

## Unfair Trade Practices in Commercial Transactions

Sakina Latif

School of Law and Policy, University of Management and Technology, Lahore, Pakistan

### How to Cite this Article:

Sakina, L. (2025). Unfair Trade Practices in Commercial Transactions. *Law Research Journal*, 3(1), 50–60.

### Abstract

Fair trade practices in commercial transactions refer to dishonest and unfair methods businesses utilize to deceive buyers or destroy competition. Such actions violate the laws that defend consumer rights as well as promote unjust market competition. Unethical advertising strategies combined with price alterations below-cost selling operations and pressure tactics to upsell products constitute examples. The main purpose of unfair trade practices consists of misleading customers regarding what they pay and what they receive. The practices create damage to competing companies since they restrict their operational capacity in the market. Two major false advertising examples exist together with deceptive pricing methods and price fixing agreements among businesses and the practice of selling goods at below-cost levels for market competition elimination. Businesses use two main unfair practices when forcing customers to obtain unwanted items and establishing opaque contracts that benefit their interests. Consumer protection agencies will intervene when businesses carry out these unfair activities to investigate and block the practice as well as conduct penalties against the offending company. People who suffer harm from business practices have the right to file legal charges against these businesses to recover their losses. Substantive rules and punishing penalties must exist for businesses that perform such acts. Competitive business practices remain possible while consumers obtain protection because of these measures. Consumer rights education allows customers to select better products while having the ability to record business misconduct. Relevant parties consisting of regulators along with businesses and consumer groups need to collaborate to maintain market fairness through rule enforcement.

### Keywords

Unfair Trade Practices, Literature Review, Challenges, Case Laws, Recommendations.

Corresponding Authors: [Advsakina786@gmail.com](mailto:Advsakina786@gmail.com)

## 1. Introduction

The unethical marketing methods that businesses use to secure clients amount to unfair trade practices. Organizations engage in dishonest and unethical tactics such as product deception alongside deceptive marketing and pretend deals that do not fulfill quality requirements.<sup>1</sup> Officials can provide compensation or penalties to customers through Consumer Protection Laws because these practices are illegal.<sup>2</sup> Businesses use unethical or dishonest business methods to cheat their customers while gaining an advantage. Buyers have the right to make knowledgeable purchasing decisions thanks to the Consumer Protection Act which prohibits such procedures.<sup>3</sup> Unfair trade practices refer to dishonest business actions that damage market competition by not staying fair. The banning of competitive practices by companies helps solve market

<sup>1</sup> Julie Bang, "What Is an Unfair Trade Practice?", available at <https://www.investopedia.com/terms/u/unfair-tradepractice.asp#:~:text=Unfair%20business%20practices%20include%20misrepresentation,and%20noncompliance%20with%20manufacturing%20standards> (accessed on January 26, 2025).

<sup>2</sup> Openstax, "Unfair Trade Practices", available at <https://openstax.org/details/books/business-law-essentials> (accessed on January 26, 2025).

<sup>3</sup> Korea Fair Trade Commission, 95, Dasom 3-ro, Sejong-si, Republic of Korea, 30108Tel: +82-44-200-4326 Copyright (c) Fair Trade Commission., "What are "unfair trade practices? Available at <https://www.ftc.go.kr/eng/contents.do?key=505> (accessed on January 26, 2025).



injustice to secure fair market conditions.<sup>4</sup> The CPR system exists to verify whether businesses engage in misleading practices or display aggressive or careless conduct that produces consumer influence. The business practices qualify as unfair when customers end up purchasing products or services which they would not have done with complete knowledge of facts.<sup>5</sup>

## 2. Literature Review

Unfair trade practices happen when businesses act dishonestly or take advantage of consumers in areas like buying goods, renting, insurance, or collecting debts. Most states created laws to stop these practices in the 1960s and 1970s.<sup>6</sup> Today, these laws help protect consumers. If you feel mistreated, check your state's laws to see if you can take legal action.<sup>7</sup> Unfair trading practices harm businesses and consumers. They happen when one party can't easily switch to a new partner or end a deal because it's too costly or impossible.<sup>8</sup> Many businesses avoid complaining about unfair treatment because they fear losing the partnership (87% just discuss the issue, 65% stay silent out of fear, and 50% think legal actions won't work). This makes unfair practices harder to stop.<sup>9</sup> The Directive ensures fairness in business by stopping practices like forcing suppliers to take back unsold products or pay for things like shelf space, promotion, marketing, advertising, staff, or store setup.<sup>10</sup> These rules apply across all EU countries to address the most common unfair practices and create equal conditions for everyone.<sup>11</sup> Unfair trade practices are dishonest or harmful actions by businesses that deceive or hurt consumers. These can include false advertising, fake gift offers, not following product standards or misleading prices. Such actions often break consumer protection laws.<sup>12</sup>

