

# FAQs on Consumer Protection Act 2019

## 1. When was Consumer Protection Act 2019 enacted?

The Consumer Protection Act 2019 was notified on August 9<sup>th</sup> 2019. However, it came into effect from July 20<sup>th</sup> 2020.

## 2. What are the main features of Consumer Protection Act 2019?

While retaining certain old provisions, the New Act has certain new provisions that tightens the existing rules to further safeguard consumer rights and create exhaustive consumer protection law.

New provisions under Consumer Protection Act 2019

- Inclusion of E- commerce, Direct selling  
Establishment of Central Consumer Protection Authority (CCPA)
- Strict Norms for Misleading Advertisement
- Strict Norms for product liability
- Changes in the Pecuniary Jurisdiction
- Greater ease to dispute resolution  
Addition in the clause of “Unfair Trade Practice”:
- Unfair Contract
- Alternate Dispute Resolution through mediation

## 3. Who is a consumer?

A person who buys any goods or services for a consideration, which has been paid or promised or partly paid and partly promised, or under any system of deferred payment also includes the user with approval of such goods or beneficiary of services.

As per Consumer Protection Act 2019, the expression “buys any goods” and “hires or avails any services” includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing.

## 4. Who is a not a consumer?

- A person who obtains;
- goods free of charge
- who avails services free of charge
- who obtains goods for resale or for any commercial purposes
- who avails services for any commercial purposes
- who avails services under contract of service

As per the provisions of the Act, commercial purpose does not include use by a person of goods bought and used by him exclusively for the purposes of earning his livelihood by means of self-employment.

## **5. What Consumers Rights are guaranteed under Consumer Protection Act, 2019?**

Consumer is having the following six consumer rights under the Act

- Right to Safety
- Right to be Informed
- Right to Choose
- Right to be heard
- Right to seek Redressal
- Right to Consumer Awareness

## **6. What are goods?**

"**goods**" means every kind of movable property and includes "food" as defined in clause (j) of sub-section (1) of section 3 of the Food Safety and Standards Act, 2006;

## **7. Who can make complaint?**

- i. a consumer; or
- ii. any voluntary consumer association registered under any law for the time being in force; or
- iii. the Central Government or any State Government; or
- iv. the Central Authority; or
- v. one or more consumers, where there are numerous consumers having the same interest; or
- vi. in case of death of a consumer, his legal heir or legal representative; or
- vii. in case of a consumer being a minor, his parent or legal guardian;

## **8. Can a person buying goods or hiring services for business purpose make a complaint?**

No

## **9. What are Consumer Disputes Redressal Agencies?**

These are quasi-judicial bodies established under the Act to provide simple, speedy and inexpensive redressal to the grievances of the consumers. These have been established at three levels: District, State and National known as:

- District Consumer Disputes Redressal Commission or District Commission
- State Consumer Disputes Redressal Commission or State Commission
- National Consumer Disputes Redressal Commission or National Commission.

## 10. What is the pecuniary jurisdiction of Commissions?

CPA 2019
District Commission: Upto 1 cr
State Commission: 1 cr – 10 cr
National Commission: above 10 cr

## 11. Where the complaint can be filed?

A complaint shall be instituted in a District Commission within the local limits of whose jurisdiction the:

- Place of business or residence of opposite parties, or
- Place of business or residence of complainant, or
- where the cause of action, wholly or in part, arises

## 12. What is meant by 'deficiency' under the Act?

"Deficiency" means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service and includes—

- i. any act of negligence or omission or commission by such person which causes loss or injury to the consumer; and
- ii. deliberate withholding of relevant information by such person to the consumer;

## 13. What is an unfair contract?

"Unfair contract" means a contract between a manufacturer or trader or service provider on one hand, and a consumer on the other, having such terms which cause significant change in the rights of such consumer, including the following, namely: —

