

Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

TWENTIETH CONGRESS

Second Regular Session

House Bill No. 10051



Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

AN ACT ESTABLISHING THE RIGHT OF CONSUMERS TO INSPECT GOODS BEFORE PAYMENT IN CASH-ON-DELIVERY AND OTHER ONLINE-PURCHASE TRANSACTIONS, REGULATING THE REMITTANCE AND REFUND OF DISPUTED PAYMENTS BY COURIERS AND DIGITAL PLATFORMS, REQUIRING THE POSTING OF A CONSUMER PROTECTION BOND, PROHIBITING UNSOLICITED DELIVERIES, PENALIZING FRAUDULENT OR ABUSIVE CLAIMS, AND FOR OTHER PURPOSES

Explanatory Note

The promise of electronic commerce in the Philippines rests on a simple act of trust: a consumer orders goods online and expects to receive what was promised. For the millions of Filipinos who transact through cash-on-delivery (COD), which is still the most widely used payment arrangement in Philippine online retail, precisely because it spares the buyer the risk of paying in advance, that trust is extended at the doorstep, in cash, before the parcel is ever opened. It is at this exact point in the transaction that fraud has taken root.

Recent data leaves no doubt about the scale of the problem. According to the H1 2026 fraud-trends report of credit-reporting agency TransUnion, logistics recorded the highest suspected digital fraud rate of any industry in the country in 2025, at 8.5 percent, which is higher than insurance, retail, and financial services, and a sharp rise from 6 percent the year before. The Cybercrime Investigation and Coordinating Center logged 10,004 cybercrime complaints in 2024, more than triple the 3,317 recorded in 2023; of these, 3,534 were classified as consumer

fraud, including the non-delivery of purchased goods and other deceptive online transactions, with reported losses approaching ₱198 million (a figure that almost certainly understates actual victimization).

The schemes are by now familiar to ordinary buyers. A consumer is made to pay cash on delivery for a parcel that turns out to contain an item materially different from the one ordered, or a defective or counterfeit substitute, the deception discovered only after the rider has left and the money has passed into the courier's hands. In its most brazen form, in the practice known as "brushing", unsolicited parcels are shipped to persons who never ordered anything at all, often using personal information harvested without consent, with payment demanded on delivery. In each variation, the harm crystallizes at the doorstep, and in each, the consumer has already parted with cash before being allowed to verify what was received.

The existing legal framework, though substantial, does not reach this precise moment. The Internet Transactions Act of 2023 (Republic Act No. 11967) built a robust regulatory architecture for e-commerce under the Department of Trade and Industry, but by its own terms it does not cover consumer-to-consumer transactions, which are the very channel through which a large share of social-commerce parcel scams are conducted. The Anti-Financial Account Scamming Act (Republic Act No. 12010) supplies strong protection where a financial account is compromised, criminalizing money muling and social-engineering schemes and providing for the temporary holding of disputed funds, but cash handed to a delivery rider does not pass through a regulated financial account, and so the COD payment falls outside its protective reach. And while the Civil Code has long granted the buyer the right to examine goods before acceptance, that right is expressly defeasible, applying only "unless otherwise agreed upon," which is exactly what allows platform terms of service and routine courier practice to extinguish it and why riders are able to insist on payment before a box may be opened.

This measure is designed to close that gap. It does not duplicate existing penal statutes; estafa, cyber-fraud, and financial-account scamming remain governed by the Revised Penal Code, the Cybercrime Prevention Act, and the Anti-Financial Account Scamming Act. What this bill does instead is repair the transaction itself. It establishes, as a mandatory and non-waivable right, that every consumer in a COD transaction may inspect the parcel to verify conformity with the order before payment is made and acceptance is completed. It allows the consumer who finds non-conformity to refuse payment and acceptance at no cost. It requires couriers and platforms that operate COD to maintain a consumer protection bond from which disputed payments are promptly refunded to the consumer, so that honest sellers and hand-to-mouth delivery riders continue to be paid without delay while the consumer is made whole from the bond pending resolution, adapting to the cash-on-delivery chain the same protective logic the Anti-Financial Account Scamming Act already applies to financial accounts. To keep these safeguards from being abused, it entitles sellers and delivery personnel to contest a consumer's claim and penalizes those who file fraudulent or bad-faith disputes. It prohibits the shipment of unsolicited

