

Dimensions of Consumer Protection Act 2019: An Overview

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Abstract: -

No economy can thrive without Consumer Protection. The Consumer is an indispensable part of any economy because he buys or rents goods or services from the seller and in turn contributes to the creation of jobs in the country. Protecting Consumers is therefore important, because nowadays the demands and expectations of Consumer have changed with globalization and increased awareness. However, the availability of multiple goods and services sometimes turns out to be detrimental to the consumer as not all sellers & service provider are genuine.

The process of Protecting Consumers from unethical business practices is called Consumer Protection. It describes measures to protect customers from unfair & unethical business practices by sellers, manufacturers, service providers' etc. and to provide legal remedies when their Legal Rights as Consumers are violated.

The Consumer Protection Act, 2019 received the assent of the president on 9th August 2019. But it came into force only 20 July 2020. This Act replaced the old Consumer Protection Act, 1986. The objective of this new Act to enhance Consumer Protection in view of the booming e-commerce and modern ways of providing goods and services such as online sales, direct bidding, direct selling and multi-level marketing. Apart from traditional methods. This article is an attempt to analyse the use of Consumer Protection Act. How it is beneficial for the public.

KEY WORDS- Consumer, Consumer Awareness, Consumer Protection, Unfair Business Practices, Consumers 'Disputes'.

INTRODUCTION-

The Preamble to the Act States that it seeks to provide for protection of the interests of Consumer and towards such goal, establishment of authorities for timely and effective administration and settlement of Consumer's Disputes¹.

With an aim to protect the interests of Consumer, the Consumer councils and other authorities for the settlement of Consumer's grievances are established at the national, State and District Level to increase Consumer Awareness.

So the Consumer Protection Act 2019 is a law for the protection of Consumer interest. This law ensures the safety of Consumers against defective products, unsatisfactory services and unfair business practices. In India, the protection of consumer rights is governed by the Consumer Protection Act, 2019. The Consumer Protection Act 2019 was introduced to replace the Consumer Protection Act 1986. The new law contains several provisions that take into account the challenges faced by consumers. For modern and technology-dependent consumers, this Act also contains various provisions for the protection and promotion of consumer rights.

Methodology

Research Design: Secondary Research

This research examines the societal and legal contexts of Consumer Protection Act 2019 in India via the lens of a secondary research design also known as desk research or a literature review. Without taking part in the actual data collection process, secondary researchers analyze and synthesize previously collected data and information.

Data Sources

This secondary research draws from a wide variety of sources, including scholarly publications, books, reports, government records, and reliable web databases. Data sources were chosen because of their high quality and reliability in providing answers to the study questions.

Reasons for the enactment of the Consumer Protection Act, 2019 –

The Consumer Protection Act of 1986 was passed to better protect the interests of Consumers and to form Consumer Protection Councils and other Consumer disputes resolutions bodies etc. Although the activities of the Consumer disputes resolution bodies have largely fulfilled their purpose under the said law, but the treatment of cases was not fast due to various limitations. Several deficiencies were found in the administration of various provisions of the said Act.

Consumer markets for goods and services have undergone drastic transformation since the enactment of the Consumer Protection Act in 1986. The modern market place contains a plethora of products and services. The emergence of global supply chains, rise in international trade and the rapid development of e-commerce have led to new delivery systems for goods and services and have provided new options and opportunities for Consumers. Equally this has rendered the Consumer vulnerable to new forms of unfair trade and unethical business practices. Misleading advertisements, tele-marketing, multi-level marketing, direct selling and e-commerce pose new challenges to consumer protection and will require appropriate and swift executive interventions to prevent consumer detriment.²

Objectives of the Consumer Protection Act, 2019 -

The main objective of the Act is to protect the interests of consumers and to create a robust and reliable process for redressal of consumer complaints.

The objective of the law is: -

1. Avoid marketing goods that endanger life and property.
2. Protect customers from unfair business practices by educating them about product quality, potency, quantity, standard, purity and price.
3. Consumer protection councils are established to protect the interest and rights of consumers.
4. Whenever possible, provide customers with access to reliable sources of goods at reasonable costs.
5. Seek redress for deceptive business practices or consumer abuse.
6. Protects the interests of consumers by appointing authorities for prompt and appropriate handling and resolution of consumer cases.
7. Penalties are drawn for breaking the law.
8. Listen to complaints and disputes and ensure that consumer welfare is considered in appropriate forums.
9. Educate customers about their rights by providing them with consumer education.
10. Provide prompt and efficient handling of customer concerns through alternative dispute resolution processes.