## 3. Research Methodology

This article reviews information from various sources to understand how unfair trade practices affect business transactions. The study gathered reliable information from websites, expert articles, research papers, and industry reports to ensure accuracy and relevance. It focused on unfair practices, their impact on businesses, and possible solutions, using only recent and credible sources. The research grouped the information into

---

<sup>4</sup> *Ibid.*

<sup>5</sup> Visit Britain Unfair trading practices," What constitutes an unfair trading practice?", available at <https://www.visitbritain.org/business-advice/pink-book/unfair-trading-practices> (accessed on January 26, 2025).

<sup>6</sup> Investopedia," Understanding Unfair Trade Practices", available at <https://www.investopedia.com/terms/u/unfair-trade-practice.asp> (accessed on January 27, 2025).

<sup>7</sup> *Ibid.*

<sup>8</sup> European Union," WHAT ARE THE CONSEQUENCES OF UNFAIR TRADING PRACTICES? (INTERNAL MARKET, CONSUMERS' WELFARE)", available at [https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL\\_BRI\(2015\)563430\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL_BRI(2015)563430_EN.pdf) (accessed on January 27, 2025).

<sup>9</sup> *Ibid.*

<sup>10</sup> European Commission," Six grey unfair trading practices", available at [https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices_en) (accessed on January 27, 2025).

<sup>11</sup> *Ibid.*

<sup>12</sup> WINSTON & STRAWN," What Are Unfair Trade Practices?", available at <https://www.winston.com/en/legal-glossary/unfair-trade-practices> (accessed on January 27, 2025).

themes, like common unfair practices and ways to improve fairness in trade. This topic was chosen because unfair trade practices harm businesses and consumers and need attention. However, the study relied only on online information, which might miss details from real-world data. Since trade practices change over time, some findings may also need updates in the future.

#### **4. Unfair Trade Practices in Pakistan**

The Competition Commission of Pakistan (CCP) requires immediate action to stop companies from using unfair or misleading methods in their product sales. Practices that include wrongful data provision or intellectual stealing create consumer misinformation regarding unsuitable purchases while damaging legitimate business operations.<sup>13</sup> The CCP mandated companies to maintain honesty together with transparency and accurate information dissemination for consumer protection and fair business practices.<sup>14</sup> The Office of Fair Trading (OFT) upholds Section 10 of the Act by stopping deceptive marketing practices. The improper practices involve transmitting misleading statements that damage competing businesses or create incorrect perceptions about product specifications or price and quality.<sup>15</sup> The legislation protects against fraudulent trademark and packaging usage as well as deceptive advertisement comparisons among false claims. Companies perform unfair trade practices by using deceptive methods to gain profits through product misrepresentations or warranty violations and dangerous product distribution.<sup>16</sup> The Consumer Protection Act of 2019 provides legal protection against deceptive tactics that try to defraud consumers. The Consumer Protection Act enables customers to defend their rights against business promises that break or lie to consumers thus safeguarding consumers from unfair treatment.<sup>17</sup>

#### **5. Impact on Businesses**

The Commission states that unfair trading practices produce various kinds of business harm. Small businesses encounter problems sustaining operations while deciding about product acquisitions with new technology assets. Such practices increase costs and diminish profits for weak business partners. Unstable contract modifications frequently cause businesses to produce too much which results in wasted food products.<sup>18</sup> Diverse industrial legal frameworks for unfair practice regulations create difficulties for SMEs when they

<sup>13</sup> Sohail Sarfraz,” competition commission of Pakistan,” retrieved from <https://www.brecorder.com/news/1003008#:~:text=ISLAMABAD%3A%20The%20Competition%20Commission%20of,correct%20information%20about%20their%20product> (accessed on January 27, 2025).