goods and the misuse of personal data to generate them. And it designates a single point of complaint and inter-agency coordination, so that a victimized consumer is not left to navigate the Department of Trade and Industry, the cybercrime authorities, the Bangko Sentral ng Pilipinas, and the National Privacy Commission alone.

Critically, these protections are made to apply to consumer-to-consumer and social-commerce transactions that the Internet Transactions Act does not reach, so that the doorstep is protected regardless of the channel through which the sale was made.

The measure proceeds from a straightforward principle of fairness: no Filipino should be required to pay for a parcel before being allowed to open it. The Constitution commands the State to protect consumers from trade malpractices. This bill answers that command at the one point in the digital marketplace where Filipinos remain most exposed.

In view of the foregoing, the approval of this bill is earnestly sought.

A handwritten signature in black ink, reading "Brian Poe", with a stylized flourish extending from the end of the name.

HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

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BEFORE PAYMENT IN CASH-ON-DELIVERY AND OTHER ONLINE-PURCHASE
TRANSACTIONS, REGULATING THE REMITTANCE AND REFUND OF DISPUTED
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POSTING OF A CONSUMER PROTECTION BOND, PROHIBITING UNSOLICITED
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OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

SECTION 1. Short Title. — This Act shall be known as the “*Cash-on-Delivery Consumer Protection Act.*”

SEC. 2. Declaration of Policy. — The State shall protect consumers from trade malpractices, consistent with Article XVI, Section 9 of the Constitution, and shall ensure that the growth of electronic commerce is matched by safeguards that protect Filipinos at every stage of an online transaction, including the point of delivery and payment. Toward this end, the State recognizes that consumers who pay in cash upon delivery are entitled to verify, before payment and acceptance, that the goods received conform to those ordered; that no person should be compelled to pay for goods that were not ordered or that materially differ from what was

ordered; and that couriers, logistics service providers, and digital platforms that facilitate cash-on-delivery transactions share responsibility for the integrity of those transactions. This Act shall be liberally construed in favor of the consumer and shall supplement, and not diminish, the protections available under other applicable laws.

SEC. 3. Definition of Terms. — As used in this Act:

- (a) Cash-on-Delivery (COD) Transaction refers to any sale of goods, whether business-to-consumer or consumer-to-consumer, concluded through any digital platform, online channel, social media service, or other electronic means, in which the consumer pays the purchase price in cash or its equivalent to the courier or logistics service provider at the time of delivery.
- (b) Consumer refers to a natural person who purchases, or to whom is delivered, goods through a cash-on-delivery or online-purchase transaction for personal, family, or household use.
- (c) Courier or Logistics Service Provider refers to any person or entity engaged in the business of delivering parcels or goods to consumers, including the collection of cash-on-delivery payments on behalf of a seller or consignor.
- (d) Digital Platform refers to any website, mobile application, electronic marketplace, social media service, or online system through which goods are offered, ordered, or sold, consistent with the meaning under Republic Act No. 11967 or the “Internet Transactions Act of 2023” where applicable.
- (e) Online Merchant or Seller refers to any person or entity that offers or sells goods to consumers through a digital platform or online channel, whether or not registered as a business.
- (f) Right to Inspect refers to the right of the consumer to open and examine a parcel and verify the conformity of its contents with the order placed before payment is made and before acceptance is completed.

(g) Unsolicited Delivery, or “Brushing,” refers to the delivery, or attempted delivery, of goods to a person who did not order them, including deliveries generated through the unauthorized use of another person’s personal information.

(h) Disputed COD Payment refers to a cash-on-delivery payment that the consumer contests on the ground that the goods were not delivered, were not ordered, materially differ from those ordered, or are defective or counterfeit.

