Consumer Protection Bill 2019

Why in News?

The Consumer Protection Bill 2019 was passed in Lok Sabha recently.

What is the bill about?

- The bill was introduced in Lok Sabha by the Minister of Consumer Affairs, Food and Public Distribution.
- It seeks to enhance the protection of consumers' interests and timely settlement of their grievances.
- The bill will replace the Consumer Protection Act, 1986 if passed.

What is the definition of Consumer?

- A consumer is defined as a person who **buys any good or avails a service** for a consideration.
- It does not include a person who obtains a good for resale or a good or service for commercial purpose.
- It **covers transactions through all modes** including offline, and online through electronic means, teleshopping, multi-level marketing or direct selling.

What are the rights of consumers?

- Be **protected** against marketing of goods and services which are hazardous to life and property.
- Be **informed** of the quality, quantity, potency, purity, standard and price of goods or services.
- Be **assured of access** to a variety of goods or services at competitive prices.
- **Seek redressal** against unfair or restrictive trade practices.

What is the Central Consumer Protection Authority (CCPA)?

- The central government will set up a CCPA to promote, protect and enforce the rights of consumers.
- **Functions of CCPA:**

1. Inquiring through an investigation wing, the violations of consumer rights, investigating and launching prosecution at the appropriate forum.
2. Passing orders to recall goods or withdraw services that are hazardous, repayment of the price paid, and discontinuation of the unfair trade practices.
3. Issuing directions to the concerned trader/manufacturer/ endorser/advertiser/publisher to either discontinue a false or misleading advertisement, or modify it;
4. Imposing penalties on manufacturers of unsafe goods and endorsers and publishers of misleading advertisements.
5. Issuing safety notices to consumers.

What are the penalties for misleading advertisement?

- The CCPA may impose a penalty of up to Rs 10 lakh and imprisonment for up to 2 years.
- Subsequent offence - Upto Rs 50 lakh fine and imprisonment for up to 5 years.

What is the Consumer Disputes Redressal Commission?

- CDRCs will be set up at the district, state, and national levels.
- A consumer can file a complaint with CDRCs in relation to:
    1. Unfair or restrictive trade practices;
    2. Defective goods or services;
    3. Overcharging or deceptive charging; and
    4. The offering of goods or services for sale which may be hazardous to life and safety.
- One major change from the 2018 bill is that the new bill does not insist on having at least 50% of the commission to be from judicial background.

What is the jurisdiction of CDRC?

- **District CDRC** – Entertain complaints where value of goods and services does not exceed Rs 1 crore.
- **State CDRC** – Entertain complaints where the value is more than Rs 1 crore but does not exceed Rs 10 crore.
- **National CDRC** – Entertain complaints where the value exceeds Rs 10 crore.

What is the product liability?

- It means the **liability of a product manufacturer, service provider or seller** to compensate a consumer for any harm or injury caused by a defective good or deficient service.
- To claim compensation, a consumer has to prove any one of the conditions for defect or deficiency, as given in the Bill.

Source: PRS India, Business Line