<sup>14</sup> *Ibid.*

<sup>15</sup> COMPETITION COMMISSION OF PAKISTAN Government of Pakistan,” Introduction to Section 10: Deceptive Marketing Practices”, available at [https://cc.gov.pk/assets/images/guidelines/deceptive\\_marketing\\_guidelines\\_03\\_april%202023.pdf](https://cc.gov.pk/assets/images/guidelines/deceptive_marketing_guidelines_03_april%202023.pdf) (accessed on January 27, 2025).

<sup>16</sup> *Ibid.*

<sup>17</sup> Adv.Ruchi Kumar,” Understanding Unfair Trade Practices and Consumer Protection Laws”, retrieved from <https://in.linkedin.com/in/adv-ruchi-kumar-b4a8a659> (accessed on January 27, 2025).

<sup>18</sup> European Parliament,” Unfair Trading Practices in the Business-to-Business Food Supply Chain”, retrieved from [https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL\\_BRI\(2015\)563430\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL_BRI(2015)563430_EN.pdf) (accessed on January 27, 2025).

deal with legal matters.<sup>19</sup> The practice restricts multiple businesses from entering new markets while preventing their expansion beyond domestic territories.<sup>20</sup> The last negative impact on consumers from unfair treatment arises from price increases and reduced product accessibility.<sup>21</sup>

## 6. Judicial Impact

The law prohibits providing misleading information regarding any element of policy benefits and conditions or terms. A prohibition exists for businesses when they misrepresent profits or dividends that were paid previously. Insurers should refrain from making any wrong statements regarding their financial information or their operational framework. Every insurance policy requires a true representation of its operational characteristics through its official name.<sup>22</sup> A ban exists on providing deceptive premium rates as a method to achieve policy purchases or changes that should remain unchanged. It is illegal to mislead policyholders regarding loan offerings on their policy or to improperly suggest that ownership of a policy extends to stock ownership. In *Purely Creative*, fake prize claims requiring payment were banned. In *UK Parking Control*, a conviction for misleading parking fines was overturned. In *R v X*, a company tricked an elderly man into buying expensive security products with false burglary stats. The Court allowed a retrial, saying unfair practices might apply to the whole company, not just one case.<sup>23</sup> *K&N Foods* accused *Rahim Foods* of copying its product packaging to mislead customers. The Competition Commission of Pakistan fined *Rahim Foods* PKR 2 million for deceptive marketing. *Rahim Foods* appealed, and the Competition Appellate Tribunal reduced the fine, saying only one violation was proven. Both *Rahim Foods* and the CCP then appealed to the Supreme Court, which dismissed both appeals.<sup>24</sup> The court confirmed that *Rahim Foods* was guilty of copying packaging to deceive customers, reinforcing fair business practices, and protecting brands from imitation.<sup>25</sup> The case of *Muhammad Akram Malik v. Ehsan Raqib* was heard by the Islamabad High Court on March 4, 2016. *Muhammad Akram Malik* filed a consumer appeal against *Ehsan Raqib*.<sup>26</sup> The case was part of several similar consumer appeals that the court addressed together because they involved common legal issues. The decision focused on consumer rights and related legal matters.<sup>27</sup>

---

<sup>19</sup> *Ibid.*

<sup>20</sup> Investopedia, "Unfair Trade Practice: Definition, Deceptive Methods and Examples," available at <https://www.investopedia.com/terms/u/unfair-trade-practice.asp> (accessed on January 28, 2025).

<sup>21</sup> *Ibid.*

<sup>22</sup> GOUGH SQUARE CHAMBERS, "Unfair Commercial Practices Case Law", available at <https://goughsq.co.uk/unfair-commercial-practices-case-law/> (accessed on January 28, 2025).

<sup>23</sup> *Ibid.*

<sup>24</sup> Mr. Justice Syed Mansoor Ali Shah Mr. Justice Syed Hasan Azhar Rizvi, "Supreme Court of Pakistan", available at [https://www.supremecourt.gov.pk/downloads\\_judgements/c.a.444.2017.pdf](https://www.supremecourt.gov.pk/downloads_judgements/c.a.444.2017.pdf) (accessed on January 29, 2025).

<sup>25</sup> *Ibid.*

<sup>26</sup> Barrister Faisal Khan, Advocate, "ISLAMABAD HIGH COURT ISLAMABAD JUDICIAL DEPARTMENT", available at <https://mis.ihc.gov.pk/attachments/judgements/Criminal%20Appeal-5-2016ConsumerAppeals635994201322095406.pdf> (accessed on January 29, 2025).

