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“CONSUMER INTEREST AND THERE SAFEGUARDS UNDER THE CONSUMER PROTECTION ACT 2019”

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ABSTRACT

Indian Consumer Protection Act, 1986 which was once enacted to provide timely relief to consumers affected with defective products and deficient services, apart from providing both legal as well as institutional framework for protection of consumer's rights came under criticism for being ineffective on certain fronts. On the other hand, increase in the cases of unfair trade practices and misleading advertisements necessitated changes to the law. Hence the new Consumer Protection Act, enacted in 2019 aims to bring in stringent measures so as to effectively protect the consumers. It for the first time, provides for remedies that are 'criminal' in nature by way of criminalising few wrongs. This paper is an attempt to assess these criminalising provisions in general and more specifically from criminalisation perspective. It also explores the scope and ambit of such criminal liability imposing provisions, apart from examining its related procedural aspects. An important legislation in this field was the Trade Practices Act, 1974 which came into existence on 1 October 1974. But a formal consumer protection law, which purely focuses on consumer protection, was only enacted in the year 1986 in India. The consumer movement became important in the early and middle of the twentieth century and it resulted in formulation of robust consumer protection Acts in many countries. United nation Organization guidelines were the basis for formulation of consumer protection policies and measures in many developing countries including India. Consumer Protection Act 1986 (CPA 1986), that was passed in Parliament in 1986, was much more detailed, comprehensive and effective in comparison to other consumer protection Acts in various countries. This paper is an attempt to examine, analyze and review consumer protection in India and its Act of 1986, starting from its formulation implementation and journey.

INTRODUCTION

The transformative change in the Indian economy has significantly altered the way many Indians buy, shop, travel and explore. The combined effect of the internet, market competition and rapid innovations have drastically expanded the range of options and information available to consumers. As a result, long-standing consumer traditions have been disrupted creating a need for a novel consumer grievance redressal scheme meant for the new market. Taking this new and dynamic marketplace into consideration, the Indian Parliament on 6th August 2019 passed the Consumer Protection Bill, 2019. On 9th August 2019, the Consumer Protection Act, 2019 ("**CPA 2019**") received assent from the President of India and was notified in the Official Gazette by the Government of India. Thereafter, vide Notification dated 15.07.2020, the Ministry of Consumer Affairs, Food and Public Distribution notified major provisions of CPA 2019, and declared 20th July 2020 to be the appointed date for the coming into force of CPA 2019.

The overhauling of the consumer laws through the enactment of the CPA, 2019 is being perceived as a major affirmative step towards ensuring timely and effective administration and settlement of consumer disputes, keeping in mind the prevalent economic practices affecting consumers of the day. The CPA, 2019 has broadened the concept of 'consumer' by incorporating under its definition, offline and online transactions through electronic means or by teleshopping or direct selling or multi-level marketing. Under the new regime, several other significant additions have also been made such as the establishment of Consumer Protection Council, enhancement of pecuniary jurisdiction of consumer courts, introduction of 'Product Liability', provisions for alternative dispute resolution and mechanism for filing e-complaints.¹

NOTABLE FEATURES OF CPA, 2019

A. Broadening the concept of 'consumer'

Explanation to Section 2(7) of CPA 2019 has broadened the meaning of "consumer" to include the person(s) who buys any goods and hires or avails any services through e-commerce or by teleshopping or direct selling or multi-level marketing. The said explanation reads as follows:

"Explanation. -For the purposes of this clause,

¹ The Consumer Protection Bill, 2019, Statement of Objects and Reasons,https://www.livelaw.in/pdf_upload/pdf_upload-362684.

... (b) the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing".

Prior to this amendment, the meaning of the word "consumer" was used in a restricted sense and included person(s) who bought goods or availed services, and the definition in the Consumer Protection Act, 1986 ("**1986 Act**") did not mention e-commerce transactions specifically. Newly introduced definition under CPA 2019, specifically covers e-commerce transactions viz. online transactions through electronic means. Term 'e-commerce' has been defined under Section 2(16) of the CPA, 2019 as "*buying or selling of goods or services including digital products over a digital or electronic network*".

