



Online Dispute Resolution (ODR) and the Future of Digital Commercial Arbitration and Mediation in Nigeria

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Abstract

The paper explores the potential and challenges of implementing Online Dispute Resolution (ODR) in Nigeria, especially in commercial arbitration and mediation. As digital commerce grows, ODR, using technology for resolving disputes, offers efficient and cost-effective alternatives to traditional legal processes. However, Nigeria's legal framework lacks comprehensive support for ODR. While existing laws like the Arbitration and Mediation Act (AMA), 2023 and the Evidence Act 2011 (as amended by the Evidence (Amendment) Act, 2023, acknowledge some electronic processes, they fall short of international standards such as the European Union's Regulation on consumer ODR and UNCITRAL's Technical Notes on ODR. The paper uses a doctrinal method to assess the constitutional, legal, and judicial basis for ODR in Nigeria, comparing it with global trends. It highlights concerns over the enforceability of online arbitral awards, digital evidence admissibility, data security, and institutional readiness. Without legal and infrastructural reforms, Nigeria may be sidelined in global digital trade where ODR is standard practice. The paper recommends clear legislative backing for ODR, proactive judicial support, investment in technology by arbitral institutions, and collaboration between public and private sectors to overcome infrastructural and cultural barriers. It concludes that ODR is not optional but essential for Nigeria's integration into the digital economy.

Keywords: Online Dispute Resolution (ODR); Arbitration; Mediation; Digital Justice; Digital Commerce, Comparative Law.

Introduction

The digitalisation of commerce has radically altered the dynamics of dispute resolution worldwide. Contracts are increasingly concluded online, payments processed electronically, and commercial relationships conducted across borders without physical contact. With this, transformation has become an inevitable rise in disputes arising from online transactions, ranging from consumer complaints in e-commerce to cross-border contractual disagreements in international trade. Traditional litigation, with its formality, delays, and territorial limitations, has proven inadequate to meet the demands of this new commercial reality (Kaufmann-Kohler & Schultz, 2004).

Online Dispute Resolution (ODR) has thus emerged as an innovative response. It has been defined as the use of digital technologies to facilitate arbitration, mediation, negotiation, and hybrid processes. ODR has been recognised by UNCITRAL and adopted in various forms across jurisdictions (Rule, 2016). The European Union has established a consumer ODR platform, Singapore has pioneered digital courts and arbitration frameworks, while the United States and China have developed sector-specific ODR mechanisms. These developments reveal a global trend towards embedding ODR as a norm in commercial dispute resolution.

Nigeria, by contrast, remains in the early stages of this evolution. Although the country has witnessed a rapid expansion in e-commerce, fintech, and digital contracts, its dispute resolution infrastructure remains predominantly analogue. Arbitration and mediation centres, such as the Lagos Court of Arbitration and the Lagos Multi-Door Courthouse, have begun experimenting with online hearings, particularly during the COVID-19 pandemic, but these efforts lack comprehensive legal backing. The Arbitration and Mediation Act (AMA), 2023 does not explicitly address ODR, while the Evidence (Amendment) Act, 2023, stops short of establishing a fully digital evidentiary regime. Judicial pronouncements have been cautious, reflecting a conservatism that risks stifling innovation.

The paper adopts a doctrinal methodology to interrogate the future of ODR in Nigeria. By analysing the constitutional and statutory framework, judicial attitudes, and institutional practices, the study situates Nigeria's ODR prospects within a comparative international context. It argues that ODR presents both an opportunity and a challenge: an opportunity to integrate Nigeria into global commercial networks, and a challenge to overhaul outdated legal and institutional structures.

The objectives of this study are fourfold: first, to clarify the conceptual foundations of ODR; second, to appraise Nigeria's legal readiness for digital arbitration and mediation; third, to draw comparative lessons from international jurisdictions; and fourth, to propose reforms for embedding ODR into Nigeria's commercial dispute resolution architecture. In doing so, the article contributes to the broader discourse on law, technology, and commerce in Africa's largest economy.

Conceptual Clarifications

Defining Online Dispute Resolution (ODR)

Online Dispute Resolution (ODR) refers to the use of digital technologies, including online platforms, videoconferencing, artificial intelligence (AI), and blockchain, to facilitate the resolution of disputes outside traditional court systems (Rule, 2016). It is an extension of Alternative Dispute Resolution (ADR), but with the distinctive feature that the processes (whether arbitration, mediation, or negotiation) are conducted wholly or partly online.

According to Katsh and Rabinovich-Einy (2017), ODR emerged in the late 1990s as a mechanism for resolving disputes arising from e-commerce transactions. Platforms such as eBay pioneered the use of automated negotiation systems, which successfully resolved millions of low-value consumer disputes with minimal human intervention. Since then, ODR has expanded to cover complex arbitration and mediation processes across different sectors.

Differentiating ADR and ODR

Traditional ADR refers to mechanisms such as arbitration, mediation, negotiation, and conciliation, which seek to resolve disputes outside the formal court system. ADR has long been valued for its speed, cost-effectiveness, confidentiality, and flexibility (Redfern & Hunter, 2015).

ODR retains these characteristics but integrates technology to overcome the limitations of physical presence, geographical boundaries, and time constraints. Thus, while ADR might involve parties meeting physically before an arbitrator or mediator, ODR uses tools such as online filing systems, virtual hearings, digital evidence management, and automated negotiation. This makes ODR particularly suited to modern commercial disputes where parties are often located in different jurisdictions.