SEC. 4. Right to Inspect Before Payment. — In every cash-on-delivery transaction, the consumer shall have the right, before payment and before acceptance, to open and inspect the parcel for the sole purpose of verifying that its contents conform to the order placed, including the identity, quantity, and apparent condition of the goods and the correspondence of the parcel to the relevant order or transaction reference. This right shall be mandatory and non-waivable. Any stipulation, term of service, platform policy, or agreement that waives, limits, or conditions this right, or that requires payment before inspection, shall be void for being contrary to law and public policy. Notwithstanding Article 1584 of the Civil Code, the right granted under this Section may not be defeated by agreement.

The inspection shall be conducted in a reasonable manner and within a reasonable time at the point of delivery. The courier or logistics service provider, through its delivery personnel, shall afford the consumer a genuine opportunity to exercise this right and shall not demand payment as a precondition to inspection. For goods whose nature requires that the integrity of tamper-evident or hygienic packaging be preserved, or whose inspection is otherwise regulated by law, inspection under this Section shall be limited to verifying the packaging, labeling, and correspondence of the parcel to the order, without prejudice to the consumer’s other remedies under this Act and other laws.

SEC. 5. Refusal and No-Cost Rejection. — A consumer who, upon inspection under Section 4 of this Act, finds that the goods were not ordered, materially differ from those ordered, or are defective or counterfeit, may refuse to accept the parcel and refuse payment. In such case, no payment shall be due from the consumer, and the consumer shall incur no delivery, return, or handling charge. The parcel shall be returned to the seller or consignor through the courier or logistics service provider, and the cost of such return shall be borne by the seller, the consignor, or the digital platform, and not by the consumer.

SEC. 6. Mandatory Remittance Hold Period, Hold-Back, and Refund of Disputed Payments. — In every cash-on-delivery transaction, the courier, logistics service provider, or digital platform that collects or processes the payment shall withhold the remittance of the cash-on-delivery proceeds to the seller or consignor until after the lapse of seven (7) days from the date of delivery, within which period the consumer may dispute the transaction on any ground specified in Section 3(h) of this Act. No cash-on-delivery proceeds shall be released to the seller or consignor before the lapse of this period.

Where a consumer disputes the transaction within the said seven (7)-day period, the courier, logistics service provider, or digital platform shall continue to hold back the disputed amount, and shall not remit it to the seller or consignor, pending resolution of the dispute, and shall act upon the dispute within a period not exceeding fifteen (15) days from its filing. Where the dispute is found to be substantiated, the disputed amount shall be refunded to the consumer; where it is not, the amount may be released to the seller or consignor.

Any courier, logistics service provider, or digital platform that remits the cash-on-delivery proceeds to the seller or consignor before the lapse of the period required under this Section, or that otherwise releases a disputed amount in violation of this Section, shall be primarily and directly liable to refund the disputed amount to the consumer, without prejudice to its right to recover the same from the seller or consignor.

Every digital platform and every courier or logistics service provider that facilitates cash-on-delivery transactions shall establish an accessible and cost-free mechanism through which consumers may file and pursue disputes under this Section. This mechanism shall be in addition to, and consistent with, the dispute-resolution requirements under Republic Act No. 11967 and its implementing rules and regulations.

SEC. 7. Consumer Protection Bond. — Every courier, logistics service provider, or digital platform that facilitates or collects payment for cash-on-delivery transactions shall post and maintain a consumer protection bond, in the form of a surety bond, cash bond, escrow, irrevocable letter of credit, or other equivalent security acceptable to the Department of Trade and Industry, in an amount to be determined by the Department in proportion to the volume and value of the cash-on-delivery transactions the entity handles.

