

Lok Sabha passes Consumer Protection Bill, 2019

The Lok Sabha passed the Consumer Protection Bill 2019 on 30th July 2019. The bill aims at protecting the interests of consumers by establishing authorities for timely and effective administration and settlement of consumers' dispute. As consumers do not get quick redressal of their complaints, from the passage of the Bill, consumers will be able to get speedy justice.

Under the Bill, there is provision for central government to set up a Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers and will be empowered to investigate, recall, refund and impose penalties. It will regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements. There is also a provision for class action law suit for ensuring that rights of consumers are not infringed upon. The authority will have power to impose a penalty on a manufacturer or an endorser of up to 10 lakh rupees and imprisonment for up to two years for a false or misleading advertisement.

Features of the Bill

- 1. Central Consumer Protection Authority (CCPA): Executive Agency to provide relief to a class 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 Manufactures /Endorsers /Publishers of Misleading Advertisements

2. Simplified Dispute Resolution process

- a) Pecuniary Jurisdiction enhanced to-
 - District Commission –Up to Rs1 crore
 - State Commission- Between Rs1 crore and Rs 10 crore
 - National Commission –Above Rs.10 crore
 - Deemed admissibility after 21days of filing
- b) Empowerment of Consumer Commission to enforce their orders
- c) Appeals only on question of law after second stage
- d) Ease of approaching consumer commission
 - Filing from place of residence
 - E-filing
 - Videoconferencing for hearing

3. Mediation

- An Alternate Dispute Resolution (ADR) mechanism
- Reference to Mediation by Consumer Forum wherever scope for early settlement exists and parties agree for it.
- Mediation cells to be attached to Consumer Forum
- No appeal against settlement through mediation

4. Product Liability

A manufacturer or product service provider or product seller to be responsible to compensate for injury or damage caused by defective product or deficiency in services

The Basis for product liability action will be:

- Manufacturing defect

- Design defect
- Deviation from manufacturing specifications
- Not conforming to express warranty
- Failing to contain adequate instruction for correct use
- Services provided are faulty, imperfect or deficient

Benefit to Consumers:

- Presently Consumer only have a single point of access to justice, which is time consuming. Additional swift executive remedies are proposed in the bill through Central Consumer Protection Authority (CCPA).
- Deterrent punishment to check misleading advertisements and adulteration of products.
- Product liability provision to deter manufacturers and service providers from delivering defective products or deficient services.
- Ease of approaching Consumer Commission and Simplification of Adjudication process.
- Scope for early disposal of cases through mediation.
- Provision for rules for new age consumer issues: e-commerce & direct selling.

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