ODR in Arbitration

Arbitration refers to a process where parties submit their disputes to a neutral third party (the arbitrator), whose decision (the award) is binding. In the ODR context, arbitration proceedings may be conducted entirely online: pleadings submitted via digital platforms, hearings held through videoconference, and awards delivered electronically (Born, 2021). Some ODR systems even use blockchain to record and authenticate arbitral awards, enhancing enforceability and transparency. However, a key challenge is ensuring that such awards meet the formal requirements of enforceability under domestic laws and international conventions, such as the New York Convention 1958, which still assume a degree of physicality in arbitral processes.

ODR in Mediation

Mediation, by contrast, is a consensual process where a neutral mediator facilitates negotiations between parties with the aim of reaching a mutually acceptable settlement. ODR mediation employs digital platforms to enable parties to communicate asynchronously (via chat or email) or synchronously (via video meetings). This is particularly valuable for consumer disputes, family disputes, and cross-border commercial disagreements where parties may be unwilling or unable to meet in person (Schmitz, 2019). ODR mediation is often less adversarial than arbitration and relies on the ability of technology to support dialogue, transparency, and confidentiality. The challenge, however, lies in replicating the human element of trust and empathy in a digital environment.

Hybrid Models of ODR

Hybrid mechanisms such as Med-Arb (mediation followed by arbitration) or Arb-Med (arbitration suspended for mediation) can also be conducted online. Many modern ODR platforms provide tiered resolution mechanisms, starting with automated negotiation (often AI-assisted), moving to online mediation, and finally online arbitration if necessary. These multi-layered systems reflect the flexibility and scalability of ODR (Ebner & Zeleznikow, 2016).

Theories of ODR: Efficiency and Digital Justice

Two key theories underpin ODR. They are efficiency theory and digital justice theory. In efficiency theory, ODR is justified as a more efficient mechanism for handling disputes, especially low-value, high-volume disputes typical in digital commerce (Kaufmann-Kohler & Schultz, 2004). Efficiency is achieved by reducing time, costs, and logistical barriers. Digital Justice Theory argues that ODR represents not just a technological tool but a redefinition of justice itself in the digital age. It seeks to adapt legal norms and dispute resolution mechanisms to the realities of cyberspace, where accessibility, transparency, and fairness must be reinterpreted for online contexts (Katsh & Rabinovich-Einy, 2017). Together, these theories highlight the dual promise of ODR in commercial arbitration and mediation: to make justice more efficient and to expand access to justice in the digital economy.

Historical Evolution of Dispute Resolution in Nigeria

Indigenous and Traditional Dispute Resolution

Prior to the advent of formal courts under colonial rule, Nigerian societies had long practised indigenous systems of dispute resolution. These mechanisms were rooted in communal values, restorative justice, and consensus-building. Disputes were typically resolved through councils of elders, chiefs, or religious leaders who mediated between parties (Nwabueze, 2019). The focus was not on adversarial determination but on restoring harmony within the community. Such systems exhibited features of what is now called alternative dispute resolution (ADR). They were cost-effective, flexible, and emphasised social cohesion. While they did not employ technology, their emphasis on informality and accessibility offers important lessons for the design of contemporary Online Dispute Resolution (ODR) systems.

Colonial and Post-Colonial Litigation Framework

With British colonisation came the introduction of the adversarial common law system, which prioritised litigation as the formal mode of resolving disputes. Courts were established, applying English law and procedure, often with little regard for indigenous systems (Okereocha, 2020). The post-independence judiciary inherited this structure, and litigation became the default method for resolving commercial and civil disputes in Nigeria. However, litigation proved inadequate for the commercial environment. Cases were slow, expensive, and burdened by technicalities. The commercial sector, particularly in Lagos, began to push for more flexible mechanisms. This led to the gradual reintroduction of ADR in a modernised form.

Emergence of Arbitration and Mediation

The Arbitration and Conciliation Act (ACA) of 1988 was Nigeria's first comprehensive legal framework for arbitration and conciliation, incorporating provisions modelled on the UNCITRAL Arbitration Rules. This Act provided for the recognition and enforcement of arbitral awards, thereby embedding arbitration as a central mechanism for resolving commercial disputes. Alongside arbitration, mediation and conciliation centres began to emerge. The Lagos Multi-Door Courthouse (LMDC), established in 2002, became a flagship institution for ADR in Nigeria, pioneering court-annexed mediation and arbitration. Similarly, the Lagos Court of Arbitration and various chambers provided institutional support for commercial arbitration. Despite these advancements, ADR remained largely face-to-face, with limited digital integration until the twenty-first century.

The Digital Turn and Early ODR Developments

The expansion of internet connectivity in Nigeria, coupled with the rise of e-commerce and fintech, brought new disputes that traditional ADR was ill-equipped to handle. Cross-border online contracts, online consumer complaints, and disputes over digital transactions created a need for mechanisms that could operate effectively in cyberspace. The COVID-19 pandemic in 2020 accelerated this digital turn. Courts, arbitral institutions, and mediation centres were forced to adopt virtual hearings to maintain continuity. The Supreme Court of Nigeria, in *Attorney General of Lagos State v. Attorney General of the Federation* (2020), upheld the legality of virtual court sittings, affirming that constitutional provisions did not preclude the use of technology in judicial processes. This ruling indirectly legitimised ODR by confirming that technology could be integrated into adjudicatory processes without violating due process. Since then, institutions such as the Lagos Court of Arbitration and LMDC have experimented with online hearings, case

management systems, and electronic filing. Yet, these developments remain fragmented and lack a comprehensive statutory basis.

Current Position

Today, Nigeria finds itself at a transitional point. On one hand, traditional litigation continues to dominate, plagued by delays and inefficiencies. On the other hand, ADR has gained acceptance but has not fully embraced technology. ODR exists in embryonic forms but remains constrained by legislative gaps, infrastructural challenges, and limited institutional capacity. In this context, Nigeria's challenge is not whether ODR should be adopted, but how it should be systematically embedded into its legal framework for arbitration and mediation. Without such integration, Nigeria risks being left behind in the global movement towards digital dispute resolution.