<sup>27</sup> *Ibid.*

## 7. Challenges

The Competition Commission of Pakistan (CCP) challenges businesses to be honest and fair. Companies must stop misleading customers and ensure they provide true and accurate information about their products.<sup>28</sup> Deceptive practices will not be tolerated. In a world of rapid globalization and changing markets, the challenge is to strengthen consumer protection laws to keep businesses fair and transparent. Consumers deserve high-quality products and protection from unfair practices.<sup>29</sup> In Pakistan, progress has been made, but the real test is ensuring these laws are enforced effectively, so every consumer can trust the marketplace.<sup>30</sup> Some businesses use unfair tricks to make money, like false claims, fake warranties, or selling poor-quality products. This can leave customers feeling cheated. Thankfully, laws exist to protect consumers and ensure fair business practices.<sup>31</sup> The challenge is to make sure contracts are fair, with no party taking advantage of the other, especially when one side has more power or information. Unfair practices can happen when one party enforces unfair terms or abuses their position.<sup>32</sup> It is also a challenge to protect consumers from dishonest businesses that sell bad products or services. In any strong society, consumers need protection because they are important to the economy.<sup>33</sup> Islam also teaches fairness in business and honesty in transactions. The goal is to make sure consumers are safe from things like faulty products, privacy issues, unfair practices, and fraud.<sup>34</sup> Pakistan is behind other countries in protecting consumers. Businesses here assume customers know what they're doing, but many people, especially the elderly or uneducated, might not.<sup>35</sup> Consumers can't be expected to have the same knowledge as businesses. The challenge is to make sure

---

<sup>28</sup> Competition Commission of Pakistan, "unfair trade practices companies must be discouraged from selling their products CCP", available at <https://www.brecorder.com/news/40345235/high-level-us-team-arrives-to-talk-business> (accessed on January 29, 2025).

<sup>29</sup> Jazba Awais, "SAFGUARDING RIGHTS IN COMMERCIAL TRANSACTION", available at <https://www.bsolpk.org/llb-blog/2023/10/16/consumer-protection-laws-safeguarding-rights-in-commercial-transaction> (accessed on January 29, 2025).

<sup>30</sup> *Ibid.*

<sup>31</sup> Adv.Ruchi Kumar, "Understanding Unfair Trade Practices and Consumer Protection Laws", available at <https://www.linkedin.com/pulse/understanding-unfair-trade-practices-consumer-protection-ruchi-kumar-watuc> (accessed on January 29, 2025).

<sup>32</sup> European Parliament, "EXAMPLES OF UNFAIR TRADING PRACTICES", available at [https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL\\_BRI\(2015\)563430\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL_BRI(2015)563430_EN.pdf) (accessed on January 29, 2025).

<sup>33</sup> Dr. Aatir Rizvi1, Muhammad Azeem Farooqi , Dr. Muhammad Ramzan, H. Imran Ahmed Qureshi , Kashif Javed, "Consumer Protection And Protectionism In Pakistan Regulatory Framework, Issues And Solutions", available at [https://www.researchgate.net/publication/369763198\\_Consumer\\_Protection\\_And\\_Protectionism\\_In\\_Pakistan\\_Regulatory\\_Framework\\_Issues\\_And\\_Solutions](https://www.researchgate.net/publication/369763198_Consumer_Protection_And_Protectionism_In_Pakistan_Regulatory_Framework_Issues_And_Solutions) (accessed on January 29, 2025).

<sup>34</sup> *Ibid.*

<sup>35</sup> Dr Rao Qasim Idrees, Yasir Arfat, Naveed Hussain, "Pakistan's Current Legal Regime of Consumer Protection", retrieved from <https://www.iiu.edu.pk/wp-content/uploads/2023/03/ILR-Vol-6-Issue-2-Article-1-280323.pdf> (accessed on January 29, 2025).