- a. requiring manifestly excessive security deposits to be given by a consumer for the performance of contractual obligations; or
- b. imposing any penalty on the consumer, for the breach of contract thereof which is wholly disproportionate to the loss occurred due to such breach to the other party to the contract; or
- c. refusing to accept early repayment of debts on payment of applicable penalty; or
- d. entitling a party to the contract to terminate such contract unilaterally, without reasonable cause; or
- e. permitting or has the effect of permitting one party to assign the contract to the detriment of the other party who is a consumer, without his consent; or
- f. imposing on the consumer any unreasonable charge, obligation or condition which puts such consumer to disadvantage

**14. What is a misleading advertisement?**

Misleading advertisement" in relation to any product or service, means an advertisement, which—

- a. falsely describes such product or service; or
- b. gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or
- c. conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or
- d. deliberately conceals important information

**15. Who all can be made liable for a misleading advertisement?**

Manufacturers, advertising agencies, celebrity endorsers and publishers can be made liable.

**16. What is e- Commerce?**

E commerce under CP Act 2019 means buying or selling of goods or services Including digital products over digital or electronic network.

**17. What is an e commerce entity?**

“e-commerce entity” means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity;

**18. What is CCPA?**

The New Act provides power to Central Government to establish Central Consumer Protection Authority (CCPA) to regulate matters relating to violation of rights of Consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and Consumer and to promote, protect and enforce the rights of Consumer as a Class.

**19. What is the Constitution of the Central Authority?**

The Central Authority shall consist of a Chief Commissioner and such number of other Commissioner to be appointed by the Central Government.

**20. Does the Central Authority have an Investigation Wing?**

Yes, the Central Authority shall have an Investigation Wing headed by a Director General for the purpose of conducting inquiry or investigation.

**21. What are the powers of the Central Authority?**

The Central Authority shall protect, promote and enforce the rights of the consumers as a class, and prevent violation of Consumers Rights under the Act.

**22. Does the Central Authority have Suo motu powers?**

Yes, the Central Authority may inquire or cause an inquiry or investigation to be made into violations of Consumer Rights, either Suo motu or on a complaint received or on the directions from the Central Government.

**23. Does the Central Authority have the power to file complaints?**

Yes, the Central Authority can file complaints before the District Commission, the State Commission or the National Commission as the case may be.

**24. Is there an appeal against decisions of CCPA?**

A person aggrieved by any order passed by the Central Authority may file an appeal to the National Commission within a period of thirty days from the date of receipt of such order.

**25. Who is a product seller?**

"product seller is a person who, in the course of business, imports, sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains, or otherwise is involved in placing such product for commercial purpose and includes—

- i. a manufacturer who is also a product seller; or
- ii. a service provider, but does not include—
  - a. a seller of immovable property, unless such person is engaged in the sale of constructed house or in the construction of homes or flats;
  - b. a provider of professional services in any transaction in which, the sale or use of a product is only incidental thereto, but furnishing of opinion, skill or services being the essence of such transaction;
  - c. a person who—
    - I. acts only in a financial capacity with respect to the sale of the product;
    - II. is not a manufacturer, wholesaler, distributor, retailer, direct seller or an electronic service provider;
    - III. leases a product, without having a reasonable opportunity to inspect and discover defects in the product, under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor.

**26. What is product liability?**

It means the responsibility of a product manufacturer or product seller, of any product or service, to compensate for any harm caused to a consumer by such defective product manufactured or sold or by deficiency in services relating thereto;

**27. What is "product liability action"?**

It means a complaint filed by a person before a District Commission or State Commission or National Commission, as the case may be, for claiming compensation for the harm caused to him;

**28. What is meant by 'Harm'?**

"harm", in relation to a product liability includes—

- i. damage to any property, other than the product itself;
- ii. personal injury, illness or death;
- iii. mental agony or emotional distress attendant to personal injury or illness or damage to property; or
- iv. any loss of consortium or services or other loss resulting from a harm referred to in sub-clause (i) or sub-clause (ii) or sub-clause (iii), but shall not include

any harm caused to a product itself or any damage to the property on account of breach of warranty conditions or any commercial or economic loss, including any direct, incidental or consequential loss relating thereto.