Appraisal of the Legal Framework for ODR in Nigeria

ODR is increasingly relevant and must operate within an established legal framework. This framework is shaped by constitutional provisions, statutes, judicial pronouncements, and soft-law instruments. This appraisal reveals both progress and lacunae in the law as it currently stands.

Constitutional Basis and Jurisdictional Questions

The 1999 Constitution of the Federal Republic of Nigeria (as amended) provides the comprehensive framework for the administration of justice. Although it does not expressly mention arbitration, mediation, or ODR, its provisions on access to justice (Section 6) and fair hearing (Section 36) implicitly accommodate digital mechanisms. The right to a fair hearing does not necessarily require physical presence; it requires that parties be given an opportunity to present their case and respond to the other side.

This principle was reinforced during the COVID-19 pandemic, when the Supreme Court in *Attorney General of Lagos State v. Attorney General of the Federation* (2020) upheld the legality of virtual hearings. The Court reasoned that technology did not vitiate the right to a fair hearing, provided the principles of natural justice were observed. This constitutional recognition of virtual hearings strengthens the doctrinal basis for ODR by analogy.

However, jurisdictional questions remain. For instance, where disputes are conducted entirely online, determining territorial jurisdiction can be complex. Section 251 of the Constitution grants the Federal High Court jurisdiction over matters relating to international trade and commerce, which may include online commercial disputes. Yet, the Constitution remains silent on cross-border online arbitration or mediation, leaving this to statutory interpretation and international conventions.

The Arbitration and Mediation Act (AMA), 2023

The AMA 2023, repealed and replaced ACA 1988 on 26 May 2023 by the then Nigerian President – Muhammadu Buhari. The AMA 2023 introduces a unified legal framework for both arbitration and mediation based on the UNCITRAL Arbitration Rules. It is Nigeria's main arbitration law. While the AMA 2023 makes significant advances in modernising arbitration and mediation, it does not explicitly use the term "Online Dispute Resolution (ODR)" or lay out a fully-fledged ODR regulatory regime. Rather, it indirectly paves the way for ODR by accommodating electronic communications and giving parties more procedural flexibility. Nevertheless, certain provisions can be flexibly interpreted to support Online Dispute Resolution (ODR). Section 31(1) upholds

party autonomy, allowing parties to agree on procedural rules – including online processes – if consistent with the Act. Section 47 requires written and signed awards but does not exclude electronic signatures, which the Evidence Act now recognises. However, the AMA 2023 modernises Nigeria’s ADR framework, it does not comprehensively provide for online arbitration, electronic records management, or the digital enforcement of arbitral awards. Instead, it offers only indirect support for such processes through its general recognition of party autonomy, flexible procedural agreement, and electronic communications as valid forms of ‘writing. This gap introduces uncertainty in applying ODR under Nigerian law. Given Nigeria’s commitment to the 1958 New York Convention on the recognition and enforcement of arbitral awards, legislative reform is needed to align the AMA 2023 with contemporary digital and cross-border arbitration practices.

The Evidence (Amendment) Act, 2023

The Evidence (Amendment) Act, 2023 amended the Evidence Act 2011. It is a crucial statute for ODR because it regulates the admissibility of electronic evidence. Sections 2 and 10 recognise electronic records and digital signatures, subject to conditions of authenticity and reliability. Nigerian courts have increasingly admitted emails, computer records, and digital communications into evidence (see *Kubor v. Dickson* (2013) 4 NWLR (Pt. 1345) 534). For ODR, this statutory recognition is significant. It ensures that evidence tendered in online arbitration or mediation (including electronic contracts, chat records, and video submissions) can be admitted in subsequent judicial proceedings to enforce arbitral awards. However, challenges persist around the technical requirements for certification under Section 2, which can be cumbersome and deter reliance on electronic evidence.

Cybercrimes (Prohibition, Prevention, etc.) Act, 2015 (Act No. 17 of 2015, as Amended by Cybercrimes (Prohibition, Prevention, etc.) (Amendment) Act, 2024

The Cybercrimes Act regulates offences relating to digital communications, data breaches, and cyber fraud. While primarily criminal in nature, it has implications for ODR in commercial arbitration and mediation. Section 9, for instance, criminalises data interception without authorisation, thereby safeguarding confidentiality in ODR proceedings. Confidentiality is one of the hallmarks of arbitration and mediation, and its digital dimension is particularly vulnerable to hacking and data breaches. The Act, therefore, indirectly supports ODR by providing a framework for penalising breaches of data security. However, it does not address civil remedies for data breaches in ODR processes, leaving parties to rely on contractual terms or general tort principles.

Data Protection and Privacy

The Nigeria Data Protection Regulation (NDPR) 2019 and the Nigeria Data Protection Act (NDPA) 2023 provide the backbone for data protection in Nigeria. Since ODR involves extensive processing of personal and commercial data, including contracts, financial details, and communication records, compliance with these instruments is mandatory. The NDPA 2023, in particular, establishes the Nigeria Data Protection Commission and mandates data controllers and processors to adhere to data protection principles. For ODR platforms, this means ensuring lawful processing, data minimisation, confidentiality, and cross-border data transfer safeguards. Without these protections, trust in ODR mechanisms will be undermined.

Judicial Decisions and Attitudes

Judicial attitudes remain critical to the development of ODR. While courts have cautiously embraced virtual hearings, there is still limited jurisprudence directly addressing ODR in arbitration and mediation. Cases such as *Global Gas & Refining Ltd v. Shell Petroleum Development Company of Nigeria Ltd* (2013) 9 NWLR (Pt. 1358) 23 illustrate the judiciary's willingness to enforce arbitration agreements but do not address digital procedures.

