



Ministry of Consumer Affairs, Food & Public Distribution



Consumer Protection Act, 2019 to strengthen provisions for consumer protection

Consumer Protection Act, 2019 protects consumers involved in online transactions

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To further strengthen the provisions for consumer protection especially in the new era of globalization, online platforms, e-Commerce markets etc., the Consumer Protection Act, 2019 was enacted to replace the Consumer Protection Act 1986. It inter-alia, provides for improved protection for consumers involved in online transactions. The Consumer Protection Act 2019 has widened the scope of the definition of "consumer" to include persons who buy or avail of goods or services online or through electronic means which was not present in the Consumer Protection Act 1986. The Consumer Protection Act 2019 has also included definition of advertisement as any audio or visual publicity, representation, endorsement or pronouncement made by means of, inter-alia, electronic media, internet or website.

Under the provisions of the Consumer Protection Act, 2019, a Central Consumer Protection Authority (CCPA) has been established w.e.f 24.07.2020 to regulate matters, inter alia, relating to false or misleading advertisements which are prejudicial to the interests of public and consumers as a class.

The CCPA has notified the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 on 9th June, 2022 with the objective to curb misleading advertisements and protect the consumers, who may be exploited or affected by such advertisements. As per these guidelines, due diligence is required for endorsement of advertisements so that any such endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive. Further, these guidelines state that where there exists a connection between the endorser and the trader, manufacturer or advertiser of the endorsed product that might materially affect the value or credibility of the endorsement and the connection is not reasonably expected by the audience, such connection shall be fully disclosed while making the endorsement.

The CCPA has issued advisories to, inter-alia, e-commerce companies to desist from manufacturing, selling or listing of products or services which are dangerous to life of the consumers which included selling and listing of car seat belt alarm stopper clips, illegal sale and facilitation of wireless jammers and also advised all marketplace e-commerce platforms to display information provided by sellers as per the E-Commerce Rules, 2020. CCPA has also issued two safety notices cautioning consumers against buying goods that do not hold valid ISI Mark and violate compulsory BIS standards, such as Helmets, Pressure Cookers and Cooking gas cylinders and other household goods including electric immersion water heaters, sewing machines, microwave ovens, domestic gas stoves with LPG etc.

The Consumer Protection Act 2019 explicitly includes e-commerce transactions within its scope, defining e-commerce as the buying or selling of goods or services including digital products over digital electronic network.

To safeguard consumers from unfair trade practices in e-commerce, the Department of Consumer Affairs has already notified the Consumer Protection (E-commerce) Rules, 2020 under the provisions of the Consumer Protection Act. These rules, inter-alia, outline the responsibilities of e-commerce entities and specify the liabilities of marketplace and inventory e-commerce entities, including provisions for customer grievance redressal.

The Department has noticed emergence of unfair trade practices known as “dark patterns” which involve using design and choice architecture to deceive, coerce, or influence consumers into making choices that are not in their best interest. The Department of Consumer Affairs (DoCA) conducted an interactive consultation in Mumbai on June 13, 2023 with various stakeholders including Advertising Standards Council of India (ASCI), e-commerce companies, industry associations etc. The Department of Consumer Affairs has urged the e-commerce companies, industry associations to refrain from indulging in any design or pattern in the online interfaces of their platform that may deceive or manipulate consumer choices and fall into the category of dark patterns.

This information was given by the Union Minister of State for Consumer Affairs, Food & Public Distribution, Shri Ashwini Kumar Choubey in a written reply today in the Lok Sabha.

AD/VN

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