Pertinently, the Government of India recently notified Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules, 2020**"). E-Commerce Rules, 2020 are applicable to inventory e-commerce entities¹; market-place e-commerce entities²; e-retailers registered in India or abroad but offering goods and services in India; and to all forms of unfair trade practices. The primary objective for enforcing the E-Commerce Rules, 2020 was to cast legal obligations upon e-commerce entities, and thereby ensure that the interests and rights of the consumers are safeguarded.²

B. Enhancement of Pecuniary Jurisdiction

CPA 2019 has brought substantial changes in the jurisdiction of all the consumer redressal forums. The pecuniary jurisdiction of the District Commission (earlier known as "District Forum") has been revised from 20 lakhs to 1 crore.³ Accordingly, the District Commission(s) will exercise their jurisdiction over the complaints filed, where the value of goods and services does not exceed 1 Crore. State Commission(s) will entertain the complaints where the value is more than 1 crore but does not exceed 10 crores⁴. Correspondingly, the National Consumer Disputes Redressal Commission ("National Commission") will be able to exercise its jurisdiction over the complaints filed, where the value is more than 10 crores⁵.

² Ministry of Consumer Affairs, Food and Public Distribution, Notification S.O. 2351(E), <https://consumeraffairs.nic.in/sites/default/files/Act%20into%20force.pdf>, last

A remarkable feature of CPA 2019 includes the change in the basis on which the value of goods and services, is determined. While under the 1986 Act, the pecuniary jurisdiction for filing the complaint was decided on the basis of the *value of goods and services as claimed by a consumer* i.e. 'value + compensation', whereas under CPA 2019, it is on the basis of the *value of goods and services paid as consideration*. Recently, the National Commission, in *M/s Pyaridevi Chabiraj Steels Pvt. Ltd v/s National Insurance Company Ltd. & Ors*⁶, clarified upon the same by observing that the Parliament, while enacting CPA 2019, ensured that a Consumer must approach the appropriate Commission, basis the value of consideration actually paid, and it is for this reason that specific provisions have been carved out under Sections 34 (1), 47 (1) (a) (i) and 58 (1) (a) (i), providing for the pecuniary jurisdiction of the District Consumer Disputes Redressal Commission, State Consumer Disputes Redressal Commission and the National Commission respectively.³

C. Territorial Jurisdiction

CPA 2019 provides for filing of complaints at the place where the Complainant resides or personally works for gain. The aforesaid provision stands in contradistinction with the erstwhile 1986 Act, which provided for filing of complaint where the opposite party or each of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides or carries on business or has a branch office or personally works for gain.⁷ Understandably, the same shall help the consumers in instituting legal action in their own jurisdiction, as they will no longer be required to undertake inter-state or inter-city travels for seeking their legal remedies.

D. Product Liability

Product liability includes claims against companies that allegedly made or sold a defective product.⁸ Earlier, in the 1986 Act, there were no detailed provisions concerning product liability although consumers could initiate actions for defective products.

³ 'marketplace e-commerce entity' is an entity which acts as a mere facilitator. The seller displays its products on the online platform and the buyer interested in purchasing the product places the order through the online platform. On confirmation of the order, the product gets delivered where the buyer resides. See S. 2(g) of E-commerce Rules, 2020.

CPA 2019 provides for a comprehensive scheme for product liability actions. The expression "product liability" is defined under Section 2 (34) as "the responsibility of a product manufacturer or product seller, of any product or service, to compensate for any harm caused to a consumer by such defective product manufactured or sold or by a deficiency in services relating thereto." The net effect of this inclusion will be that any aggrieved consumer can file a complaint against the 'product manufacturer', 'product service provider' or 'product seller'. CPA 2019 gives more teeth to consumers for initiating a product liability action by means of filing a complaint before the concerned authority. CPA 2019 has laid down a detailed scheme for product liability actions under Sections 83 - 87.⁴

Under Section 83 of CPA 2019, a complainant can bring in a product liability action for any harm caused to him on account of the defective product. Such an action can be brought against a product manufacturer, or a product service provider or a product seller.

