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## **5. Central Consumer Protection Authority**

**Prelims Syllabus:** Constitutional Bodies, Regulatory Bodies

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

### **Why in News?**

- The government is all set to establish a **Central Consumer Protection Authority** to protect the rights of the consumer.

### **About Central Consumer Protection Authority (CCPA):**

- The authority is being constituted under **Section 10(1) of The Consumer Protection Act, 2019**.
- Its aim is to protect the rights of the consumer by **cracking down on unfair trade practices, and false and misleading advertisements** that are detrimental to the interests of the public and consumers.
- It will be headquartered in the **National Capital Region of Delhi** but the central government may set up regional offices in other parts of the country.

### **What is its Composition?**

- It will have a **Chief Commissioner as head**, and only **two other commissioners as members** – one of whom will deal with matters relating to goods while the other will look into cases relating to services.
- The CCPA will have an **Investigation Wing** that will be **headed by a Director General**.
- District Collectors too, will have the power to investigate complaints of violations of consumer rights, unfair trade practices, and false or misleading advertisements.

### **What are its Powers and Functions?**

- Inquire or investigate into matters relating to violations of consumer rights or unfair trade practices suo motu, or on a complaint received, or on a direction from the central government.
- Recall goods or withdrawal of services that are “dangerous, hazardous or unsafe.
- Pass an order for refund the prices of goods or services so recalled to purchasers of such goods or services; discontinuation of practices which are unfair and prejudicial to consumer’s interest”.
- Impose a penalty up to Rs 10 lakh, with imprisonment up to two years, on the manufacturer or endorser of false and misleading advertisements. The penalty may go up

to Rs 50 lakh, with imprisonment up to five years, for every subsequent offence committed by the same manufacturer or endorser.

- Ban the endorser of a false or misleading advertisement from making endorsement of any products or services in the future, for a period that may extend to one year. The ban may extend up to three years in every subsequent violation of the Act.
- File complaints of violation of consumer rights or unfair trade practices before the District Consumer Disputes Redressal Commission, State Consumer Disputes Redressal Commission, and the National Consumer Disputes Redressal Commission.

### **What are the other Penalties Imposed?**

- If injury is not caused to a consumer, fine up to Rs 1 lakh with imprisonment up to six months.
- If injury is caused, fine up to Rs 3 lakh with imprisonment up to one year.
- If grievous hurt is caused, fine up to Rs 5 lakh with imprisonment up to 7 years.
- In case of death, fine of Rs 10 lakh or more with a minimum imprisonment of 7 years, extendable to imprisonment for life.

### **What are its Impacts?**

- The setup of CCPA will ensure the protection of consumers as it imposes stringent punishments.
- It acts as a guardian for the consumers in all aspects.
- Fines and penalties in case of violation for the companies make the quality of the product and services more valuable.