**29. Can I claim compensation if the product itself is damaged?**

No, damage of the product itself cannot be the base for product liability compensation.

**30. Who all can be liable in a product liability action?**

Manufacturer or a product service provider or a product seller,

**31. What grounds can I claim compensation product manufacturer?**

1. A product manufacturer shall be liable in a product liability action, if—
  - a. the product contains a manufacturing defect; or
  - b. the product is defective in design; or
  - c. there is a deviation from manufacturing specifications; or
  - d. the product does not conform to the express warranty; or
  - e. the product fails to contain adequate instructions of correct usage to prevent any harm or any warning regarding improper or incorrect usage.
2. A product manufacturer shall be liable in a product liability action even proves that he was not negligent or fraudulent in making the express warranty of a product.

### **32. When can I claim compensation from product service provider?**

A product service provider shall be liable in a product liability action, if—

- a. the service provided by him was faulty or imperfect or deficient or inadequate in quality, nature or manner of performance which is required to be provided by or under any law for the time being in force, or pursuant to any contract or otherwise; or
- b. there was an act of omission or commission or negligence or conscious withholding any information which caused harm; or
- c. the service provider did not issue adequate instructions or warnings to prevent any harm; or
- d. the service did not conform to express warranty or the terms and conditions of the contract.

### **33. When can I claim compensation from seller?**

A product seller who is not a product manufacturer shall be liable in a product liability action,

- if he has exercised substantial control over the designing, testing, manufacturing, packaging or labelling of a product that caused harm; or
- he has altered or modified the product and such alteration or modification was the substantial factor in causing the harm; or
- he has made an express warranty of a product independent of any express warranty made by a manufacturer and such product failed to conform to the express warranty made by the product seller which caused the harm; or
- the product has been sold by him and the identity of product manufacturer of such product is not known, or if known, the service of notice or process or warrant cannot be effected on him or
- he is not subject to the law which is in force in India or the order, if any, passed or to be passed cannot be enforced against him; or
- he failed to exercise reasonable care in assembling, inspecting or maintaining such product or he did not pass on the warnings or instructions of the product manufacturer regarding the dangers involved or proper usage of the product while selling such product and such failure was the proximate cause of the harm.

### **34. What is the defence available in a product liability action?**

- The product was misused, altered, or modified.
- A danger which is obvious or commonly known to the user or consumer of such product or which, such user or consumer, ought to have known, taking into account the characteristics of such product.
- The product was purchased and the product manufacturer had provided warnings or instructions to such employer;

- The product was sold as a component of an end product and necessary warnings or instructions were given by the product manufacturer but the harm was caused to the complainant by use of the end product in which such component or material was used;
- The product was legally meant to be used or dispensed only by or under the supervision of an expert and the product manufacturer had employed reasonable means to give the warnings or instructions for usage of such product to such expert or class of experts; or
- The complainant, while using such product, was under the influence of alcohol or any prescription drug which had not been prescribed by a medical practitioner

### **35. What is the procedure for filing the complaint before Consumer Commission?**

A complaint:

- Should be in writing
- Can be filed in a regular way (offline)
- Can be filed online – <http://edaakhil.nic.in/>

A complaint can be presented **by the complainant in person or by his agent**. It can even be sent by registered post along with the court fee.

Normally three copies of the complaint are required to be submitted out of which one retained for the official purpose, one is forwarded to the opposite party and one is the for the complainant. In case the number of opposite parties is more correspondingly more copies of the complaint are required.

### **36. Can a consumer complaint be resolved through mediation?**

Yes. Either at the first hearing after admission, or at later stage if the District Commission is of the view that, there exists an element of settlement, can refer the complaint to Mediation with the consent of the parties.

Also, parties at any stage of the complaint can opt for settlement through mediation.

### **37. Is there any fee to be paid for Mediation?**

No, There is no fee prescribed for Mediation.