Section 84 of the Act lays down the conditions for making a 'product manufacturer' liable for product liability action. A product liability action can be initiated against the product manufacturer in case of a manufacturing defect; deviation from manufacturing specifications; or not confirming to the express warranty or for inadequate or improper instructions for usage. Pertinently, subsection 2 of Section 84 makes provision for 'strict product liability' *inter alia* entailing that in a product liability action, a product manufacturer shall be liable even if he proves that he was not negligent or fraudulent in making the express warranty for a product.

Similarly, Section 85 lists the conditions where a product service provider is to be held liable for product liability action. The conditions *inter alia* include service being faulty or imperfect or deficient or inadequate in quality; an act of omission or commission or negligence or conscious withholding of any information which caused harm; non-issuance of adequate instructions or warnings to prevent any harm; or service not confirming to express warranty or the terms and conditions of the contract.

⁴ Legislative Brief: The Consumer Protection Bill, 2018, available at https://www.prsindia.org/sites/default/files/bill_files/Legislative%20Brief%20-%20Consumer%20Protection%20Bill%2C%202018_0.pdf, visited on 22.08.2020.

Likewise, under Section 86 of CPA 2019, the conditions for liability of a product seller (who is not a product manufacturer) are provided. A product seller is liable when he *inter alia* fails to confirm to the express warranty made by the product seller which caused the harm; or fails to exercise reasonable care in assembling, inspecting or maintaining such product; or he did not pass on the warnings or instructions of the product manufacturer regarding the dangers involved or proper usage of the product while selling such product and such failure was the proximate cause of the harm; or when he has altered or modified the product and such alteration or modification was the substantial factor in causing the harm.⁵

However, it is noteworthy that proof of causation is equally necessary for products liability actions. A plaintiff must establish that a product of a defendant manufacturer caused her injuries.² In this regard, CPA 2019 has incorporated the exceptions to product liability action under Section 87, listing out conditions where product liability action cannot be brought against a product seller or a product manufacturer. Pertinently, a product seller is not liable if the product was misused, altered or modified at the time of harm. Similarly, a product manufacturer is not to be held liable if the product was purchased for use at the workplace by an employer and the employer was provided with requisite warning and instructions; or if the product was legally meant to be used under the supervision of experts; or if the danger concerning the product is obvious or commonly known to the user or consumer of such product.

E. Central Consumer Protection Authority

Vide Notification dated 23.07.2020¹⁰, the Ministry of Consumer Affairs, Food and Public Distribution has established the Central Consumer Protection Authority ("CCPA"), as a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued. Under Section 10 of CPA 2019, the CCPA is empowered to regulate matters relating to the violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class.

⁵ Government of India, Department of Consumer Affairs Ministry of Consumer Affairs, Food and Public Distribution, 'Report of the Working Group on Consumer Protection', available at https://niti.gov.in/planningcommission.gov.in/docs/aboutus/committee/wrkgrp12/pp/wg_cp2.pdf, visited on 22.08.2020

Pertinently, the CCPA is included in the definition of 'complainant', thus making it possible for it to initiate class actions suits on behalf of the consumers for any unfair trade practices or misleading advertisements. Further, the CCPA has been empowered to *inter alia* inquire or investigate a violation of consumer rights or unfair trade practices.

A complaint may be forwarded either in writing or in electronic mode to the CCPA. Upon receipt of such information or complaint, or upon receiving directions from the Central Government, or of its own accord, the CCPA may undertake investigation through a separate investigation wing of its own.

