Central Consumer Protection Authority

Why in News?

Union Ministry of Consumer Affairs, Food and Public Distribution announced that a Central Consumer Protection Authority (CCPA) will be established soon.

Under which Act, the CCPA will be constituted?

- The CCPA is being constituted under Section 10(1) of The Consumer Protection Act, 2019.
- The new Act replaced The Consumer Protection Act, 1986, and seeks to widen its scope in addressing consumer concerns.
- It recognises offences such as providing false information regarding the quality or quantity of a good or service, and misleading advertisements.
- It also specifies action to be taken if goods and services are found "dangerous, hazardous or unsafe".

How the CCPA will function?

- It aims to **protect the rights of the consumer** by cracking down on unfair trade practices, and false and misleading ads that are detrimental to the interests of the public and consumers.
- It will have the powers to **inquire or investigate into matters** relating to violations of consumer rights or unfair trade practices
    1. Suo motu, or on a complaint received, or
    2. On a direction from the central government.
- It will ensure that all **standards on packaged food items** set by regulators such as the Food Safety and Standards Authority of India (FSSAI) are being followed.

What can the possible structure of CCPA be?

- The proposed authority will have a **Chief Commissioner as head**, and only two other commissioners as members.
- One of the members will deal with matters relating to goods while the other will look into cases relating to services.
- It will be headquartered in the National Capital Region of Delhi but the central government may set up regional offices in other regions.
- The CCPA will have an **Investigation Wing** that will be headed by a

Director General.
- District Collectors will have the power to investigate complaints of violations of consumer rights, unfair trade practices, and false or misleading ads.

What will the CCPA do if goods or services are not of standard?

- The proposed authority will have powers to recall goods or withdrawal of services that are “dangerous, hazardous or unsafe”.
- It can pass an order for refund the prices of goods or services so recalled to purchasers of such goods or services.
- It can also pass an order on discontinuation of practices which are unfair and prejudicial to consumer’s interest.
- For manufacture, selling, storage, distribution, or import of adulterated products, the penalties will be given if the consumer is injured or died.

How will it deal with false or misleading advertisements?

- Section 21 of the new Act defines the powers given to the CCPA to crack down on false or misleading ads.
- The CCPA may **issue directions** to the trader, manufacturer, endorser, advertiser, or publisher to discontinue a misleading advertisement, or modify it in a manner specified by the authority, within a given time.
- It may also **impose a penalty** on the manufacturer or endorser of false and misleading advertisements.
- CCPA may 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.
- Ban may extend up to 3 years in every subsequent violation of the Act.

What other powers will the CCPA have?

- While conducting an investigation after preliminary inquiry, officers of the CCPA’s Investigation Wing will have the powers to enter any premise and search for any document or article, and to seize these.
- For **search and seizure**, the CCPA will have similar powers given under the provisions of The Code of Criminal Procedure, 1973.
- The CCPA can **file complaints** of violation of consumer rights or unfair trade practices before the Consumer Disputes Redressal Commission established at the district, state and national levels.
- It will issue **safety notices to alert consumers** against dangerous or hazardous or unsafe goods or services.

Source: The Indian Express