businesses give clear information and don't take advantage of customers.<sup>36</sup> Prevent unfair competition and deceptive practices in business. While the law declares such acts unlawful, it does not apply to media professionals (like those working for newspapers, TV, or radio) if they unknowingly publish false or misleading advertisements. The real challenge is ensuring businesses play fair while balancing the responsibility of media outlets who may not always know if an ad is deceptive.<sup>37</sup> Stop businesses from using unfair or misleading tactics while making sure media workers aren't held responsible if they don't know an ad is false.<sup>38</sup> The problem is businesses using dishonest methods like false advertising or poor-quality products to gain customers. These practices are illegal, but ensuring businesses are held accountable and consumers can get compensation is key.<sup>39</sup> The issue is that, while the Consumer Protection Bureau has the power to enforce laws and investigate complaints, it's often private individuals who take legal action against businesses. The Attorney General's available resources are not enough to prevent the real trouble caused by private individuals who file lawsuits against businesses.<sup>40</sup> The FTC functions as an organization that safeguards customers against deceptive consumer business practices. All business operations require companies to establish precise and honest data disclosures. Companies remain accountable for creating deception even when they have no evil motives. Businesses should never use deceptive ads along with hidden fees or complex terminology because transparency remains crucial when dealing with customers.<sup>41</sup>

## 8. Findings and Analysis

Businesses employ unethical trade practices through deception or deception to boost their profits and customers become victims. Businesses commit unfair trade practices through product deception unauthorized advertising and additional cost concealment along with mandatory sales of unwanted products.<sup>42</sup> The practice of employing fake prize offers combined with product safety regulation violations exists among multiple companies. Businesses engaging in such illegal behaviors allow affected consumers to seek legal action and obtain compensation under existing consumer protection laws.<sup>43</sup> Businesses resort to unethical and dishonest means to acquire trading benefits and inflict damage on their clientele. Under the Consumer

---

<sup>36</sup> *Ibid.*

<sup>37</sup> PENNSYLVANIA UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW," Unlawful acts or practices: exclusions", available at [https://www.attorneygeneral.gov/wpcontent/uploads/2018/02/Unfair\\_Trade\\_Practices\\_Consumer\\_Protection\\_Law.pdf](https://www.attorneygeneral.gov/wpcontent/uploads/2018/02/Unfair_Trade_Practices_Consumer_Protection_Law.pdf) (accessed on January 29, 2025).

<sup>38</sup> *Ibid.*

<sup>39</sup> WILL KANTON, ERIC ESTEVEZ," What Is an Unfair Trade Practice?", available at <https://www.investopedia.com/terms/u/unfair-trade-practice.asp> (accessed on January 29, 2025).

<sup>40</sup> WOLF BALDWIN," The Pennsylvania Unfair Trade Practices and Consumer Protection Law", available at <https://www.wolfbaldwin.com/articles/commercial-litigation-articles/unfair-trade-practices-and-consumer-protection/> (accessed on January 29, 2025).

<sup>41</sup> Andrew Cove," 5 Examples of Unfair Trade Practices and How to Avoid Them", retrieved from <https://covelaw.com/5-examples-unfair-trade-practices-avoid/> (accessed on February 1, 2025).

<sup>42</sup> WILL KENTON, ERIC ESTEVEZ," What Is an Unfair Trade Practice?", available at <https://www.investopedia.com/terms/u/unfair-trade-practice.asp> (February 1, 2025).

<sup>43</sup> *Ibid.*

Protection Act, all these illegal practices protect customers' rights to purchase goods or services with accurate knowledge and fairness.<sup>44</sup> Several deceptive tactics employed in business operations include product misinformation and deception of vulnerable consumers as well as advertising falsehoods as well as coercive product upselling offering fake gift promotions deceptive pricing and ignoring safety regulations.<sup>45</sup> Unfair trade practices carry another name which is deceptive trade practices or unfair business practices. Business operations through dishonest and unfair mechanisms to benefit themselves at the expense of their customers are known as unfair trade practices.<sup>46</sup> The Consumer Protection Act makes it unlawful for businesses to engage in such actions while supporting consumers during their purchasing choices. Unfair business practices involve product deception toward customers and exploiting vulnerable consumers through false ads mandatory second purchases fake gifts and deceptive pricing as well as safety regulations violations. Under the Consumer Protection Act, a business cannot trick consumers because it prohibits deception regarding products that claim exceptional outcomes but fail to deliver.<sup>47</sup> The Competition Act blocks big companies from acquiring all small businesses because this action would eliminate market competition thus keeping competition fair. A business can classify anything they do to market their products as well as offer them to customers as commercial practice. People must handle three elements of business interaction with clients: advertisements and promotional activities and their methods of communication. The mistreatment of clients by businesses can be assessed by established criteria to determine whether they are behaving unfairly. Businesses cannot present deceptive or contrasted advertising under the Control of Misleading and Comparative Advertising Act of 2000.<sup>48</sup> The order system enables authorities to stop deceptive advertisements while fighting against unethical business conduct. A system of regulations against false advertising functions to shield consumers from being treated improperly. Businesses provide muddled or fabricated information about insurance policies concerning coverage provisions payment processes and company finances.<sup>49</sup> Deceptive insurance descriptions about policy nature also fall under this category along with inaccurate statements about policy pricing as well as misleading language that pushes customers to purchase or change their policies.<sup>50</sup> The offense involves distorting both the supply elements and operational

---

<sup>44</sup> Openstax,” Unfair Trade Practices”, available at <https://openstax.org/books/business-law-essentials/pages/12-1-unfair-trade-practices> (accessed on February 1, 2025).