CCPA is empowered to promote & enforce the rights of the consumers, regulate misleading advertisements, and impose penalties for false and misleading claims. In cases of misleading advertisements, CCPA can impose a penalty of up to Rs 1,000,000 and a jail term for up to two years. In cases where manufactures and service providers are habitual offenders, they may be imposed with a penalty of Rs. 5,000,000 and a jail term up to five years¹¹. CPA 2019 also prohibits the endorser of a misleading advertisement from endorsing that product or service for a period of up to one year. For every subsequent offence, the period of prohibition may extend to three years.⁶

F. Misleading Advertisements

CPA 2019 provides adequate regulatory mechanisms to protect consumers who fall victim to misleading advertisements. Section 2 (28) defines 'misleading advertisement' as an advertisement which- falsely describes a product or service; misleads consumers as to the quality, nature, substance or quality of the product; gives a false guarantee about the product; or deliberately conceals important information. The law seeks to hold manufactures, service providers, endorsers, and celebrities liable for misleading advertisements which are prejudicial to the interests of consumers as a class. Nonetheless, such endorsers or celebrities will not be held liable if they prove that due diligence as to the quality of the product was performed to confirm the veracity of the claims made for endorsing the product.

⁶ Prof. Suresh Misra, Dr. SapnaChadah& Dr. MamtaPathania, 'Evaluation Report on Impact and Effectiveness of Consumer Protection Act, 1986', Centre for Consumer Studies Indian Institute of Public Administration, New Delhi, 2013.

G. Unfair Trade Practises and Unfair Contracts

The 1986 Act included six types of unfair trade practises like false representation, misleading advertisements etc. CPA 2019 adds three types of practices to the existing list namely : (i) failure to issue a bill or receipt; (ii) refusal to accept a good returned within 30 days; and (iii) disclosure of personal information given in confidence unless required by law or in the public interest.⁷

Also, the inclusion of 'unfair contracts' under the CPA, 2019 has broadened the grounds for filing complaints by the consumers. The consumers can now challenge the contracts which are unilateral and unreasonable.

As per Section 2(46) of CPA, 2019, *"unfair contract is a contract between a manufacturer or trader or service provider on one hand and a consumer on other hand if it causes a significant change in rights of a consumer including the following, namely:-*

- (i) requiring manifestly excessive security deposits to be given by a consumer for the performance of contractual obligations; or*
- (ii) imposing any penalty on the consumer, for the breach of contract thereof which is wholly disproportionate to the loss occurred due to such breach to the other party to the contract; or*
- (iii) refusing to accept early repayment of debts on payment of applicable penalty; or*
- (iv) entitling a party to the contract to terminate such contract unilaterally, without reasonable cause; or*
- (v) permitting or has the effect of permitting one party to assign the contract to the detriment of the other party who is a consumer, without his consent; or*
- (vi) imposing on the consumer any unreasonable charge, obligation or condition which puts such consumer to disadvantage".*

⁷ Dr. M. Rajanikanth, "A Study on Evolution of Consumer Protection Act in India – CPA1986", International Journal of Application or Innovation in Engineering & Management, Volume 6, Issue 4, 2017, p.133.

Unfair Contracts were earlier kept outside the purview of the 1986 Act as the Act did not provide for any remedial action against such contracts. In the absence of any provision to this effect, consumers could not have approached the relevant forums available to remedy the wrong caused by Unfair Contracts.⁸

H. Alternate Dispute Resolution and Compounding of Offences

The CPA 2019 provides for a comprehensive scheme for Mediation under Sections 74 to 81, indicating a clear intention on part of the lawmakers to maximize the use of Mediation for settling consumer disputes. In contrast to the 1986 Act, the CPA, 2019 attempts to institutionalize the process of Mediation. Thus, under Section 74 of CPA 2019, each State Government is obligated to establish consumer mediation cell to be attached to each of the District Commissions and the State Commissions of that State. Similarly, the Central Government is required to establish a consumer mediation cell to be attached to the National Commission and each of the regional Benches.

Pertinently, on 24.07.2020, the National Commission, with the previous approval of the Central Government, made the Consumer Protection (Mediation) Regulations, 2020. These Regulations are intended to make Mediation more effective.