Who is a "consumer" under the 2019 Act?

According to Section 2 (7) of the Law of 2019, a consumer is a person who buys goods or uses any service for payment, including all users, except a person who used the relevant service or goods for resale or commercial use. . The definition statement expressly states that the terms "purchase goods" and "rent or use any service" include all online transactions conducted electronically or through direct sales or direct offers or multi-level marketing. Online shopping is an exclusive feature of this action which has been added keeping in mind the development of e-commerce and technology.³

Consumer rights -

According to the law, the consumer has six main rights, which are listed as follows:

1. the right to be protected against the marketing of goods, products or services dangerous to life and property;
2. the right to receive information about the quality, quantity, capacity, purity, standard and price of goods, products or services, as the case may be, in order to protect the consumer against inappropriate commercial practices;
3. the right to receive various goods, products or services at a competitive price, if possible;
4. the right to be heard and to be sure that the interests of the consumer are properly considered in the appropriate forums;
5. the right to seek redress for unfair trade practices or restrictive trade Bpractices or unfair consumer exploitation; and
6. the right to consumer awareness;⁴

Constitutional validity of consumer protection laws -

The constitutional validity of the law refers to its conformity with the provisions of the country's constitution. This means that no law or statute violates the fundamental rights, principles or provisions laid down in the Constitution.

In State of Karnataka v. Vishwabharti House Building Coop. Society and others⁵ challenged the constitutional validity of the CPA on the grounds that it violates the exclusive right of state legislatures to make laws relating to contracts and property rights under the Seventh Schedule of the Constitution. In its judgment, the Supreme Court of India held that the CPA is a valid

piece of legislation because it falls under the Seventh Schedule, which is related to the Concurrent List, and Parliament has the power to legislate on matters related to the protection of individual consumer rights. The court also said that CPA is no better than Article 246 of the Constitution and Article 14 of the Constitution because it provides for a reasonable classification of consumers based on their ability to hire legal services.

Spring Meadows Hospital vs. Harjal Ahluwalia⁶ contested the constitutional validity of certain provisions of the CPA on the grounds that they infringe the fundamental right of healthcare providers to operate in their profession and engage in business under Article 19(1). g) Constitution. In its judgment, the Supreme Court of India (Supreme Court of India) said that the CPA is a valid piece of legislation because it is enacted in the interest of public health and safety and is a reasonable restriction on the fundamental right to do business. The court also found that CPA does not violate § 21 of the Civil Code, as it stipulates a fair and reasonable procedure for resolving consumer disputes.

The constitutional validity of CPA is also supported by Article 246 of the Constitution, which provides for the division of powers between the Union and the States, and the Consumer Protection Act of 2019, which is a valid legislative act issued under the authority of the Parliament. Legislation for the protection of consumer rights in accordance with the parallel list of the seventh appendix to the Constitution.

Therefore, under the Constitution of India, both the Consumer Protection Act, 1986 and the Consumer Protection Act, 2019 are considered as valid legislation. The laws provide the consumer with an effective mechanism for redressal of complaints and protect the fundamental right to a decent life enshrined in Article 21 of the Constitution.

Provisions of the Consumer Protection Act 2019 –

Establishment of the Central Consumer Protection Authority (CCPA):-

The Act provides for the establishment of the CCPA for the protection, promotion and enforcement of consumer rights. The CCPA governs cases involving unfair business practices, deceptive advertising, and violations of consumer rights.

The CCPA has the power to impose sanctions on violators and require the return of goods or cancellation of service, cessation of the unfair business practice, and refund of the price paid by consumers.

The Consumer Protection Board has an investigation wing which investigates such violations. The CCPA is headed by a Director General.