<sup>45</sup> *Ibid.*

<sup>46</sup> Fair Trade Commission,” What are “unfair trade practices?”, available at <https://www.ftc.go.kr/eng/contents.do?key=3076> (February 1, 2025).

<sup>47</sup> *Ibid.*

<sup>48</sup> Adv.Ruchi Kumar,” Understanding Unfair Trade Practices and Consumer Protection Laws”, available at <https://www.linkedin.com/pulse/understanding-unfair-trade-practices-consumer-protection-ruchi-kumar-watuc> (accessed on February 1, 2025).

<sup>49</sup> Brussels,” What is an unfair commercial practice?”, available at [https://ec.europa.eu/commission/presscorner/detail/en/memo\\_07\\_572](https://ec.europa.eu/commission/presscorner/detail/en/memo_07_572) (accessed on February 1, 2025).

<sup>50</sup> Professor Dr Cees van Dam, Erika Budaite,” British Institute of International and Comparative Law, London”, available at [https://www.biicl.org/files/883\\_national\\_reports\\_unfair\\_commercial\\_practices\\_new\\_member\\_states%5Bwith\\_dir\\_table\\_and\\_new\\_logo%5D.pdf](https://www.biicl.org/files/883_national_reports_unfair_commercial_practices_new_member_states%5Bwith_dir_table_and_new_logo%5D.pdf) (accessed on February 1, 2025).

structure of the insurance policy conditions. When organizations implement dishonest engagement strategies they force their customers to commit choices they would not ordinarily make.<sup>51</sup> Certain market segments including older people children and individuals in weak states require additional safeguarding against such behavior due to their heightened vulnerability.<sup>52</sup> The two main categories of unfair practices consist of deceptive actions which supply misguiding or confusing details and forceful actions that induce consumers to purchase products aggressively. Legally speaking there exists a complete ban on various set practices.<sup>53</sup>

## 9. Recommendations

Unfair trade practices in business can harm consumers and disrupt fair competition. These include misleading advertising, where companies make false or exaggerated claims about their products to deceive customers. For example, a product might be advertised as solving health problems when it can't. Price fixing occurs when competitors secretly agree to set the same prices, which removes competition and forces consumers to pay higher prices. Predatory pricing happens when a company sets prices below cost to drive others out of business, only to raise prices once they have control of the market. Deceptive sales tactics involve manipulating customers with high-pressure sales, bait-and-switch techniques, or hidden fees that weren't agreed upon. Pyramid schemes recruit people to invest, mainly for the opportunity to recruit others, instead of selling a legitimate product. Unfair contract terms include agreements that heavily favor the business, leaving consumers with little protection. Passing off is when a company sells a product pretending it's from a trusted brand, deceiving consumers. Trade secrets become stolen by commercial businesses to acquire supremacy after they obtain secret competitor information. A product receives false endorsement marketing when advertisements claim endorsement support from specific individuals who never endorsed the product in the first place. Individuals who lack decision-making capabilities become victims of Exploiting vulnerable consumers because manipulative marketing strategies coerce elderly customers into making purchases. Protecting consumers from unethical business practices requires governmental institutions to establish explicit laws along with effective implementations that oversee business behavior. The public should be informed of their rights and know which strategies are employed by businesspersons to defraud customers. There should be encouragement for the formulation of ethical business standards and internal mechanisms for detecting unethical behaviors among businesses. Customers should have ways through which they can report abuses while businesses should have examinations with penalties in place for the violations of the rules. National governments must come together to prevent retailers from engaging in certain practices that are detrimental to consumers globally. The solution to these problems will result in a competition that will safeguard the consumers' interests as well as the interests of all the players in the market.

