



The Indian Journal for Research in Law and Management

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Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

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THE CONSUMER PROTECTION ACT, 2019

- *Shivika Sharma*

WHO IS A CONSUMER?

A consumer [defined u/s 2(7) of the Consumer Protection Act, 2019ⁱ] consumes goods and services advertised by the producer. A consumer is in an inferior position to the buyer; therefore, to protect the consumer from the producer's malpractices the Consumer Protection Act of 1986ⁱⁱ was introduced in India. Recently, the Union government has replaced the previous consumer protection act with the Consumer Protection Act, 2019. World Consumer Protection Day, commemorated annually on March 15th since its inception in 1983, serves as a pivotal occasion for advocating consumer rights awareness. This date was chosen to honour President John F. Kennedy's groundbreaking 1962 address to the U.S. Congress, marking the first formal acknowledgment of consumer rights by a global leader. A cornerstone principle in buyer empowerment is encapsulated in the Latin phrase "Caveat emptor," translating to "let the buyer beware." This concept underscores the notion that individuals bear the responsibility of assessing risks when making purchases, emphasising the importance of thorough research and targeted inquiries to sellers.

PROVISION FOR CONSUMERS:

The 2019 Act came into effect on 20th July 2020. The sole purpose of the 2019 Act is to guarantee consumer convenience. This legislation mandates severe penalties for producers who violate any consumer rights explicitly outlined within the act. Fundamental consumer rights include the right to safety, the right to choose, the right to be heard, the right to basic needs, the right to consumer education, the right to be informed, the right to redress, and the right to a healthy environment. The 2019 Act introduces a fresh array of consumer rights and provisions

while retaining certain elements from the 1986 Act. Among the newly included provisions are Alternative Dispute Resolution through mediation, regulations for e-commerce, and stipulations addressing unfair trade practices and unfair contract terms, among others. Under the act the entities eligible to file complaints encompass individual consumers, legally sanctioned voluntary consumer associations, governmental bodies at either central or state levels, the Central Authority, collective representation by multiple consumers with aligned interests, legal heirs or representatives in the event of a deceased consumer, and parents or legal guardians acting on behalf of minor consumers. The unfair trade practices u/s 2 (47) of the 2019 Actⁱⁱⁱ mark the misleading advertisement of the product. In the event of any defect, omission related to warranty or terms and conditions, failure to exercise reasonable care or due diligence, or modification of the product, responsibility is attributed to the respective parties as follows: the product manufacturer under Section 84 of the Consumer Protection Act, 2019^{iv}, the product service provider under Section 85^v of the same act, and the product seller under Section 86^{vi}. The quasi-judicial bodies, established under the Act to provide consumers with straightforward, swift, and affordable grievance redressal, operate at three tiers: District, State, and National. They are designated as the District Consumer Disputes Redressal Commission (District Commission), State Consumer Disputes Redressal Commission (State Commission), and National Consumer Disputes Redressal Commission (National Commission). Under this Act, complaints must be filed with the District Commission in the jurisdiction where the opposing party's business or residence is located, where the complainant resides or conducts business, or where the cause of action has arisen, either wholly or partially. In landmark case of *Indian Medical Association v. V.P. Shantha and Others*^{vii} (November 13, 1995), the Supreme Court evaluated whether medical practitioners and hospital services fall under the definition of "service" as per Section 2(1)(o) of the Consumer Protection Act, 1986^{viii}. The Court concluded that patients who pay for medical services are considered consumers and are entitled to seek compensation for inadequate care. Services provided by medical practitioners, including consultation, diagnosis, and both medical and surgical treatment, qualify as services under the Act. However, services offered free of charge are excluded from this definition. Under the 2019 Act, product manufacturers are held liable if a product is defectively manufactured or designed, fails to comply with warranty guidelines, or lacks adequate usage instructions and cautions. Complaints under this Act must be submitted in writing, either offline or online, and can be filed by the complainant or their agent. It is crucial to note that complaints must be lodged within two years from the date on which the cause of action arose. The remedies provided by the consumer commissions under the Act include the removal or replacement of defective

goods, refunds, compensation for losses or injuries suffered, and the withdrawal of dangerous goods from sale, among other measures

THE ACT OF 1986 V. THE ACT OF 2019:

The Consumer Protection Act of 2019 introduces substantial improvements over the 1986 Act, particularly addressing the evolving domain of e-commerce, which the earlier legislation did not cover. E-commerce, defined as the buying and selling of goods and services via electronic media, has emerged as a convenient option for consumers. The new Act facilitates online complaint filing with the nearest Consumer Redressal Forum, thereby simplifying the process. Section 10 of the 2019 Act^{ix} establishes the Central Consumer Protection Authority (CCPA), which is authorised to investigate consumer rights violations and take action against false advertisements. Penalties for manufacturers can range from ₹10 lakhs to ₹50 lakhs, with potential imprisonment for up to two years. The jurisdictional limits for consumer complaints have been revised: the District Commission now addresses cases up to ₹1 crore, the State Commission up to ₹10 crores, and the National Commission for amounts exceeding ₹10 crores, compared to the previous thresholds of ₹20 lakhs, ₹1 crore, and ₹1 crore, respectively. The definition of unfair trade practices has been expanded to include failure to provide receipts, refusal to accept returns or process refunds, and improper disclosure of customer information. The 2019 Act introduces mediation as an alternative dispute resolution method and mandates compensation for inconvenience caused by manufacturers, service providers, or sellers. Non-compliance with commission orders can result in imprisonment for up to three years or fines ranging from ₹25,000 to ₹1 lakh. Furthermore, severe penalties, including imprisonment from seven years to life and fines up to ₹10 lakhs, are prescribed for cases involving consumer death due to adulterated or counterfeit products.

CONCLUSION:

The Consumer Protection Act, 2019, marks a substantial advancement in safeguarding consumer rights, particularly in the context of modern e-commerce and unfair trade practices. By expanding the scope of protections and establishing stringent penalties, the Act ensures comprehensive consumer welfare and streamlined grievance redressal, reflecting the evolving landscape of consumer-producer relations.

ENDNOTES

- ⁱ [Consumer Protection Act, 2019, Sec 2\(7\)](#)
- ⁱⁱ [Consumer Protection Act, 1986](#)
- ⁱⁱⁱ [Consumer Protection Act, Sec 2\(47\)](#)
- ^{iv} [Consumer Protection Act, 2019, Sec 84](#)
- ^v [Consumer Protection Act, 2019, Sec 85](#)
- ^{vi} [Consumer Protection Act, 2019, Sec 86](#)
- ^{vii} [Indian Medical Association v. V.P. Shantha and Others 1995 SCC \(6\) 651](#)
- ^{viii} [Consumer Protection Act, 1986, Sec 2\(1\)\(o\)](#)
- ^{ix} [Consumer protection Act, 2019, Sec 10](#)