I. Deemed Admissibility of the Complaint:

Under CPA 2019, a complaint filed by a consumer should be ordinarily decided within twenty-one (21) days from the date of filing. However, if the consumer commission fails to decide the issue of admissibility within twenty-one days, the complaint shall be deemed to be admitted after the expiry of such specified period¹².

J. Review and Revision:

CPA 2019 has conferred the consumer commissions with the power to review their orders if there is an error apparent on the face of the record, either on its motion or on an application

⁸ Dr. B. C. Neelakanta, An Assessment of the Need for Effective Consumer Organisations in India and Japan within the Wider Concept of Globalisation, available at <http://www.ide.go.jp/library/English/Publish/Download/Vrf/pdf/408.pdf>, visited on 22.08.2020

made by either of the parties¹³. Additionally, the State Commission and the National Commission have also been conferred with the power of revision under Section 47(1)(b) and Section 58(1)(b) of the CPA, 2019.

K. Limitation Period for Filing the Appeal and Provisions regarding Pre-Deposit:

The limitation period for filing the appeal from District Commission to State Commission has been increased from 30 (thirty) days to 45 (forty-five) days while retaining the power to condone the delay¹⁴. Under CPA, 2019, an appeal shall only be entertained by the State Commission, National Commission and Supreme Court of India, on the deposit of 50 (fifty) per cent of the total amount, required to be paid by the Appellant.¹⁵ Under the 1986 Act, the pre-deposit amount for filing the appeal before the State Commission was INR 25,000, a maximum amount of INR 35,000 before National Commission and INR 50,000 before the Supreme Court of India.⁹

New Additions

The definition of “consumer” under the 2019 Act includes those who make purchases online. Endorsement of goods and services, normally done by celebrities, are also covered within the ambit of the 2019 Act. In fact, an additional onus has been placed on endorsers, apart from manufacturers and service providers, to prevent false or misleading advertisements. In contrast to the 1986 Act, the definition of “goods” has been amended to include “food” as defined in the Food Safety and Standards Act, 2006. This would also bring the meteorically rising number of food delivery platforms within the fold of the 2019 Act.

Interestingly, “telecom” has been added to the definition of “services” to bring telecom service providers within the purview of the 2019 Act. But surprisingly, such inclusion has not been worded as “telecommunication service” defined under the Telecom Regulatory Authority of India Act, which would have included internet, cellular and data services.

A significant addition to the 2019 Act is the introduction of “product liability” whereby manufacturers and sellers of products or services have been made responsible to compensate for

⁹ Dr. A. Rajendra Prasad, “Historical Evolution of Consumer Protection and Law in India”, Journal of Texas Consumer Law, 11(3) 2008, pp.132-136

any harm caused to a consumer by defective products, manufactured or sold, or for deficiency in services. Another newly introduced concept is that of “unfair contracts” aimed to protect consumers from unilaterally skewed and unreasonable contracts which lean in favour of manufacturers or service providers.

The definition of “unfair trade practices” has been enlarged to include electronic advertising which is misleading, as well as refusing to take back or withdraw defective goods, or to withdraw or discontinue deficient services, and to refund the consideration within the period stipulated or in the absence of such stipulation, within a period of thirty days. It is now also an offence if any personal information, given in confidence and gathered in the course of a transaction, gets disclosed.¹⁰

All these changes signify an attempt to create more transparency in the marketplace, through legislative protection, with a view to ensure that consumer interests are above all else.

OVERVIEW

The 2019 Act continues to have Consumer Dispute Redressal Commissions at the District, State and National levels (Consumer Commissions), however the pecuniary jurisdiction, i.e. the monetary value of complaints that can be entertained, of each of these commissions have been substantially increased to reduce the burden on the State and National Commissions by encouraging consumers to approach the District Commission for complaints valued up to Rupees 1 Crore.