## 10. Conclusion

Any business practices that harm competition and its customers and the economic balance in the market are considered unfair trade practices. Misleading advertising can be considered an unethical strategy in the field of marketing that implies the use of both misleading prices and the manipulation of customers to increase

---

<sup>51</sup> Investopedia," Examples of Unfair Trade Practices in Insurance", available at <https://www.investopedia.com/terms/u/unfair-trade-practice.asp> (accessed on February 1, 2025).

<sup>52</sup> Summaries of EU Legislation," Unfair commercial practices", available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legisum:l32011#:~:text=Directive%202005%2F29%2FEC%20distinguishes,omission%20and%20aggressive%20commercial%> (accessed on February 1, 2025).

<sup>53</sup> *Ibid.*



sales of certain products. Such business conduct prevents small companies from growing and reduces consumer options that are detrimental to market development. Companies have to work under the laws that protect against such actions from being performed. To ensure proper regulation, there is a need for the formulation of business regulations to enhance rule compliance. The existence of such legal provisions results in the intensification of business competition coupled with measures against misleading consumers. Teaching customers about their protective measures in the market constitutes a significant part of the process. This is because the consumers are in a position to understand the fair business conduct standards that are in practice in the market. People who observe unfair trade practices tend to report them to others which protects consumers from such occurrences. The most efficient approach to fight unethical trade practices emerges when all involved actors collaborate. Federal agencies and watchdog group monitoring teams must work with companies to create open guidelines that businesses need to follow. Public support for consumer groups must continue because these groups raise awareness and help customers facing unfair treatment. Collaborative work between stakeholders will build a market system that benefits everyone with clear visibility.

## 11. References

- Adv. Ruchi Kumar, managing partner in India legal. Available at: <https://in.linkedin.com/in/adv-ruchi-kumar-b4a8a659> (Accessed: 02 February 2025).
- Andrew Cove Cove. Law has significant experience defending federal investigations and formal actions by the Federal Trade Commission (2017) *5 examples of unfair trade practices and how to avoid them*, Cove Law, P.A. Available at: <https://covelaw.com/5-examples-unfair-trade-practices-avoid/> (Accessed: 02 February 2025).
- Awais, J. (2023) *Consumer protection laws: Safeguarding rights in a commercial transaction*, Blackstone School of Law & Business. Available at: <https://www.bsolpk.org/llb-blog/2023/10/16/consumer-protection-laws-safeguarding-rights-in-commercial-transaction> (Accessed: 02 February 2025).
- Consumer protection and Protectionism in Pakistan: Regulatory Framework, issues and solutions*. Available at: [https://www.researchgate.net/publication/369763198\\_Consumer\\_Protection\\_And\\_Protectionism\\_In\\_Pakistan\\_Regulatory\\_Framework\\_Issues\\_And\\_Solutions](https://www.researchgate.net/publication/369763198_Consumer_Protection_And_Protectionism_In_Pakistan_Regulatory_Framework_Issues_And_Solutions) (Accessed: 02 February 2025).
- Deceptive marketing guidelines for the ...* Available at: [https://cc.gov.pk/assets/images/guidlines/deceptive\\_marketing\\_draft\\_guidelines\\_for\\_telecom\\_sector.pdf](https://cc.gov.pk/assets/images/guidlines/deceptive_marketing_draft_guidelines_for_telecom_sector.pdf) (Accessed: 02 February 2025).
- Federal Trade Commission Act Section 5: Unfair or ...* Available at: <https://www.federalreserve.gov/boarddocs/supmanual/cch/200806/ftca.pdf> (Accessed: 02 February 2025).
- Free textbooks online with no catch* (no date) OpenStax. Available at: <https://openstax.org/details/books/business-law-i-essentials> (Accessed: 02 February 2025).
- IHC. Available at: <http://mis.ihc.gov.pk/attachments/judgements/Criminal%20Appeal-5-2016-ConsumerAppeals635994201322095406.pdf> (Accessed: 02 February 2025).
- Kenton, W. *Unfair trade practice: Definition, deceptive methods, and examples*, Investopedia. Available at: <https://www.investopedia.com/terms/u/unfair-trade-practice.asp> (Accessed: 02 February 2025).