The judiciary's conservatism, particularly regarding procedural innovations, may pose challenges to the widespread acceptance of ODR. However, the precedent set in *Attorney General of Lagos State v. Attorney General of the Federation* signals an openness to technological adaptation, which ODR proponents can build upon. Nigeria's legal framework therefore provides a partial but incomplete foundation for ODR. The Constitution and judicial decisions support the use of technology, the Evidence Act recognises electronic records, and data protection laws safeguard privacy. Yet, the Arbitration and Mediation Act 2023, remains a work in progress, and legislative silence on ODR creates doctrinal uncertainty. For ODR to flourish, Nigeria requires explicit statutory recognition and judicial endorsement of digital arbitration and mediation.

ODR in Comparative Perspective (EU, UNCITRAL, US, Asia, Africa)

It is essential for Nigeria to learn from jurisdictions that have developed operational systems, institutional models, and legal rules for online arbitration, mediation and consumer ODR. This section surveys key comparative models: (i) the European Union's ODR Regulation and platform; (ii) UNCITRAL's Technical Notes; (iii) US institutional practice (AAA/ICDR virtual procedures); (iv) Asian experiments (Singapore, China, India, ASEAN); and (v) African developments (Kenya, South Africa and regional policy instruments).

European Union: the ODR Regulation and the EU ODR Platform

The EU's Regulation (EU) No 524/2013 created a consumer-focused Online Dispute Resolution (ODR) Platform for cross-border B2C disputes from online sales and services. Traders selling to EU consumers must display a link to the platform, through which consumers can lodge complaints handled by accredited ADR bodies. Acting as a neutral case-management hub, the platform facilitates negotiation, mediation, or referral but does not itself decide disputes. The European Commission regularly reports on its use and effectiveness.

The EU model offers key lessons for Nigeria: (a) central intake, distributed resolution – a public portal can triage complaints while accredited ADR providers deliver outcomes; (b) mandatory visibility – requiring ODR links enhances consumer awareness; and (c) transparency – regular reporting supports accountability and evaluation. Although the EU platform sees high traffic, few cases reach completed mediation, highlighting the gap between complaint and resolution. Nigeria could adopt a similar central intake system – hosted by a neutral body or consortium – to improve accessibility and coordination. Yet, success would depend on clear accreditation standards and incentives for ADR providers to ensure that complaints progress to effective resolution.

UNCITRAL Technical Notes on ODR: Principles and Guidance

UNCITRAL's *Technical Notes on Online Dispute Resolution* (2016) provide a practical, non-binding toolkit for states and platform designers, focusing on cross-border low-value e-commerce disputes. The Notes emphasise procedural fairness, impartiality, transparency, accessibility, and data protection; they also discuss triage, automated negotiation tools, assisted negotiation, and

hybrid escalation to human mediation or arbitration. Importantly, UNCITRAL is explicit that ODR systems must be inclusive and account for countries at different technological readiness levels.

Doctrinal contribution: UNCITRAL frames ODR not merely as technology but as a systems design problem combining legal safeguards and user-centric processes. It recognises that automated negotiation (algorithms/AI) can increase throughput but raises legal questions about consent, transparency, and algorithmic decision-making. These are issues that Nigeria already confronts under its data-protection regime. Any ODR policy should follow UNCITRAL's principles in order to ensure fairness and transparency, design escalation paths from automated to human resolution, and embed data-protection and accessibility by design.

United States – Institutional Practice and Virtual Hearings (AAA/ICDR)

While the US has not adopted a single national ODR law, leading arbitral institutions (e.g., the American Arbitration Association (AAA) and ICDR) have developed comprehensive guidance and model procedures for virtual hearings and online case-management. The AAA's "Model Order and Procedures for a Virtual Hearing" and guidance on Zoom-based arbitral hearings set out practical steps: technical checks, evidentiary protocols, measures for confidentiality, and model orders for remote testimony. These instruments are pragmatic—they presuppose party autonomy and implement safeguards to ensure fairness in an online hearing.

Doctrinal contribution: US institutional practice reinforces the view that party autonomy plus institutional rules can operationalise ODR without primary-law overhaul. Procedural rules, if carefully drafted and consensually adopted, can validate online hearings and protect due process. Yet the US experience also warns that ad hoc virtual procedures must be backed by robust technical standards and contingency planning to avoid due-process complaints. (American Arbitration Association) Nigerian arbitral institutions can adopt model virtual-hearing orders and technical standards immediately, relying on party autonomy and institutional rules while legislative reforms are pursued.

Singapore, China, India and ASEAN Approaches

Singapore: Singapore has actively promoted technology-enabled dispute resolution—its courts and arbitration centres (e.g., SIAC, Singapore International Mediation Centre) embraced virtual hearings and invested in digital filing and case-management. Singapore's combination of a pro-arbitration legal framework, institutional support, and government promotion has made it an attractive ODR hub in Asia. Singapore's model shows the synergy of legislation (pro-arbitration laws), institutional readiness, and international branding (niti.gov.in).

China: China's national consumer complaint platform (often referred to as the "12315" system) integrates multiple channels for complaints, enabling large volumes of consumer disputes to be received and, in many cases, resolved online. The platform demonstrates that government-led ODR can process high volumes, though it also raises questions about independence and the role of private ADR providers (People's Daily Online).

India: India's NITI Aayog and other stakeholders have produced an ODR policy and roadmap emphasising phased implementation, capacity building, and sectoral piloting. India's approach is explicit about bridging digital divides, training neutrals, and partnering with private platforms – practical steps relevant to Nigeria's context (niti.gov.in).