The consumer protection bond shall answer for the prompt refund of disputed cash-on-delivery payments to consumers under Sections 5 and 6 of this Act. Where a dispute is substantiated, or where the disputed amount can no longer be recovered through the hold-back under Section 6, the refund due to the consumer shall be paid out of the bond without awaiting recovery from the seller or consignor, so that the consumer is made whole without delay while honest sellers and delivery personnel continue to be paid in the ordinary course. This mechanism adapts to the cash-on-delivery chain the same protective logic that Republic Act No. 12010, or the “Anti-Financial Account Scamming Act”, applies to funds held in financial accounts.

An entity that draws upon its bond shall replenish it to the required amount within the period fixed by the Department, and shall retain its right to recover from the seller, consignor, or other person ultimately liable any amount paid to a consumer from the bond. No person shall operate, offer, or facilitate cash-on-delivery transactions without a subsisting consumer protection bond as required under this Section. The Department of Trade and Industry shall prescribe the amount, form, conditions, replenishment, and administration of the bond in the implementing rules and regulations, and may adopt graduated or pooled bonding arrangements for micro and small enterprises so that this requirement does not unduly restrict legitimate commerce.

SEC. 8. Right to Contest Claims; Liability for Fraudulent or Abusive Disputes. — The seller, the consignor, and the delivery personnel shall have the right to contest a consumer’s refusal, rejection, or dispute under Sections 5 and 6 of this Act and to submit evidence in support thereof through the dispute mechanism under Section 6 and the complaint system under Section 11 of this Act. The courier, logistics service provider, or digital platform shall provide a fair and accessible means for such contest and shall resolve it within the period provided under Section 6.

No consumer shall file a false, fraudulent, or bad-faith dispute, or refuse payment on a claim known to be untrue, whether by falsely asserting that the goods were not delivered, were not ordered, materially differ from those ordered, or are defective or counterfeit, or by tampering with, substituting, damaging, or retaining goods and thereafter claiming non-conformity, for the purpose of evading payment or obtaining an unwarranted refund.

A consumer who files a fraudulent or bad-faith dispute shall be liable to pay the amount properly due, to return the goods or their value, and to indemnify the seller, consignor, courier,

logistics service provider, or digital platform for the damages and costs occasioned by the dispute, without prejudice to liability under the Revised Penal Code and other applicable laws. In addition, the Department of Trade and Industry may, after due notice and hearing, impose upon a consumer found to have engaged in a fraudulent or bad-faith dispute, or in a pattern thereof, an administrative fine of not less than Five thousand pesos (₱5,000.00) and not more than One hundred thousand pesos (₱100,000.00). The protections afforded to consumers under this Act shall not be construed to shield fraudulent or abusive claims, and this Act shall be applied so as to protect both the consumer and the honest seller and delivery personnel.

SEC. 9. Prohibition on Unsolicited Deliveries. — It shall be unlawful to ship, deliver, or attempt to deliver goods to any person who did not order them, or to demand payment for such goods. A consumer who receives an unsolicited delivery shall be under no obligation to pay for or to return the goods, and may retain or dispose of them at the consumer’s option without any obligation to the sender. The use of another person’s personal information, without consent, to generate, address, or facilitate an unsolicited delivery, or to post fictitious reviews or transactions, shall be dealt with in accordance with Republic Act No. 10173 or the “Data Privacy Act of 2012”, in addition to the sanctions provided under this Act.

SEC. 10. Obligations of Couriers, Logistics Service Providers, and Digital Platforms. — Couriers, logistics service providers, and digital platforms that facilitate cash-on-delivery transactions shall —

- (a) afford every consumer the right to inspect under Section 4 of this Act, and adopt operating procedures and train delivery personnel accordingly to give effect to that right;
- (b) clearly disclose to consumers, before the conclusion of a transaction, the terms applicable to cash-on-delivery payment, inspection, refusal, and refund;
- (c) maintain records of cash-on-delivery transactions, remittances, and disputes sufficient to permit verification and the resolution of disputes, subject to RA 10173; and
- (d) cooperate with the Department of Trade and Industry and other competent authorities in the investigation and resolution of complaints under this Act.

