

Consumer Protection Act, 2019 comes into force from today

Act includes establishment of the Central Consumer Protection Authority (CCPA) and rules for prevention of unfair trade practice by e-commerce platforms

Consumer Protection Act 2019 will be a significant tool in protecting consumer rights; provides for simplifying the consumer dispute adjudication process and introduces concept of product liability -
Shri Ram Vilas Paswan

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The Consumer Protection Act, 2019 comes into force from today i.e. 20th July 2020. While briefing the media about the Consumer Protection Act, 2019 through video conference here today, the Union Minister for Consumer Affairs, Food & Public Distribution Shri 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.

He said that the Act includes establishment of the Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers. The 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. Shri 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.

Shri 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.

Shri 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 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.

The Minister said an Alternate Dispute Resolution mechanism of Mediation has been provided in the new Act. This will simplify the adjudication process. A complaint will be referred by a Consumer Commission for mediation, wherever scope for early settlement exists and parties agree for it. Mediation will be held in the Mediation Cells to be established under the aegis of the Consumer Commissions. There will be no appeal against settlement through mediation.

He said, as per the Consumer Disputes Redressal Commission Rules, there will be no fee for filing cases upto Rs. 5 lakh. There are provisions for filing complaints electronically, credit of amount due to unidentifiable consumers to Consumer Welfare Fund (CWF). The State Commissions will furnish information to Central Government on a quarterly basis on vacancies, disposal, pendency of cases and other matters.

Shri Paswan further informed that the New Act also 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. The Act provides for punishment by a competent court for manufacture or sale of adulterant/spurious goods. The court may, in case of first conviction, suspend any licence issued to the person for a period of up to two years, and in case of second or subsequent conviction, cancel the licence.

Under this new Act, besides general rules, there are Central Consumer Protection Council Rules, Consumer Disputes Redressal Commission Rules, Appointment of President & Members in State/District Commission Rules, Mediation Rules, Model Rules and E-Commerce Rules and Consumer Commission Procedure Regulations, Mediation Regulations and Administrative control over State Commission & District Commission Regulations.

Shri Paswan said that the Central Consumer Protection Council Rules are provided for constitution of the Central Consumer Protection Council, 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. The Council, which has a three-year tenure, will have Minister-in-charge of consumer affairs from two States from each region- North, South, East, West, and NER. There is also provision for having working groups from amongst the members for specific tasks.

In his concluding remarks, Shri Paswan said that in earlier Consumer Protection Act, 1986 a single point access to justice was given, which is also time consuming. The new act has been introduced after many amendments to provide protection to buyers not only from traditional sellers but also from the new e-commerce retailers/platforms. He said that this Act will prove a significant tool in protecting consumer rights in the country.

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