

# CONSUMER PROTECTION ACT 2019

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## Context:

The Supreme Court ruled on Tuesday that advocates cannot be held liable under the Consumer Protection Act of 1986 for deficiency in service. The court ruled that a complaint to this effect against an advocate was not maintainable before a consumer forum.

## Background:

The Supreme Court overturned a 2007 ruling by the National Consumer Disputes Redressal Commission (NCDRC) which said services provided by lawyers fell under the Consumer Protection Act.

## About CONSUMER PROTECTION ACT 2019 :

1. The Act was enacted on August 9, 2019, and came into force in July 2020, replacing the previous Consumer Protection Act, 1986.
2. It was introduced in response to the evolving needs of consumers in the digital age, and aims to provide timely and effective administration and settlement of consumer disputes.

## Salient Features:

1. Defining "E-commerce" and expanding the scope of "Consumer": As compared to CPA 1986, the definition of "Consumer" has been broadened under CPA 2019. E-commerce has been specifically mentioned and is defined as buying and selling of goods/services/digital products online.
2. Unfair contracts: Earlier, a consumer could file a complaint only for an unfair trade practice or restrictive trade practice adopted by the trader/service provider. However, there were numerous instances where consumers, left with little option, entered into agreements/contracts that were unilateral and arbitrary in nature. Thus, to protect the interests of these consumers, "unfair contracts" has been added as a ground for filing complaints in the present Act.
3. Place of filing complaints: CPA 1986 required consumers to file complaints (in Forums) only at places where the opposite party had its office. However, CPA 2019 allows complainant to file a complaint in the area where he/she resides/ works.
4. Renaming of the Forums: Earlier, the consumer courts at district level were termed as "forums" and at the state and national level as "commissions". Giving two different names created confusion. Thus, to eliminate the ambiguity around the terms, the district forums have been renamed as district commissions under CPA 2019.
5. Central Consumer Protection Authority (CCPA): CPA 2019 establishes a Central Consumer Protection Authority (to be termed as Central Authority) that will promote, protect and enforce the rights of consumers as a class.
6. Misleading Advertisements: A provision, authorising the CCPA to issue directions and levy

penalties against deceptive advertisements under CPA 2019 (Section 21), is an important one. CCPA can impose a penalty of up to Rs. 10 lakhs, which may extend up to Rs. 50 lakhs in case of subsequent violations.

7. Pecuniary Jurisdiction: According to CPA 1986, consumers seeking compensation of Rs. 20 lakhs and less were to approach the district forums, from Rs. 20 lakhs to Rs. 1 crore the state commissions, and above Rs. 1 crore, the national commission. However, under the present Act, in order to facilitate easy access for consumers from districts and to ensure quick disposal of cases, the pecuniary jurisdiction has been increased to upto Rs. 1 crore for district commissions, from Rs. 1 crore to Rs. 10 crores for state commissions and above Rs. 10 crores for national commission.
8. Product Liability: We have not had any laws/regulations to govern product liability and thus, introduction of a separate chapter on product liability in CPA 2019 is of great significance. Product liability refers to the responsibility of a product manufacturer/seller of any product or service to compensate for any harm caused to the consumer by such defective product manufactured/sold or due to deficiency in services.



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