

A Comprehensive Analysis of the Consumer Protection Act, 2019: Empowering Consumers in the Digital Age

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Abstract

The Consumer Protection Act, of 2019 is a landmark legislation that has ushered in a new era of consumer protection in India. Enacted to address the evolving needs of consumers in the digital age, this law significantly enhances consumer rights and strengthens mechanisms for the redressal of grievances. This research paper aims to comprehensively analyze the Consumer Protection Act, of 2019, exploring its key provisions, implications, and challenges for consumers and businesses. The paper also examines the Act's potential to foster fair trade practices and its role in promoting a competitive and consumer-centric marketplace.

1. Introduction:

The Consumer Protection Act, of 2019 marks a significant departure from its predecessor, the Consumer Protection Act, of 1986. The new legislation recognizes the growing complexities of the modern consumer market, especially in the digital realm, and seeks to provide consumers with robust safeguards and mechanisms for seeking redressal.

1.1 Historical Evolution of Consumer Protection Laws:

The evolution of consumer protection laws in India has been shaped by changes in consumer needs and market dynamics. Research by Bagchi, A. K. (2005) provides historical context, tracing the development of consumer protection laws in India. The enactment of the Consumer Protection Act, of 2019, reflects a transition towards more modern and consumer-centric legislation.

Key Provisions: The Act introduces significant changes in consumer protection. Research by Satish, M., & Karishma, D. (2020) explores the Act's key provisions, such as the expanded definition of consumers, the establishment of the Central Consumer Protection Authority (CCPA), and the introduction of product liability. These provisions are designed to empower consumers and hold businesses accountable for their products and services.

1.2 Overview of the Consumer Protection Act 2019

The 2019 Act maintains Consumer Dispute Redressal Commissions at the District, State, and National levels (Consumer Commissions). However, the financial jurisdiction, such as the financial assessment of complaints that can be filed, of each of these commissions has been generously expanded to lessen the burden on the State and National Commissions by encouraging consumers to file protests valued at up to Rupees one crore with the District Commission. Furthermore, rather than the 1986 Act, where complaints must be found where the opposing group stays or drives business, or where the reason behind movement arose, the district of the Consumer Commissions has similarly been reached out to allow complaints to be made where the complainant lives, or eventually work for gain. This will put more emphasis on the needs of the customers, who will eventually have the option to lodge their complaints at the restricted level and won't have to go looking for their fights elsewhere. Most notably, complaints filed with Consumer Commissions must be decided upon within 21 days of the complaint being filed. Even though this plan was important for the 1986 Act as well, the 2019 Act expands on it by stating that protesting will be considered to have been given up if the complaint's agreeableness isn't resolved within that window of time.

It is impossible to overstate how amazing an extension this is, since it ends the mourning of complaints at the pre-affirmation phase, which had been a custom, particularly at the National Commission. Unfortunately, corresponding procedural changes have not been proposed, raising a few concerns regarding the changes'

viability from a business standpoint. The 2019 Act offers a level of legal survey intensity that would allow Consumer Commissions to audit their requests, thereby reducing the weight given to claims that are linked to correct errors that are clearly visible in the core of the record. In a clear departure from the 1986 Act, only claims involving significant legal inquiries may now be submitted from the State Commission to the National Commission. Submissions from the National Commission to the Supreme Court must address inquiries that started in the National Commission. With the intention of tightening the noose around the timely submission of bids, the time frame authorized for inclined advances has also been made more stringent.

1.3 Definition of Consumer: The Act expands the definition of consumers to include those who buy goods and services both online and offline, thereby addressing the challenges presented by e-commerce and digital services.

Consumer Rights: The Act outlines a set of six fundamental consumer rights, including the right to information, choice, safety, and redressal, aiming to empower consumers with greater control over their purchasing decisions.

Central Consumer Protection Authority (CCPA): The establishment of CCPA is a pivotal feature of the Act, responsible for promoting, protecting, and enforcing the rights of consumers. This authority can also investigate and prosecute unfair trade practices.

Consumer Disputes Redressal Commissions: The Act provides for the creation of District, State, and National Consumer Disputes Redressal Commissions, offering consumers easier access to justice and a more efficient dispute resolution process.

Product Liability: The Act introduces the concept of product liability, holding manufacturers, sellers, and service providers accountable for defective products or services, promoting product safety and quality.

The Role of Consumer Education and Awareness: Ensuring consumers are aware of their rights and the mechanisms provided by the Act is vital. Research by Sarma, R., & Datta, P. B. (2019) emphasizes the role of consumer education and awareness in making the Act effective.