### **38. Can appeal be filed after settlement through mediation?**

No appeal lies after the settlement of dispute through mediation.



### **39. Does consumer need an advocate to represent his case in the Commission?**

Consumer Commissions are quasi-judicial bodies to provide simple and speedy justice. These have been kept free from the complicated judicial procedures. The manner is quite informal and free from the shackles of the Civil Court. There is no need for an advocate or any other pleader and consumer can himself or through his representative file and represent his complaint.

### **40. What particulars should be furnished in the complaint?**

- Name, description and address of the complainant;
- Name, description and address of the opposite party or parties;
- Facts relating the complaint and when and where it arose;
- Documents, if any in support of allegations

### **41. What is the time limit for filing the complaint?**

The complaint shall be filed within two years from the date on which the cause of action has arisen. This would mean two years from the day the deficiency in service or defect in goods has arisen/detected. This is also known as the limitation period for filing the complaint.

### **42. How to make the payment of the Court fee?**

Every complaint filed before District Commission/ State Commission/ National Commission shall be accompanied by a fee as specified, in the form of crossed Demand Draft drawn on a nationalized bank or through a crossed Indian Postal Order drawn in favour of the Registrar of the State Commission and payable at the respective place where the State Commission or the National Commission is situated. The concerned District Commission shall deposit the amount so received.

### **43. What reliefs are provided by Consumer Commissions?**

- i. Removal of defects from the goods;
- ii. Replacement of the goods;
- iii. Refund of the price paid;
- iv. Removal of defects or deficiencies in the services;
- v. Award of compensation for the loss or injury suffered;
- vi. Discontinue and not to repeat unfair trade practice or restrictive trade practice;
- vii. To withdraw hazardous goods from being offered for sale;
- viii. To cease manufacture of hazardous goods and desist from offering services which are hazardous in nature;
- ix. If the loss or injury has been suffered by a large number of consumers who are not identifiable conveniently, to pay such sum (not less than 25% of the value of such defective goods or services provided) which shall be determined by the Commission;
- x. To issue corrective advertisement to neutralize the effect of misleading advertisement;
- xi. To provide adequate costs to parties.

**44. What if the consumer is not satisfied with the order of the Consumer commission?**

Any consumer who is aggrieved by the order of a commission can prefer an appeal in the higher commission within a period of thirty days from the date of the order. The appeal can be preferred

- against order of the District Commission before the State Commission
- against order of the State Commission before the National Commission
- against order of the National Commission before the Supreme Court

Within 30 days

Within 30 days

Within 45 days

**45. Is there any fee for filing a complaint with the Commissions?**

Every complaint filed shall be accompanied by a fee, as specified in the table given below, in the form of crossed Demand Draft drawn on a nationalized bank or through

a crossed Indian Postal Order in favour of the President of the District Commission or the Registrar of the State Commission or the Registrar of the National Commission, and payable at the respective place where the District Commission, State Commission or the National Commission is situated, or through electronic mode as per arrangement made by the Commission concerned.

SI.No	Value of Goods or Service paid as Consideration	Court Fee
<b>District Commission</b>		
1	Upto 5 Lakh	Nil
2	Above 5 Lakh – Upto 10 Lakh	Rs 200
3	Above 10 lakh – Upto 20 Lakh	Rs 400
4	Above 20 Lakh – Upto 50 Lakh	Rs 1000
5	Above 50 Lakh – Upto 1 Crore	Rs 2000
<b>State Commission</b>		
6	Above 1 Crore – Upto 2 Crore	Rs 2500
7	Above 2 Crore – Upto 4 Crore	Rs 3000
8	Above 4 Crore – Upto 6 Crore	Rs 4000
9	Above 6 Crore – Upto 8 Crore	Rs 5000
10	Above 8 Crore – Upto 10 Crore	Rs 6000
<b>National Commission</b>		
11	Above 10 Crore	Rs 7500

**46. Is there any change in the amount to be deposited for filing an appeal?**

For appeal before State Commission and National Commission, 50% of the total award amount passed by the low