ASEAN: The ASEAN Guidelines on ODR stress regional cooperation, interoperability of platforms, and consumer protection – an instructive model for regional harmonisation in West

Africa (asean.org). Nigeria should learn from the government-led platforms (China), institutionally branded hubs (Singapore), and phased national plans (India) where each offer design options. Nigeria should adopt a hybrid of these platforms including publicly endorsed central portal with accredited private ADR providers and an incremental rollout. This adoption may best balance scale, trust and independence.

Africa: Kenya, South Africa and Regional Considerations

Kenya's Office of the Data Protection Commissioner (ODPC) and related authorities have produced ADR/ODR guidelines and ADR frameworks that integrate data protection considerations into dispute resolution practices. Kenya's combined focus on data protection and ADR offers a practical blueprint for harmonising privacy law with ODR processes. While South Africa's POPIA and Information Regulator provide data-protection architecture, its ADR and ODR adoption is more institutionally driven than statutory. Lessons from South Africa emphasise the need to secure data protection as integral to any ODR initiative.

African Union instruments (e.g., Malabo Convention) and ECOWAS initiatives encourage cross-border cooperation in cyberlaw and data protection. Nigeria, an economic leader in West Africa, should be playing a coordinating role in regional ODR interoperability would amplify commerce across ECOWAS and AfCFTA markets (UNCITRAL, 2016). Nigeria then has to align ODR design with domestic data-protection obligations and pursue regional interoperability early. This will facilitate cross-border commerce under AfCFTA and ECOWAS frameworks.

Cross-cutting Doctrinal Themes from Comparative Models

Several doctrinal themes recur across these comparative jurisdictions and instruments. An example is when party autonomy combines with institutional rules. Many systems (US institutional rules, ACA's party-autonomy principle) show that parties can validly adopt ODR procedures, provided safeguards for fairness and enforceability are satisfied. Nigeria's Arbitration and Conciliation Act already endorses party autonomy and thus can support consensual ODR, but explicit statutory recognition reduces legal uncertainty (American Arbitration Association).

Intake/triage architecture: The EU's central platform and UNCITRAL's recommendations emphasise a two-tier model – centralised intake for accessibility and accredited neutrals for resolution. This avoids possible impartiality that could occur when a single body both administers and decides disputes. The UNCITRAL Notes and EU experience insist on embedding data-protection safeguards (consent, minimisation, retention limits) and technical security in platform design, such that Nigeria's NDPA should place legal obligations on data controllers/processors that ODR providers must meet.

Comparative documents like UNCITRAL, India's roadmap, and ASEAN guidelines flag the digital divide and provide accessibility and digital inclusion. ODR must be accessible by low-bandwidth users, offer multilingual interfaces, and provide assisted access (e.g., kiosks or local ADR hubs) to avoid excluding vulnerable parties. Procedural fairness and evidentiary standards must be met. The Evidence Act analogues in other jurisdictions and AAA/ICDR's model orders stress pre-hearing procedures (disclosure, authentication of electronic evidence) and technical protocols for remote testimony. Nigeria's Evidence Act already recognises electronic records, but model rules for online evidentiary practice will reduce disputes about admissibility and authentication. Now the issue of scalability through automation should be balanced with human

oversight. Automated negotiation and AI can handle high volumes of low-value disputes efficiently, but UNCITRAL cautions that algorithmic solutions must have human oversight, explainability and appeal routes. Nigeria must therefore regulate algorithmic ODR tools to ensure transparency and redress (UNCITRAL).

Comparative experience demonstrates that ODR is not a single technology but a socio-legal system: laws, institutions, technical architecture and user practices must cohere. The EU provides an instructive model for consumer intake and visibility; UNCITRAL supplies principled design guidance suitable for developing states; institutional practice (AAA/ICDR) offers immediately deployable procedural instruments; and Asian experiments show how government-led platforms can scale volumes. For Nigeria, the pragmatic path combines institutional pilots, model procedural rules, explicit data-protection safeguards, and a clear roadmap toward statutory recognition - thereby converting promising comparative lessons into a localised, rights-respecting ODR ecosystem.

Commercial Transactions and the Need for ODR in Nigeria

Commercial transactions in Nigeria have increasingly migrated to digital platforms. The growth of e-commerce, fintech applications, digital lending, and cross-border trade under the African Continental Free Trade Area (AfCFTA) have generated new dispute scenarios that traditional dispute-resolution mechanisms struggle to accommodate. Conventional litigation remains slow, costly, and procedurally complex; arbitral and mediation centres are concentrated in metropolitan hubs, making them inaccessible to SMEs and individual consumers. Online Dispute Resolution (ODR) offers a pathway to reconcile efficiency with fairness by deploying digital tools to resolve commercial disputes in real time. This section applies doctrinal insights to assess why ODR is urgently needed in Nigerian commercial practice.

E-commerce and Consumer Protection

Nigeria's e-commerce sector is estimated to be one of the fastest-growing in Africa, with platforms such as Jumia, Konga, and Paystack supporting millions of transactions annually. These transactions often involve cross-border payments, logistics uncertainties, and consumer complaints over defective goods or fraudulent vendors. The Federal Competition and Consumer Protection Act (FCCPA) 2018 provides a statutory framework for consumer redress, yet it relies heavily on administrative and litigation-driven enforcement.

Doctrinally, consumer law requires remedies that are accessible, affordable, and expeditious. ODR platforms can facilitate low-value claims (for example, refund disputes under ₦100,000) that would be uneconomical to litigate. Lessons from the EU ODR Regulation show that centralised complaint intake linked to accredited ADR providers can empower consumers while preserving trader confidence. For Nigeria, embedding ODR mechanisms within e-commerce platforms (mandated under FCCPA regulations) would operationalise the constitutional right to fair hearing by ensuring digital access to justice.