Nothing in this Act shall be construed to authorize the shifting to delivery riders or personnel of any loss arising from a consumer's refusal, dispute, or non-payment that is properly the responsibility of the seller, the consignor, or the digital platform.

SEC. 11. Single Point of Complaint and Inter-Agency Coordination. — The Department of Trade and Industry, through the Electronic Commerce (E-Commerce) Bureau created under the Internet Transactions Act, shall serve as the lead agency for receiving and acting upon consumer complaints arising from cash-on-delivery and online-purchase parcel fraud under this Act, and shall maintain an accessible mechanism for that purpose. The E-Commerce Bureau shall coordinate with, and as appropriate refer matters to, the Department of Information and Communications Technology and the Cybercrime Investigation and Coordinating Center; the Bangko Sentral ng Pilipinas, where a financial account is involved; the National Privacy Commission, where personal data is misused; and the Philippine National Police Anti-Cybercrime Group and the National Bureau of Investigation Cybercrime Division, where the acts complained of constitute criminal offenses. The agencies concerned shall adopt a referral and coordination protocol to ensure that a consumer needs to file only a single complaint.

SEC. 12. Penalties and Administrative Sanctions. — Without prejudice to liability under the Revised Penal Code, Republic Act No. 10175 or the “Cybercrime Prevention Act of 2012”, Republic Act No. 12010 or the “Anti-Financial Account Scamming Act”, Republic Act No. 8484 or the “Access Devices Regulation Act of 1998”, and other applicable laws for the underlying fraud —

(a) any courier, logistics service provider, or digital platform that denies or obstructs the right to inspect under Section 4, that demands payment as a precondition to inspection, that fails to hold back or refund a disputed payment as required under Section 6, that fails to post or maintain the consumer protection bond required under Section 7, or that otherwise violates its obligations under Section 10, shall be subject to an administrative fine of not less than Five thousand pesos (₱5,000.00) and not more than One million pesos (₱1,000,000.00) for each offense, to be imposed by the Department of Trade and Industry, in addition to such other administrative sanctions as it may impose under Republic Act No. 11967 and Republic Act No. 7394 or the “Consumer Act of the Philippines”;

(b) any person who ships or delivers unsolicited goods and demands payment therefor in violation of Section 9 shall be subject to the same range of administrative fines, without prejudice to criminal and civil liability; and

(c) where the offender is a juridical entity, the responsible officers, directors, or agents who participated in, authorized, or permitted the violation shall be held liable.

The Department of Trade and Industry may also direct the restitution or refund of amounts unlawfully collected from consumers, and may avail itself of the compliance, takedown, and blacklisting powers under Republic Act No. 11967 against persistent violators.

SEC. 13. Relationship to Existing Laws. — This Act shall supplement and shall not repeal, amend, or diminish the protections available under the Civil Code, Republic Act No. 7394, Republic Act No. 8792, Republic Act No. 11967, Republic Act No. 12010, Republic Act No. 10173, Republic Act No. 10175, Republic Act No. 8484, and Republic Act No. 11934. The protections under this Act shall apply to cash-on-delivery and online-purchase transactions regardless of whether they are covered by Republic Act No. 11967, including consumer-to-consumer transactions. In case of doubt, the provisions of this Act shall be construed in favor of the consumer.

SEC. 14. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Department of Trade and Industry, in coordination with the Department of Information and Communications Technology, the Bangko Sentral ng Pilipinas, the National Privacy Commission, and the National Telecommunications Commission, and after consultation with consumer groups, courier and logistics service providers, and digital platforms, shall promulgate the rules and regulations necessary to implement this Act.

SEC. 15. Appropriations. — The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the Department of Trade and Industry. Thereafter, the amount needed for its continued implementation shall be included in the annual General Appropriations Act.

SEC. 16. Separability Clause. — If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

SEC. 17. Repealing Clause. — All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC. 18. Effectivity. — This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,


HON. BRIAN DANIEL POE LIAMANZARES, PhD, MNSA
Representative
FPJ Panday Bayanihan Party-List