.
[97] Ibid, art 5.
[98] Ibid, art. 14.
[99] Ibid, art. 19.
[100] Ibid, art. 10.
[101] Nigerian Communications Commission (n 1).
[102] C. Ejifor (n 28) 95-97.
[103] Ibid. 98-100.

to issues such as the validity of electronic arbitration agreements or the enforceability of online arbitral awards cannot be predicted with confidence from existing jurisprudence.[104]

Enforcement Challenges

Notwithstanding the enforceability framework provided by the AMA 2023 and the Singapore Convention, the practical enforcement of ODR outcomes in Nigeria faces significant challenges. The general difficulties associated with enforcing arbitral awards and mediation settlement agreements through the Nigerian court system, including delays, procedural complexity, and in some cases judicial hostility to non-court outcomes, apply equally to online dispute resolution outcomes.[105]

The enforcement of ODR outcomes against respondents who are located outside Nigeria presents additional challenges, requiring the claimant to navigate the enforcement frameworks of foreign jurisdictions in addition to those of Nigeria. While the New York Convention provides a broadly effective framework for the enforcement of foreign arbitral awards across its 172 signatory states, the enforcement of online mediation settlements against foreign respondents remains dependent on the domestic law of the enforcement jurisdiction, which may or may not recognise the Singapore Convention.[106]

Trust, Awareness and Cultural Attitudes

The development of ODR in Nigeria is significantly impeded by low levels of awareness of ODR among Nigerian businesses and consumers, and by cultural attitudes that favour face-to-face dispute resolution processes over impersonal digital mechanisms.[107] Many Nigerian commercial actors remain unfamiliar with the concept of ODR and its potential advantages, and continue to rely on informal dispute resolution through personal networks or, at the other extreme, on litigation, despite its well-documented disadvantages in terms of cost, delay, and uncertainty of outcome.[108]

Building trust in ODR among Nigerian commercial actors requires sustained educational and awareness-raising efforts by the government, professional bodies, and civil society organisations, as well as demonstrated practical successes in the resolution of commercial disputes through ODR mechanisms that are visible and accessible to the wider public.[109]

CONCLUSION AND RECOMMENDATIONS

Conclusion

This research has undertaken a comprehensive examination of the principles, practices, and procedures of Online Dispute Resolution as applicable to commercial transactions in Nigeria. It has demonstrated that ODR represents an indispensable mechanism for addressing the rapidly growing volume and complexity of disputes arising from Nigeria's expanding digital economy, offering advantages of speed, cost-efficiency, accessibility, and cross-border reach that conventional dispute resolution mechanisms cannot match.

The analysis of the Nigerian legal and regulatory framework has revealed that while the AMA 2023 provides a significant statutory foundation for ODR, particularly through its recognition of electronic communications, its modernised mediation provisions, and its alignment with the UNCITRAL Model Law, the framework remains fragmented, incomplete, and inadequate to support a fully developed ODR ecosystem. The absence of dedicated ODR legislation, the unresolved questions concerning the enforceability of online dispute resolution

[104] O. Abdulhameed (n 9) 25-26; *Ohochukwu v Access Bank Plc* [2009] 12 NWLR (Pt 1156) 510.
[105] *Sonnar (Nig) Ltd v Partenreedri MS Nordwind* [1987] 4 NWLR (Pt 66) 520; Ezejiofor G (n 3) 200–202.
[106] New York Convention (n 67), art III; Singapore Convention (n 68), art 14.
[107] C. Ejifor (n 28) 103-105.
[108] Ibid 106.
[109] O. Abdulhameed (n 9) 28.

outcomes, and the broader systemic challenges of digital inequality, legal uncertainty, and low awareness collectively represent significant obstacles to the realisation of ODR's potential in Nigeria.

The comparative analysis of the UNCITRAL Technical Notes and the EU ODR framework has demonstrated that these obstacles are not insurmountable, and that practical, internationally tested models exist upon which Nigeria can draw in constructing its own ODR framework.

Recommendations

On the basis of the foregoing analysis, the following recommendations are advised:

1. **Enactment of a Consolidated ODR Legislation**: The National Assembly should enact dedicated ODR legislation that consolidates the existing fragmented statutory provisions, establishes clear rules for ODR agreements, processes, and outcomes, and provides for the accreditation and oversight of ODR platform providers.[110] Such legislation should draw expressly on the UNCITRAL Technical Notes on ODR and should be developed in consultation with relevant stakeholders including the FCCPC, the Nigeria Deposit Insurance Corporation, the CBN, and the legal profession.

2. Establishment of National ODR platform: The Federal Government should establish a national ODR platform for e-commerce and consumer disputes, modelled on the EU ODR platform, providing a single accessible portal through which consumers and businesses can access accredited ODR services.[111] The platform should be designed with the specific constraints of the Nigerian digital environment in mind, incorporating mobile-friendly interfaces, low-bandwidth functionality, and provision for SMS-based participation by parties who lack reliable internet access.

3. FCCPC Empowerment: The FCCPC should be empowered by legislation to administer and oversee the national ODR platform, building on the consumer protection expertise and institutional capacity it has already developed.[112] The Commission should be given express statutory authority to accredit ODR service providers, set minimum standards for ODR platform design and governance, and investigate and sanction platform providers that fail to comply with the prescribed standards.

4. Training of the Nigerian Judiciary: The Nigerian judiciary should receive specialised training on the legal framework applicable to ODR, to ensure that enforcement applications relating to online dispute resolution outcomes are handled promptly, consistently, and in a manner that reinforces confidence in the ODR framework.[113] The National Judicial Institute should incorporate ODR jurisprudence into its continuing education programmes for judges at all levels of the court hierarchy.

5. Accreditation Standards and Training for Online Mediators and Arbitrators: Professional bodies including CIArb Nigeria and the Nigerian Bar Association should develop accreditation standards and training programmes for online mediators and arbitrators, ensuring the availability of a sufficient pool of qualified ODR practitioners to meet growing demand.[114] The development of a recognised ODR practitioner qualification in Nigeria would enhance the credibility and professionalism of the sector and align Nigerian practice with international standards.

As Nigeria consolidates its position as Africa's largest economy and a major hub of digital commercial activity, the development of a robust ODR infrastructure is not merely a matter of procedural modernisation but a strategic imperative for the country's economic competitiveness and its attractiveness as a destination for digital investment and cross-border commerce. The recommendations advanced in this research provide a concrete roadmap for the realisation of that objective.

[110] Ibid 29-30.
[111] C. Ejifor (n 28) 110-111.
[112] Ibid 112.
[113] FCCPC (n 2) 30.
[114] O. Abdulhameed (n 9) 31.

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