



Consumer Protection Act, 2019

Why in News

The **new** [Consumer Protection Act, 2019](#) came into force on **20th July 2020** and it will empower consumers and help them in protecting their rights through its various notified rules and provisions.

- The new act will be swift and less time consuming compared to the **older** [Consumer Protection Act, 1986](#) in which single-point access to justice was given making it a time-consuming exercise.
 - The old act provided for a **three-tier consumer dispute redressal machinery** at the **National** ([National Consumer Disputes Redressal Commission](#)), **State** and **District** levels.

Key Points

- The Consumer Protection Act, 2019 establishes the **Central Consumer Protection Authority** (CCPA) whose primary **objective** will be to promote, protect and enforce the rights of consumers.
 - **It is 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.
- **Rules on E-commerce and Unfair Trade Practices:** The government will notify the **Consumer Protection (E-commerce) Rules, 2020** under the Act whose broad provisions are given below.
 - **E-commerce** entities are **required to provide information** to consumers, 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 and country of origin.
 - These are necessary for **enabling the consumer to make an informed decision** at the pre-purchase stage.
 - These platforms will have to **acknowledge the receipt of any consumer complaint within 48 hours** and **redress the complaint within one month** from the date of receipt. They will also have to appoint a grievance officer for consumer grievance redressal.
 - The Consumer Protection (E-commerce) Rules, 2020 are **mandatory and are not advisories**.
 - Sellers **cannot refuse to take back goods or withdraw services or refuse refunds**, if such goods or services are defective, deficient, delivered late, or if they do not meet the description on the platform.
 - The rules also **prohibit the e-commerce companies from manipulating the price** of the goods or services to gain unreasonable profit through unjustified prices.

▪ **Product Liability:**

- A manufacturer or product service provider or product seller will be held **responsible to compensate for injury or damage** caused by defective product or deficiency in services
- **Basis for product liability action:**
 - Manufacturing defect.
 - Design defect.
 - Deviation from manufacturing specifications.
 - Not conforming to express warranty.
 - Failing to contain adequate instructions for correct use.
 - Service provided-faulty, imperfect or deficient.

▪ **Punishment for Manufacture or Sale of Adulterated/Spurious Goods:**

- In case of the first conviction, a competent court may suspend any licence issued to the person for a **period of up to two years** and in case of second or subsequent conviction, may **cancel the licence permanently**.

▪ **Alternate Dispute Resolution Mechanism of Mediation:**

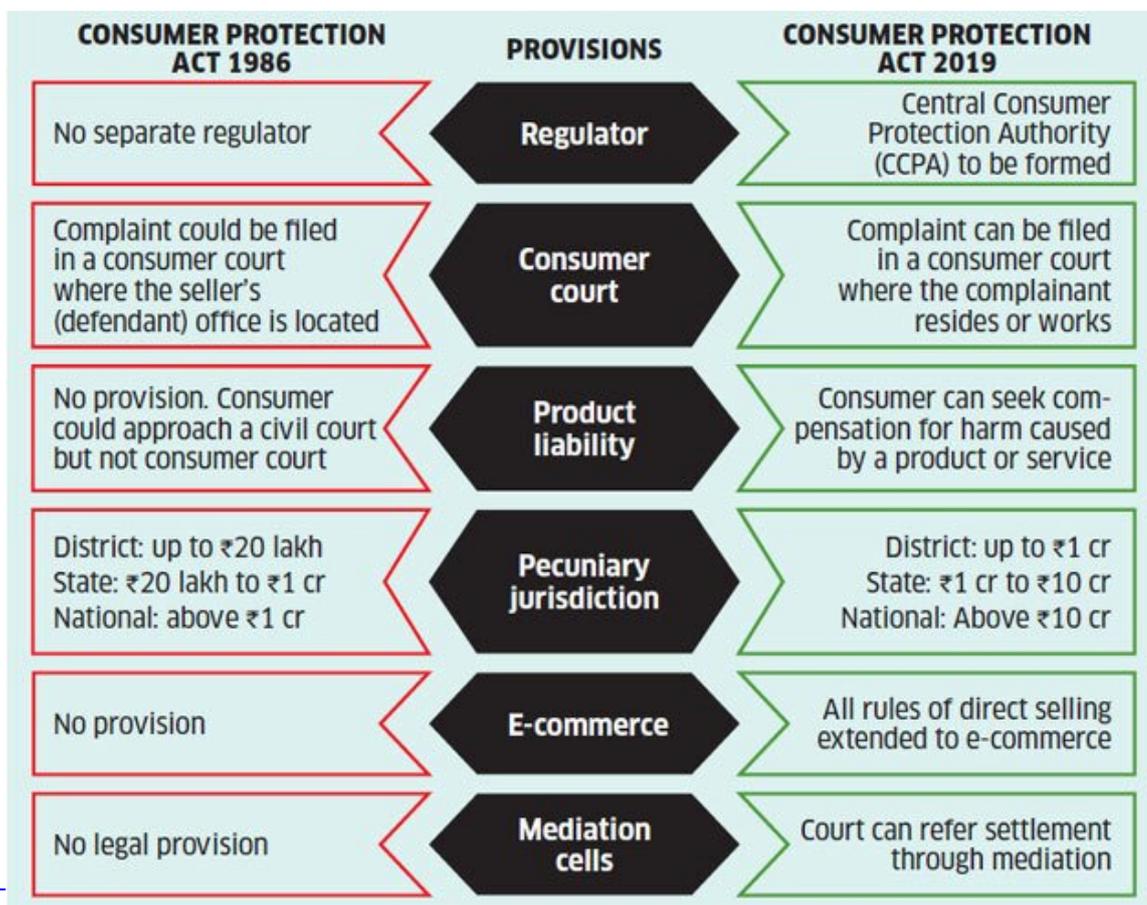
- A complaint will be referred by a Consumer Commission for mediation, wherever scope for early settlement exists and parties agree for it.
- The mediation will be held in the **Mediation Cells** which will be established under the aegis of the **Consumer Commissions**.
- There will be **no appeal against settlement through mediation**.

▪ **Simplification of the Consumer Dispute Adjudication Process:**

- **Empowering the State and District Commissions to review** their own orders.
- Enabling a consumer to file complaints electronically and in consumer commissions that have jurisdiction over the place of his residence.
- Video-conferencing for hearing and deemed admissibility of complaints if the question of admissibility is not decided within the specified period of 21 days.

▪ **Other Rules and Regulations:**

- As per the **Consumer Disputes Redressal Commission Rules**, there will be **no fee for filing cases up to Rs. 5 lakh**.
- The credit of the amount due to unidentifiable consumers will go to the **Consumer Welfare Fund (CWF)**.
- State Commissions will furnish information to the Central Government on a quarterly basis on vacancies, disposal, the pendency of cases and other matters.
- Apart from these general rules, there are **Central Consumer Protection Council Rules**, provided for the constitution of the **Central Consumer Protection Council (CCPC)**.
 - It will be an **advisory body** on consumer issues, headed by the Union Minister of Consumer Affairs, Food and Public Distribution with the Minister of State as Vice Chairperson and 34 other members from different fields.
 - It will have a **three-year tenure** and will have Minister-in-charge of consumer affairs from two States from each region- North, South, East, West, and North-East Region.



Source: PIB

PDF Reference URL: <https://www.drishtias.com/printpdf/consumer-protection-act-2019>