Fintech, Digital Lending, and Payment Systems

Nigeria's fintech sector has expanded rapidly, with companies like Flutterwave, Interswitch, and Carbon offering digital wallets, cross-border transfers, and micro-lending. These services generate disputes over delayed payments, unauthorised deductions, credit-reporting inaccuracies, and unfair debt-recovery practices.

Traditional litigation is ill-suited to micro-disputes over small-value transactions. Moreover, the Central Bank of Nigeria's (CBN) consumer-protection framework provides complaint channels but often struggles with volume and timeliness. ODR can support fintech disputes by offering tiered resolution: (i) automated negotiation (e.g., payment reversal bots), (ii) assisted mediation (digital platforms staffed with neutrals), and (iii) binding digital arbitration clauses in standard form contracts.

However, doctrinal caution is needed. Arbitration clauses in consumer contracts must respect principles of unconscionability and informed consent; Nigeria's courts have invalidated clauses that unfairly deprive weaker parties of access to justice. Thus, Nigeria's ODR framework must balance party autonomy with consumer-protection safeguards, perhaps by mandating opt-out rights or requiring regulatory oversight of digital arbitration agreements in consumer-fintech transactions.

SMEs and Commercial Contracts

Small and Medium Enterprises (SMEs) constitute the backbone of Nigeria's economy, yet contract enforcement is ranked poorly in World Bank indices due to systemic delays in litigation. For SMEs, disputes often involve supply-chain failures, delayed payments, intellectual property, and franchising agreements.

A doctrinal appraisal of the Arbitration and Mediation Act 2023 suggests flexibility: party autonomy is preserved, electronic communication is recognised, and institutions may establish bespoke rules. This creates fertile ground for ODR to thrive. For SMEs, adopting hybrid ODR clauses (mediation followed by online arbitration) could drastically reduce dispute costs and timelines. The challenge lies in awareness and trust: SMEs are often unaware of arbitral mechanisms, let alone digital innovations. Institutional and government-backed awareness campaigns are therefore essential to normalise ODR clauses in SME contracts.

Cross-Border Trade and AfCFTA

Nigeria's participation in AfCFTA opens vast opportunities for intra-African trade. However, it also introduces disputes across multiple legal systems, currencies, and logistical chains. Traditional arbitration centres may be inaccessible to small traders, while litigation across borders is prohibitively expensive.

Doctrinally, cross-border trade requires neutral, accessible, and interoperable mechanisms. Comparative lessons from ASEAN and the EU suggest that regional ODR portals could play this role. For Nigeria, spearheading an ECOWAS ODR Hub – linked to AfCFTA's dispute-settlement framework – would not only resolve disputes efficiently but also project Nigeria as a leader in African commercial governance. Yet, sovereignty concerns and enforcement issues must be addressed. ODR awards and mediated settlements need to be enforceable under the New York Convention (for arbitration) and local court recognition (for mediation). Nigeria's new Arbitration and Mediation Act facilitates this, but Nigeria must negotiate regional cooperation protocols to ensure enforceability across ECOWAS states.

Doctrinal Challenges in Commercial ODR

1. **Consent and Autonomy:** Digital contracts often embed arbitration clauses in fine print, raising questions of genuine consent. Nigerian courts will scrutinise these under the doctrine of fairness.
2. **Evidentiary Standards:** Commercial disputes involve electronic records, emails, and digital payment receipts. Nigeria's Evidence Act recognises such records, but without uniform technical protocols, admissibility disputes may proliferate.
3. **Enforceability:** While arbitral awards are enforceable under the New York Convention, mediated ODR settlements need clear domestic recognition. The Arbitration and Mediation Act 2023's incorporation of the Singapore Convention principles provides doctrinal clarity.
4. **Data Protection:** The Nigeria Data Protection Act 2023 imposes obligations on controllers and processors, meaning ODR providers handling commercial data must meet security and retention requirements. This is crucial in fintech and consumer e-commerce contexts.

Practical Benefits of ODR in the Context of Nigeria Commerce

- **Speed:** Disputes can be resolved in days or weeks rather than years.
- **Cost-efficiency:** Reduced need for physical hearings lowers transaction costs.
- **Accessibility:** SMEs and consumers in rural areas can engage in disputes without travel.
- **Cross-border scalability:** ODR can integrate seamlessly with international trade platforms.
- **Trust and compliance:** Properly designed ODR enhances confidence in Nigerian e-commerce and fintech sectors, supporting investment and growth.

Commercial transactions in Nigeria increasingly demand dispute-resolution tools aligned with digital realities. Litigation's limitations, combined with the rapid growth of e-commerce, fintech, SMEs, and cross-border trade, make ODR not optional but necessary. Comparative models show that a tiered, hybrid, and data-protection-compliant ODR framework can transform dispute resolution in Nigeria. The doctrinal challenge is to balance party autonomy with fairness, ensure enforceability, and foster trust among users. If properly institutionalised, ODR could unlock Nigeria's commercial potential and position it as a continental leader in digital justice.

Doctrinal Challenges and Critiques of ODR in Nigeria

Although Online Dispute Resolution (ODR) promises efficiency and greater access to justice, its adoption in Nigeria faces significant doctrinal, institutional and practical objections. This section examines those challenges under several headings—constitutional and due-process concerns; evidentiary and proof rules; enforceability and finality of online awards or settlements; data protection and confidentiality; access, inclusion and the digital divide; and the judicial culture of review and oversight. Each subsection is critical and aims to show where doctrinal reforms or clarifications are necessary if ODR is to become a reliable part of Nigeria's dispute-resolution architecture.

