

**CONSUMER PROTECTION BILL, 2019**

**Prelims:** Polity & Governance- Regulatory Bodies, Institutional Reforms, Policies

**Mains:** GS-II- Statutory, regulatory and various Quasi-Judicial Bodies.

**Context:**

- ▶▶ The Lok Sabha unanimously passed the **Consumer Protection Bill 2019**, which seeks to wholly replace the Consumer Protection Act 1986.

**About:**

- ▶▶ The Bill with 109 clauses seeks to establish a **National Level Regulator -Central Consumer Protection Authority (CCPA)** to deal with consumer complaints on a proactive measure.
- ▶▶ The present law does not have a regulator.
- ▶▶ The Bill contains key provisions dealing with class actions, product liability, misleading advertisements, liability for celebrity endorsements etc.
- ▶▶ The Bill also addresses new age developments like e-commerce, direct selling, tele-marketing etc.

**Highlights of The Bill:****Central Consumer Protection Authority (CCPA):**

- ▶▶ **CCPA is a national level regulator** dealing with 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 consumers.
- ▶▶ **CCPA deals with the rights of consumers as a class.**
- ▶▶ It will have an investigation wing headed by a Director General and has powers of search and seizure.
- ▶▶ It has **power to order recall of goods** which are dangerous, hazardous or unsafe and to direct discontinuation of practices which are unfair and prejudicial to the interests of consumers.
- ▶▶ It also has the power to impose penalties on manufacturers and celebrity endorsers for misleading advertisements.

**Misleading Advertisements:**

- ▶▶ The Bill contains provisions to deal with misleading advertisements.

- ▶▶ Misleading advertisements can attract penalty up to rupees ten lakhs from the CCPA under Clause 21.
- ▶▶ It is also an offence punishable with imprisonment for a term which may extend to five years and with fine which may extend to fifty lakh rupees as per Clause 89.

### Liability of Celebrity Endorsers:

- ▶▶ The endorser can be levied with penalty up to rupees ten lakhs by the CCPA for false and misleading advertisements, under Clause 21.
- ▶▶ However, the **endorser will not be liable if he has exercised due diligence to verify the veracity of the claims** made in the advertisement regarding the product or service being endorsed by him.

### Product Liability:

- ▶▶ A product liability action may be brought by a complainant against a product manufacturer or a product service provider or a product seller, as the case may be, for any harm caused to him on account of a defective product.

### Expanded Definition Of 'Deficiency':

- ▶▶ The Bill expands the definition of 'deficiency' in Clause 2(11) to include:
  1. Any act of negligence or omission or commission by such person which causes loss or injury to the consumer; and
  2. Deliberate withholding of relevant information by such person to the consumer.

### Enhanced Pecuniary Jurisdiction:

- ▶▶ The limits of pecuniary jurisdiction has been expanded in the following manner:
  - ❖ District Forum: Rs. One Crore from Rs. Twenty Lakhs
  - ❖ State Commission: Rs. Ten Crores from Rs. One Crore
  - ❖ National Commission: Above Rs. Ten Crores from Rs. One Crores.

### Offences:

- ▶▶ Misleading advertisements are made punishable.
- ▶▶ The Bill also addresses the menace of adulteration, by making manufacture, sale, storage of products mixed with adulterants punishable offences.