- Kumar, Adv.R. (2024) *Understanding unfair trade practices and Consumer Protection Laws*, LinkedIn. Available at: <https://www.linkedin.com/pulse/understanding-unfair-trade-practices-consumer-protection-ruchi-kumar-watuc> (Accessed: 02 February 2025).
- Nazar, N. (2025) *High-level US team arrives to talk business*, Breccorder. Available at: <https://www.breccorder.com/news/40345235/high-level-us-team-arrives-to-talk-business> (Accessed: 02 February 2025).
- Pakistan's current legal regime of Consumer Protection*. Available at: <https://www.iiu.edu.pk/wp-content/uploads/2023/03/ILR-Vol-6-Issue-2-Article-1-280323.pdf> (Accessed: 02 February 2025).
- Sarfraz, S. (2020) *Unfair trade practices: Companies must be discouraged from selling their products: CCP*, Breccorder. Available at: <https://www.breccorder.com/news/1003008#:~:text=ISLAMABAD%3A%20The%20Competition%20Commission%20of,correct%20information%20about%20their%20product> (Accessed: 02 February 2025).
- Sather, T. (2023) *Unfair commercial practices case law*, Gough Square Chambers. Available at: <https://goughsq.co.uk/unfair-commercial-practices-case-law/> (Accessed: 02 February 2025).
- Supreme Court of Pakistan*. Available at: [https://www.supremecourt.gov.pk/downloads\\_judgements/c.a.444.2017.pdf](https://www.supremecourt.gov.pk/downloads_judgements/c.a.444.2017.pdf) (Accessed: 02 February 2025).
- The unfair commercial practices directive. Questions and answers. European Commission - European Commission*. Available at: [https://ec.europa.eu/commission/presscorner/detail/en/memo\\_07\\_572](https://ec.europa.eu/commission/presscorner/detail/en/memo_07_572) (Accessed: 02 February 2025).
- Unfair commercial practices* (no date) EUR. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legisum%3A132011#:~:text=Directive%202005%2F29%2FEC%20distinguis,omission%20and%20aggressive%20commercial%20> (Accessed: 02 February 2025).
- Unfair commercial practices*. Available at: [https://www.biiicl.org/files/883\\_national\\_reports\\_unfair\\_commercial\\_practices\\_new\\_member\\_states%5Bwith\\_dir\\_table\\_and\\_new\\_logo%5D.pdf](https://www.biiicl.org/files/883_national_reports_unfair_commercial_practices_new_member_states%5Bwith_dir_table_and_new_logo%5D.pdf) (Accessed: 02 February 2025).
- Unfair trade practices - Fair Trade Commission*. Available at: <https://www.ftc.go.kr/eng/contents.do?key=3076> (Accessed: 02 February 2025).
- Unfair trade practices - 공정거래위원회*. Available at: <https://www.ftc.go.kr/eng/contents.do?key=505> (Accessed: 02 February 2025).
- Unfair trade practices and consumer protection law*. Available at: [https://www.attorneygeneral.gov/wp-content/uploads/2018/02/Unfair\\_Trade\\_Practices\\_Consumer\\_Protection\\_Law.pdf](https://www.attorneygeneral.gov/wp-content/uploads/2018/02/Unfair_Trade_Practices_Consumer_Protection_Law.pdf) (Accessed: 02 February 2025).
- Unfair trade practices and consumer protection: Wolf, Baldwin & Associates, P.C.: Pottstown Pennsylvania* (no date) Wolf, Baldwin & Associates, P.C. Available at: <https://www.wolfbaldwin.com/articles/commercial-litigation-articles/unfair-trade-practices-and-consumer-protection/> (Accessed: 02 February 2025).
- Unfair trading practices* (2024) VisitBritain.org. Available at: <https://www.visitbritain.org/business-advice/pink-book/unfair-trading-practices> (Accessed: 02 February 2025).

*Unfair trading practices* (no date) *Agriculture and rural development*. Available at: [https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices_en) (Accessed: 02 February 2025).

*Unfair trading practices in the business-to-business food ...* Available at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL\\_BRI\(2015\)563430\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/563430/IPOL_BRI(2015)563430_EN.pdf) (Accessed: 02 February 2025).

Valbrune, M. and Assis, R.D. “*Unfair trade practices - business law I essentials*”, *OpenStax*. Available at: <https://openstax.org/books/business-law-i-essentials/pages/12-1-unfair-trade-practices> (Accessed: 02 February 2025).

*What are unfair trade practices? Winston & Strawn - What are Unfair Trade Practices? | Law Glossary*. Available at: <https://www.winston.com/en/legal-glossary/unfair-trade-practices> (Accessed: 02 February 2025).