Duties and tasks of the central authority -

The duties and responsibilities of the central authority are stipulated in Section 18 of the law, which includes;

1. To protect and promote the rights of consumers as a class and to prevent consumer violations,
2. To prevent unfair business practices
3. To ensure that goods or services are not falsely or erroneously advertised,
4. To ensure that no one participates in false or misleading advertising,
5. Investigate or investigate cases of violation of consumer rights or inappropriate business practices. Submit complaints to the National, State or District Committee as the case may be,
6. Discover the circumstances regarding the factors preventing the use of consumer rights.
7. We recommend the adoption of international consumer agreements and international best practices
8. Promotes research and awareness of consumer rights.
9. Necessary guidelines are drawn up to prevent unfair trade practices and protect the interests of consumers.
10. The central authority is also empowered to investigate, after receiving a complaint or instructions from the central authority or on its own initiative, if there is a violation of consumer rights or inappropriate business practices. And if the central authority is convinced that consumer rights or unfair business practices have been violated, it can:
 1. Return dangerous and harmful goods or services to the consumer,
 2. Refund the prices of goods and services to consumers and
 3. Abandon practices that are harmful and detrimental to consumers.

Penalties-

The authorities may also levy a fine of up to Rs 10 lakh and jail the maker or endorser of fraudulent and misleading ads for up to two years.

For any subsequent offence, the producer or endorser might face a fine of up to Rs 50 lakh and a five-year jail sentence.

The CCPA has the authority to impose a one-year ban on the ability of the endorser of deceptive or fraudulent advertising to endorse any goods or services in the future.

For any further Act infringement, the prohibition might be increased by up to three years.⁷

Consumer Dispute Redressal bodies -

According to the Consumer Protection Act, 2019, the three redressal bodies are District Commission, State Commission and National Commission.

District Committee

The District Council consists of a President (who may be a serving or retired judge of the District Court) and two other members. They are appointed by the state government. Complaints can be registered with this agency for goods and services worth up to ₹ 1 crore. Regarding the submitted complaints, the district committee, if it deems it necessary, sends the goods to the laboratory for testing and makes its decision based on the laboratory's report and the facts. If the injured party is not satisfied with the jurisdiction of the district commission, he can appeal the decision of this body to the state commission within 45 days.

State Commission

The State Commission consists of a President (who must be a serving or retired judge of the Court of Appeals) and at least two other members. They are appointed by the state government. You can complain to this agency about goods and services worth less than 10 crore Rs and more than 1 crore Rs. After receiving a complaint from the victim, the state commission contacts the institution against which the complaint was filed. In addition, the State Commission considers it necessary to send the goods to the laboratory for testing in relation to the submitted complaints. If the victim is not satisfied with the jurisdiction of the State Commission, he can appeal the decision of this body to the State Commission within 30 days by depositing 50% of the fine.

National commission

The National Committee consists of a president and four other members, one of whom must be a woman, appointed by the central government. You can make a complaint to this agency about goods and services worth more than 10 crore Rs. After receiving a complaint from the victim, the National Commission will notify the party against whom the complaint was filed. In addition, in the case of submitted complaints, if necessary, the State Commission will send the goods to the laboratory for testing and then make a decision based on the reports. If the victim is not satisfied with the competence of the national commission, he can appeal the decision of this body to the Supreme Court within 30 days by depositing 50% of the fine.⁸

Conclusion -

In conclusion, the Consumer Protection Act of 2019 is a comprehensive and forward-looking Legislation that places consumers at the heart of economic activities. It establishes a robust framework for consumer protection, balancing the interests of consumers and businesses. The act's focus on dispute resolution, accountability, and consumer empowerment holds the potential to create a more transparent, fair, and responsible marketplace for all parties involved. However, its effectiveness will depend on the diligent implementation, monitoring, and continuous adaptation to evolving consumer needs and market dynamics.

Suggestion -

1. Consumers should be aware of their rights and responsibilities when collecting so much information from various sources. The government and NGOs should organize awareness camps for both rural and urban dwellers.
2. Consumer rights and consumer protection regulations must be adequately publicized, for example in the media such as television, radio, newspapers, magazines, etc. In this age of information technology, there are different social Mass media and new media can be used to spread awareness.
3. Consumer complaints must be resolved within a reasonable time and with reasonable compensation.

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