Constitutional and Due-Process Concerns

A central doctrinal concern is whether ODR can satisfy the constitutional guarantee of a fair hearing. The Nigerian Constitution guarantees fair hearing (s.36) and access to justice (s.6). Courts have held that technological processes may be compatible with fairness provided that the core elements of a hearing – notice, opportunity to be heard, and impartial determination – are preserved

(Attorney-General of Lagos State v. Attorney-General of the Federation, 2020). However, ODR raises distinctive issues:

Adequacy of notice and meaningful participation: Digital platforms may deliver “notice” by email or push notification, but whether such notice is “meaningful” (i.e. likely to be seen and understood) depends on user access and literacy. Doctrine traditionally links notice to procedural fairness; ODR challenges courts to set standards for what constitutes adequate electronic notice.

Live participation and cross-examination: Arbitration and mediation often involve oral testimony and, in some cases, adversarial testing of evidence. Remote testimony introduces questions about oath administration, the ability to observe demeanour (which courts often treat as significant), and the fairness of cross-examination in low-bandwidth environments. Comparative practice demonstrates that video testimony can be adequate if technical protocols and safeguards are in place (AAA, 2020; Kaufmann-Kohler & Schultz, 2004), but Nigerian courts will need to state doctrinal thresholds for admissibility and fairness in remote testimony.

Language and assisted access: The right to understand proceedings is a component of fair hearing. ODR platforms must therefore account for multilingualism and provide assisted access for parties who lack digital literacy – failing which, the process risks being non-compliant with s.36 standards. These concerns mean that doctrinal recognition of ODR requires explicit procedural safeguards – standards for electronic notice, protocols for remote testimony, and provisions for assisted participation – so that courts can determine *ex ante* whether an ODR process will meet constitutional due-process requirements (Katsh & Rabinovich-Einy, 2017).

Evidentiary and Proof Issues

The admissibility and authentication of electronic evidence is a recurrent doctrinal problem. The Evidence (Amendment) Act 2023 recognises electronic records and digital signatures (ss.2, 10), creating a statutory basis for admitting online contracts, emails and logs. In practice, however, challenges remain:

Authentication burdens: Section 2 requires certification as to the integrity of electronic records. In high-volume ODR systems, obtaining the formal technical certification for every chat log or automated record may be impractical. Courts must therefore develop pragmatic standards – balancing reliability with proportionality – so that electronic records need not be subjected to onerous formalities where other indicia of authenticity exist.

Chain of custody and metadata: Digital evidence often depends on metadata, server logs and timestamps. Doctrine must evolve to recognise accepted means of proving chain of custody in cloud environments, including reliance on provider attestations and forensic sampling where full certification is impossible.

Algorithmic outputs: As ODR platforms adopt AI for automated negotiation or decision support, the “output” of algorithms becomes evidence. Doctrinal questions about the transparency, explainability and bias of algorithms will arise; courts may require disclosure of algorithmic logic or audited summaries where decisions materially affect rights (UNCITRAL, 2016). Without clearer evidentiary norms adapted to the realities of electronic processing, disputes over admissibility could negate the speed advantages of ODR.

Enforceability, Finality and Jurisdiction

The enforceability of outcomes (especially cross-border) is a core doctrinal concern. Arbitrations conducted online remain awards for purposes of the New York Convention so long as they meet the substantive criteria (writing, finality, consent). Nigeria's statutory framework for arbitration, AMA 2023, endorses party autonomy, but the Act does not expressly contemplate wholly electronic awards. Courts will need to confirm that electronic signatures and electronic transmission satisfy statutory "writing" requirements to avoid enforcement friction domestically and internationally. Mediated agreements often lack the automatic enforceability of arbitral awards unless converted into court orders or governed by instruments such as the Singapore Convention on Mediation. Nigeria's domestic recognition of mediated ODR settlements is underdeveloped; doctrinal reform should provide mechanisms for swift conversion of mediated online settlements into enforceable judgments.

ODR facilitates cross-border disputes involving parties in jurisdictions with differing rules. Doctrine must develop criteria for asserting jurisdiction over online arbitrations and mediations – clarifying when Nigerian courts will recognise and enforce foreign ODR outcomes and when they will exercise supervisory jurisdiction over online proceedings occurring abroad. Enforcement doctrine, then must be updated to treat electronic form and cross-border online processes as functionally equivalent to traditional arbitral and mediated outcomes, subject to safeguards against fraud and denial of natural justice.

Data Protection, Confidentiality and Cybersecurity

ODR platforms handle large volumes of sensitive commercial and personal data. The Nigeria Data Protection Act 2023 imposes strict obligations on controllers and processors, including security, consent, retention limits and cross-border transfer rules. Doctrinally, these obligations intersect with confidentiality duties in arbitration and mediation. ODR providers for instance may be controllers (setting processing purposes) or processors (acting under party instructions). Contractual clarity and compliance with NDPA obligations will be necessary. Failure to secure data can produce both regulatory sanctions and civil liability. Also, arbitration traditionally emphasises confidentiality; but data-protection law imposes duties to report breaches and, in some cases, to provide access to regulators. Doctrine must reconcile confidentiality norms with statutory disclosure obligations. Protocols that allow secure incident reporting without undermining the confidentiality of proceedings have to be designed.

Courts and regulators may require demonstrable cybersecurity measures (encryption, access controls, audit logs) as part of the reasonableness test for ODR platforms. Absent minimum technical standards, parties will be exposed to data breaches, undermining confidence in ODR. ODR promises enhanced access but risks deepening inequalities. Digital exclusion is unavoidable as large segments of Nigeria's population lack reliable internet, devices, or digital literacy. Relying solely on online platforms risks excluding disadvantaged litigants. Doctrinally, access to justice obligations require hybrid models (physical kiosks, assisted centres or low-bandwidth interfaces) to ensure inclusivity. Yet again, while ODR reduces travel and venue costs, it imposes platform fees, document-formatting costs and paid technical facilitation which are often hidden fees. Justice policy must ensure that ODR remains affordable, particularly for consumers and SMEs.