1.4 Mediation

The Act, 2019 provides a dispute settlement mechanism through the mediation process in case of compromise at the acceptance point of the complaint or some future date on mutual consent (Sec 37). A mediation cell would operate in each city, state, national commission, and regional bench to expedite redress. Section 74 through 81 of the Act lays down the detailed procedure. Section 81(1) maintains that no appeal lies against the order passed by Mediation, implying that the redress process at the initial stage would be speedy, impacting both the consumers and service providers.

The remainder of this study is organized as follows: Section 1 presents the introduction, and Section 2 provides the literature review. and sections 3,4 and 5 present the significance, implications, and challenges, Finally, section 6 discusses the conclusion

2. Literature Review

Ali (2010) carried out a doctoral study on the functioning of Consumer Dispute Redressal Agencies in Goa. He dealt with the functioning of Consumer Dispute Redressal Agencies in the two districts of Goa, namely North Goa and South Goa. He found that redressal agencies take approximately one year to dispose of the complaints. Sometimes the complaint is pending five to six years before these redressal agencies. The study cleared that there are three reasons for delay: frequent adjournment, the nonappearance of the opposite party, and workload. consumers and VCOs expressed that the procedure followed by the consumer forums is simple compared to that of the ordinary courts. VCOs in Goa were satisfied with the procedure at forums but reported that justice is always delayed. Adjournments were primarily responsible for delay in justice.

Rastogi (2010) clarifies that Attitude toward online shopping and goal to shop online are not only affected by the case of use, usefulness, and enjoyment but also by other factors like consumer individuality, situational factors, product distinctiveness, previous online shopping understanding, and faith in online shopping. consumers find that they no longer have to accept fixed prices for the products and services and through the click of a few buttons the lowest priced, highest quality product can be found. The concept of online shopping developed gradually, after the launch of the World Wide Web.

Surekha (2010) exposed the weakness in the consumer protection movement due to a lack of awareness. The study revealed that the majority of the consumers felt that the appointment of retired Judges in the district forums itself was a problem as it resulted in the non-delivery of justice. The need to strengthen the redressal

mechanism and quick disposal of complaints was expressed by the author. To take the consumer movement further the consumers themselves have to unite to fight for their rights."

Ruhl (2011) believed that this conventional theoretical claim about defining the customers as the weaker party is no longer valid in modern times. The logic was that the exploitation theory did not take into account competition between firms. Through competition from other businesses, any negotiating power that companies have vis-à-vis clients is minimal. The study, therefore, considers that the 'economic theory' is the suitable theoretical rationale for consumer protection today.

kumar & Dahiya (2013) examined the perceptions of the complainant consumers regarding the functioning of the district consumer forums of Delhi. The majority of the complainants were not found correctly aware of the main provisions of the Act. Timely disposal of consumer complaints was not found up to the mark. About three-fourths of complaints were found pending for more than the stipulated time frame prescribed by the Act. About 70% of respondents paid more than Five visits (ranging between 5 to 40 or more) as otherwise what would have been justified in the context of stipulated complaint disposal time mandated under the Act and the 'restriction of the number of adjournments to the minimum' for speedy disposal of the complaints. The majority of the respondents expressed dissatisfaction over the functioning of forums and the prime cause of dissatisfaction of the complainant-respondents was delay in disposal of their complaints.

Akroush & Al-Dobei (2015) explain an integrated model of the roles of perceived website reputation, relative advantage, perceived website image, and trust that affect attitudes towards online shopping. According to the findings of this study, trust, and relative advantage dimensions have exerted major effects and their paths are the strongest on consumer attitudes toward online shopping behavior. This implies that online shopping retailers' management should focus on those dimensions as major drivers of consumers' attitudes toward online shopping. To build trust, online shopping retailers need to place emphasis on enhancing their reputation and effectively communicating their benefits and relative advantages over traditional retailers.

Patra (2020) studied the needs of the Consumer Protection Act 2019 relevance in E-Commerce. They intend to highlight the issues of Consumers are not been addressed in the amended version of the Consumer Protection Act 2019. Advancement in technology and modern consumer behavioral pattern has replaced the traditional mode of buying and selling practice of the consumer with the online mode of shopping which gives ease to the customer, to shop while sitting in his own space and placing an order online and after that the product gets delivered the customers address as opted. But this new technology-based shopping also brought many hassles to the customized online frauds, fake products, sub-standard products, debit card, and credit card account hacking, no guarantee and warranty on products, jurisdictional issues, dubious product return policy, etc. In order to protect the interest of the Consumers, it was felt necessary to establish an adjudicatory mechanism to redress the grievances and issues of the consumer. Hence the Consumer Protection Bill came into existence on the 1st of April 2020 after the framing of the Consumer Protection Rules by the Central government, for effective implementation of the act.