Furthermore, the jurisdiction of the Consumer Commissions has also been expanded to allow complaints to be made where the complainant resides or personally works for gain, as opposed to the 1986 Act where complaints had to be instituted where the opposite party resides or conducted business, or where the cause of action arose. This will ease the burden on consumers who will now be able to institute complaints at the district level where they reside and will not be compelled to travel to other parts to pursue their complaints.

¹⁰ “Development of Consumer Movements in India”, available at [http://14.139.13.47:8080/jspui/bitstream/10603/12669/7/07_chapter % 203](http://14.139.13.47:8080/jspui/bitstream/10603/12669/7/07_chapter%203).

Notably, the admissibility of complaints made to Consumer Commissions are to be decided within twenty-one days. Though such provision was part of the 1986 Act as well, an addition to the 2019 Act is that if the issue of admissibility of the complaint is not decided within such time, the complaint shall be deemed to have been admitted. One can't overstate what a remarkable addition this is, as it does away with the languishing of complaints at the pre-admission stage, as had become a current practice, especially at the National Commission. Regrettably, corresponding procedural amendments have not been introduced, which raise some doubts about the practical efficacy of the changes.¹¹

The 2019 Act introduces the power of judicial review, which would allow Consumer Commissions to review their orders, thereby reducing the burden faced on account of appeals being preferred to rectify errors apparent on the face of the record. In stark contrast to the 1986 Act, appeals from the State Commission to the National Commission may now only be made where they involve substantial questions of law. Appeals from the National Commission to the Supreme Court can only be made against complaints which originated in the National Commission. The period prescribed for preferring appeals has now also been made more stringent, with a view to tightening the noose regarding timely filing of appeals.

CHALLENGES FOR THE FUTURE

The new legislation has created a Central Consumer Protection Authority (Authority) to inter alia “regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class.” To enforce this provision, the Authority is empowered to inquire and investigate, which it does through a dedicated investigative wing set-up headed by a Director-General, analogous to the Competition Commission. Additionally, the Authority can also file complaints and intervene in matters before the Consumer Commissions.

¹¹ Indian Penal Code, 1860; Indian Contract Act, 1872; Dangerous Drugs Act, 1930; Sale of Goods Act, 1930; The Agricultural Procedure (Gardening and Marketing) Act, 1937; etc.

While a laudable initiative, it is unclear on how the Authority will practically function, especially since existing District Collectors have been tasked to undertake certain functions pertaining to inquiries and investigations. There is also considerable overlap between the investigative wing and the search and seizure functions of the District Collector, which are likely to lead to a potential conflict of interest.¹²

Interestingly, the Authority is empowered to order for recall of goods, reimburse price paid for goods and services, as well as issue directions and penalize manufacturers and endorsers for misleading advertisements. Appeals against such orders can only be preferred before the National Commission. The factors on which the National Commission may hear such appeals is unclear and one only hopes it doesn't lead to the opening of a Pandora's Box!

At this point, one is also unclear on whether matters currently pending before the Consumer Commissions will continue or if they are likely to get transferred on account of the change in pecuniary jurisdiction. This ambiguity will further add to delays.

KEY FEATURES OF THE CONSUMER PROTECTION ACT, 2019

1. Establishment of the Central Consumer Protection Authority (CCPA):

The act has the provision of the Establishment of the CCPA which will protect, promote and enforce the rights of consumers. The CCPA will regulate cases related to unfair trade practices, misleading advertisements, and violation of consumer rights.

The CCPA will have the right to impose a penalty on the violators and passing orders to recall goods or withdraw services, discontinuation of the unfair trade practices and reimbursement of the price paid by the consumers.

The Central Consumer Protection Authority will have an investigation wing to enquire and investigate such violations. The CCPA will be headed by the Director-General.