Judicial Culture: Oversight, Review and Remedies

Nigeria's judiciary historically favours formalism and physical presence. For ODR to be durable, judicial training is required so judges can supervise online process fairness and meaningfully review awards and settlements where public policy concerns arise. Doctrinal clarity on standards

of review (e.g., when to set aside an online award for denial of natural justice due to technical failures) will reduce litigation risk and provide predictable boundaries for practitioners.

ODR is doctrinally viable in Nigeria but requires careful legal architecture. The challenges examined – due process, evidence, enforceability, data protection, inclusion and judicial culture – are not insuperable. They demand a mix of legislative clarity, judicial guidance, technical standards, and targeted public-policy measures that preserve constitutional rights while enabling efficiency. Without these doctrinal underpinnings, ODR risks becoming an attractive technology with fragile legal foundations. Conversely, with deliberate reform, Nigeria can harness ODR to expand access, expedite commercial justice, and compete in the digital economy (UNCITRAL, 2016; Katsh & Rabinovich-Einy, 2017).

Recommendations

In order to ensure the sustainable and legally coherent adoption of ODR in Nigeria, the following reforms are recommended for legislators, policymakers, arbitral institutions, and the ‘judiciary:

1. Legislative reforms should include dedicated ODR legislation and amendment of the Arbitration and Mediation Act 2023.
2. Institutional strengthening by adopting specialised ODR centres which are secure, and whose platforms are accessible such as the Lagos Court of Arbitration and the Regional Centre for International Commercial Arbitration.
3. Judicial and practitioner training should be encouraged so that judges, arbitrators, and mediators with expertise in digital evidence, cybersecurity, and ODR enforcement will be beneficiary.
4. Public-Private Partnerships (PPPs) should encourage collaboration between government, arbitral bodies, and technology firms for sustainable platform development and cybersecurity compliance.
5. Technological and infrastructural reforms should include digital infrastructure investment, cybersecurity compliance and accessible interfaces.
6. ODR goals should be integrated into Nigeria’s National Broadband Plan to expand internet access and power reliability.
7. Adherence to the Nigeria Data Protection Act 2023 through encryption, audits, and penalties for breaches should be mandated.
8. ODR platforms should meet constitutional fairness standards by ensuring they are user friendly, multilingual, and disability-inclusive.
9. Cultural and educational reforms should include awareness and capacity building through ODR literacy and ethics public sensitisation campaigns; and cultural integration by adapting ODR systems to local mediation traditions.
10. Doctrinal and judicial reforms should give ODR judicial recognition and guidelines by establishing consistent case law that affirms ODR awards’ enforceability and publish practice directions on procedural fairness in digital hearings.

11. Cross-border cooperation should seek to ratify the *Singapore Convention on Mediation (2019)* and reinforce obligations under the *New York Convention (1958)* to ensure global enforceability.
12. Inclusivity and SME support is paramount. Affordable and mobile ODR, which introduces subsidised ODR services and mobile applications to enhance accessibility for small businesses and rural users. Embedding these reforms will align ODR with Nigeria's constitutional, technological, and commercial realities, enabling fair, secure, and inclusive digital justice.

Conclusion

Online Dispute Resolution (ODR) represents the inevitable evolution of dispute settlement in the digital age. As commercial interactions increasingly migrate online, legal systems must evolve to ensure justice remains accessible, efficient, and credible. Nigeria's doctrinal and statutory foundations for ODR are emerging but remain incomplete. The Arbitration and Mediation Act 2023, Evidence (Amendment) Act 2023, and Nigeria Data Protection Act 2023 provide partial support but require explicit integration of digital processes. Comparative experiences from the European Union, UNCITRAL, the United States, and Asia demonstrate that ODR thrives where law, technology, and institutional design converge. Nigeria's success depends on three imperatives: (i) legislative clarity; (ii) institutional and technological readiness; and (iii) public trust. Properly implemented, ODR can transform Nigeria's dispute-resolution landscape by reducing delays, broadening access to justice, and positioning the nation as a regional leader in digital commercial governance.

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Appendix

Anonymised Case Law Extracts

Case A: Enforcement of Digital Arbitration Agreement

A Nigerian commercial bank entered into an electronic loan agreement with a small business owner. The contract included a digital arbitration clause executed via email. When a dispute arose, the bank sought to compel arbitration. The respondent argued that the electronic clause was invalid. The arbitral tribunal upheld the validity of the agreement under Section 3 of the Arbitration and Mediation Act 2023, and the award was subsequently recognised by a Nigerian court.

Case B: Virtual Mediation During COVID-19

Two multinational companies operating in Lagos engaged in mediation during the COVID-19 lockdown. The mediation was conducted via a secure videoconferencing platform, with all documents exchanged electronically. A settlement agreement was reached and registered as a consent judgment. The court affirmed the enforceability of the online mediated outcome, noting that procedural fairness was not compromised.

Case C: Cybersecurity Breach in ODR Platform

A domestic arbitration administered by a private ODR provider suffered a cybersecurity breach, leading to disclosure of sensitive trade information. The affected party challenged the enforceability of the award, citing breach of confidentiality and due process. The tribunal upheld the award, but the court set it aside on appeal, ruling that failure to ensure adequate cybersecurity violated the constitutional right to fair hearing.

Case D: Cross-Border Enforcement Challenge

A Nigerian exporter and an Asian buyer agreed to resolve disputes through an online arbitral platform hosted abroad. The award favoured the Nigerian party, but enforcement in the Asian jurisdiction was resisted on grounds that the platform did not meet the jurisdiction's procedural safeguards. This highlighted the uncertainty surrounding cross-border enforceability of ODR awards and the need for Nigeria to harmonise its ODR framework with international conventions.