Chawla & Kumar (2021) explained that the new regulations are arguably strong enough to protect and safeguard online consumers' rights and boost India's e-commerce growth. Besides factors such as security, privacy, warranty, customer service, and website formation, laws governing consumer rights protection in e-commerce influence customer's trust. crowing e-commerce looks promising with a robust legal framework and consumer protection measures. The findings contribute to the body of knowledge on e-commerce and consumer rights protection by elucidating the key factors that affect customer trust and loyalty and offering an informative perspective on e-consumer protection in the Indian context with broader implications.

Adgulwar (2021) demonstrates that the journey of Consumer Protection in India has led to effective provisions for regulating e-commerce and the protection of consumer rights with respect to it. Therefore, the goal of the E-commerce Rules of 2020 aims to increase openness in the supply of information and disclosure to consumers through e-commerce platforms. The rules also aim to put a stop to the practice of giving some dealers special treatment. This gives individual and small sellers a place on such platforms and ensures that they are treated fairly. It also eliminates the potential of major sellers engaging in unfair trade practices. The E-commerce Rules, in addition to regulating Indian-based e-commerce platforms, also regulate foreign-based e-commerce platforms. Overall, with the rise in e-commerce activity, E-Commerce Rules are a step toward resolving consumer complaints against e-commerce platforms and prescribing some best practices for e-commerce platforms to follow for the benefit of customers.

3. Significance

As E-commerce is growing in India there are multiple problems which are faced by consumers. These problems are exchange and return issues, defective and fake products supply chain issues, problems in after-sales Services etc. At the same time, there are legal issues such as Security, Privacy, Terms and Conditions, Access, Dispute Resolution, Fees and Charges, Fraud, Jurisdiction issues, etc. As there is growth in e-commerce transactions after demonetization in India and the introduction of the Digital India Campaign by the government there is expected growth in the issues of consumers in respect of violation of their rights by the e-retailers. After seeing the increasing trend of these complaints, the government of India has enacted the Consumer Protection Act, 2019(e-commerce rule 2020), My study will check the opinion of the stakeholders for the same and educate them about their rights and help Central, State, District Consumer Protection Council to know to what extent there is a need for online consumer awareness programs for educating the online consumers about their rights. This study will also examine the changes in the buying behavior of consumers due to the enactment of this act and also evaluate the effectiveness of the dispute redressal mechanism.

4. Implications:

The Act strengthens consumer protection mechanisms. Research by Singh, S. (2020) discusses the implications of the Consumer Protection Act, 2019, for consumers. It emphasizes the enhanced definition of consumers and the Act's focus on consumer rights, ensuring better safeguards and redressal mechanisms for consumers. Strengthened Consumer Protections: The Act's enhanced definition of consumers and their rights offers a more robust framework for protecting the interests of consumers, and fostering trust in the market. Accountability and Redressal: The provisions on product liability and the establishment of dispute redressal commissions provide consumers with effective remedies for addressing grievances. E-commerce and Digital Marketplaces: The Act addresses the unique challenges of online commerce by requiring e-commerce platforms to provide accurate and transparent information, ensuring consumer rights are upheld in the digital marketplace. Businesses also experience significant implications due to the Act. Research by Sen, S., & Srivastava, R. M. (2019) discusses the impact of the Act on businesses, especially the requirement for businesses to provide transparent information and the introduction of product liability. The Act places greater responsibility on businesses to ensure product safety and quality.

5. Challenges:

Challenges and criticisms of the Consumer Protection Act, 2019 are addressed in the literature. Research by Verma, V., & Deep, A. (2020) discusses potential challenges in implementing the Act, particularly in remote areas where resources and infrastructure may be limited. Balancing consumer interests with business growth, especially for small and medium-sized enterprises, is another complex challenge. Implementation Challenges: Effective implementation of the Act, especially in remote areas, may be a challenge due to limited resources and infrastructure. Balancing Interests: Striking a balance between consumer rights and the growth of businesses, especially small and medium-sized enterprises, may be a complex task. Education and Awareness: Ensuring that consumers are aware of their rights and how to use the mechanisms provided by the Act is crucial.

6. Conclusion:

The Consumer Protection Act, 2019 is a significant step forward in safeguarding the rights of consumers in the digital age. By expanding the definition of consumers, introducing product liability, and creating stronger mechanisms for redressal, the Act aims to create a fair and competitive marketplace where consumers are empowered and protected. However, addressing implementation challenges and striking the right balance between consumer interests and business growth remains vital for the Act's success. The Act has implications for both consumers and businesses, with challenges and opportunities associated with its implementation. This research paper highlights the importance of the Consumer Protection Act, 2019, in the Indian context, and its potential to reshape the consumer landscape in a rapidly evolving digital economy

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