2. Rights of consumers:

¹² Cheating By E-commerce Companies, Unstarred Questions No. 384, Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs, <https://164.100.158.235/question/annex/246/>

The act provides 6 rights to the consumers;

- i. To have information about the quantity, quality, purity, potency, price, and standard of goods or services.
- ii. To be protected from hazardous goods and services.
- iii. To be protected from unfair or restrictive trade practices.
- iv. To have a variety of goods or services at competitive prices

3. Prohibition and penalty for a misleading advertisement:

The Central Consumer Protection Authority (CCPA) will have the power to impose fines on the endorser or manufacturer up to 2-year imprisonment for misleading or false advertisement (Like Laxmi Dhan Warsha Yantra).¹³

Worth to mention that repeated offense, may attract a fine of Rs 50 lakh and imprisonment of up to 5 years.

4. Consumer Disputes Redressal Commission:

The act has the provision of the establishment of the Consumer Disputes Redressal Commissions (CDRCs) at the national, state and district levels.

The CDRCs will entertain complaints related to;

- i. Overcharging or deceptive charging
- ii. Unfair or restrictive trade practices
- iii. Sale of hazardous goods and services which may be hazardous to life.
- iv. Sale of defective goods or services

Consumer Protection Act, 2019 comes into force from today, covers e-commerce too

The Consumer Protection Act,2019 comes in to force from 20 July, with its salient features including the establishment of the Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers.

¹³ M. Durovic, International Consumer Law: What Is It All About?, 43 Journal of Consumer Policy, 125, 133, 2020

While briefing the media about the Consumer Protection Act, 2019 through video conference, the Union Minister for Consumer Affairs, Food & Public Distribution Ram Vilas Paswan said that this new Act will empower consumers and help them in protecting their rights through its various notified rules and provisions like Consumer Protection Councils, Consumer Disputes Redressal Commissions, Mediation, Product Liability and punishment for manufacture or sale of products containing adulterant / spurious goods.¹⁴

He said that CCPA will be empowered to conduct investigations into violations of consumer rights and institute complaints / prosecution, order recall of unsafe goods and services, order discontinuance of unfair trade practices and misleading advertisements, impose penalties on manufacturers/endorsers/publishers of misleading advertisements. Paswan further said that the rules for prevention of unfair trade practice by e-commerce platforms will also be covered under this Act. The gazette notification for establishment of the Central Consumer Protection Authority and rules for prevention of unfair trade practice in e-commerce are under publication.

Paswan further said under this act every e-commerce entity is required to provide information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, grievance redressal mechanism, payment methods, security of payment methods, charge-back options, etc. including country of origin which are necessary for enabling the consumer to make an informed decision at the pre-purchase stage on its platform. He said that e-commerce platforms have to acknowledge the receipt of any consumer complaint within forty-eight hours and redress the complaint within one month from the date of receipt under this Act. He further added that the New Act introduces the concept of product liability and brings within its scope, the product manufacturer, product service provider and product seller, for any claim for compensation.

Paswan further informed that the new Act provides for simplifying the consumer dispute adjudication process in the consumer commissions, which include, among others, empowerment of the State and District Commissions to review their own orders, enabling a consumer to file

¹⁴ *The Liability Maze: The Impact Of Liability Law On Safety And Innovation* (Peter W. Huber & Robert E. Litan Eds., 1991).

complaints electronically and file complaints in consumer Commissions that have jurisdiction over the place of his residence, videoconferencing for hearing and deemed admissibility of complaints if the question of admissibility is not decided within the specified period of 21 days.

CONCLUSION

Consumers have long been on the receiving end of market manipulations and unfair trade practices. CPA, 2019 resonates with every major concern that an honest consumer may face. This may also be a warning signal to mischievous players indulging in unfair market practices. CPA, 2019 has shifted the burden of accountability and caution upon the manufactures, sellers, and service provider, giving more power to consumers.

All-in-all the 2019 Act is a positive step towards reformation and development of consumer laws, in the light of dynamically changing socio-economic developments. One has seen many other similar steps having recently been taken, for example, homebuyers being considered Financial Creditors under the Bankruptcy Code and the coming into effect of RERA. But the real test for the 2019 Act is in its implementation and some leeway needs to be given for it to actualize the relief for the consumers.

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