



CONSUMER PROTECTION ACT - 2019

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INTRODUCTION

- The Consumer Protection Act, 2019 has been enacted for the purpose of providing timely and effective administration and settlement of consumer disputes and related matters.
- It is a legal force available to customer to enforce their right as consumer.
- The Consumer Protection Act was initially enacted in 1986 and implemented from April 15, 1987.
- Amendment on 17.12.2002, and implemented w.e.f. 15th March 2003 (World Consumers' Rights Day).
- Further, it was amended in 2019 as 'The Consumer Protection (Amendment) Bill, 2019'. 2019 Act was passed by the Indian Parliament and received the assent of the President on the 9th August, 2019.
- This new act replaced the old Consumer Protection Act, 1986.



DEFINITION OF CONSUMER

Consumer means any individual who-

- 1) Buys any goods for a consideration which has been paid or promised or partly paid and partly promised; or
- 2) Hires or avail of any services for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment;
- 3) Includes any user of such goods other than the person who buys such goods or hires of any services for consideration paid; or
- 4) Promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person.



WHI IS NOT A CONSUMER ?

1. Person buying goods for resale.
2. Person buying goods for any commercial purpose.
3. Person receiving goods/services free or gifts.
4. Person enjoying personal service under a contract(i.e.- service by employees/maid servants) etc.



CONSUMER DEFINITION CHANGES UNDER ACT, 2019

- Those who make purchases online. Endorsement of goods and services, normally done by celebrities, are also covered within the ambit of the 2019 Act.
- In fact, an additional onus has been placed on endorsers, apart from manufacturers and service providers, to prevent false or misleading advertisements.
- The definition of “goods” has been amended to include “food” as defined in the Food Safety and Standards Act, 2006 and included food delivery platforms within the fold of the 2019 Act.
- Interestingly, “telecom” has been added to the definition of “services” to bring telecom service providers within the purview of the 2019 Act.



CONSUMER DEFINITION CHANGES UNDER ACT, 2019

- A significant addition to the 2019 Act is the introduction of “product liability” whereby manufacturers and sellers of products or services have been made responsible to compensate for any harm caused to a consumer by defective products or for deficiency in services.
- Another newly introduced concept is that of “unfair contracts” aimed to protect consumers from unilaterally skewed and unreasonable contracts which lean in favour of manufacturers or service providers.
- The definition of “unfair trade practices” has been enlarged to include electronic advertising which is misleading, as well as refusing to take back or withdraw defective goods, and to refund the consideration within the period stipulated within a period of 30 days.



COVERAGES UNDER THE ACT

- **Explanation:** - For the purposes regarding definition of consumer;
- (a) The expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;
- (b) The expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by tele-shopping or direct selling or multi-level marketing;
- **Coverage:** All goods and services including banking, insurance, transport, processing, electricity, professional such as physicians etc. in private, public and cooperative sectors are covered under this Act. All banking services are covered due to their being essential services.



RIGHTS OF CONSUMERS

The act provides following rights to the consumers;

- i. To have information about the quantity, quality, purity, potency, price, and standard of goods or services;
- ii. To be protected from hazardous goods and services;
- iii. To be protected from unfair or restrictive trade practices;
- iv. To have a variety of goods or services at competitive prices;
- v. To have the right to consumer awareness.



CONSUMER PROTECTION COUNCIL

To promote and protect the right of the consumers, councils are established. Their scope is not regarding directly dealing with the consumer complaints at initial or appellate scope but to promote and protect the rights of consumer.



OBJECTIVE OF THE COUNCILS

The objectives of the Councils under Consumer Protection Act is to promote and protect the rights of the consumers such as:-

- The right to be protected against the marketing of goods and services which are hazardous to life and property.
- The right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be so as to protect the consumer against unfair trade practices;
- The right to be assured, wherever possible, access to a variety of goods and services at competitive prices;
- The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers; and The right to consumer education.



CENTRAL CONSUMER PROTECTION COUNCIL

The Central Government has established a council known as the Central Consumer Protection Council, called the Central Council. The Central Council consist of the following:

- a) The Minister-In-charge of the Consumer Affairs in the Central Government shall be the Chairman of the council, and
- b) Such member of other official or non-official members representing such interests as may be prescribed.

The Central Council shall meet as and when necessary but at least once in a year.



STATE CONSUMER PROTECTION COUNCIL

The State Government has established a council known as the State Consumer Protection Council, called the State Council. The State Council consist of the following:

- a) The Minister-In-charge of the Consumer Affairs in the State Government shall be the Chairman of the council,
- b) Such member of other official or non-official members representing such interests as may be prescribed by the State Government, and
- c) Such member of other official or non-official members not exceeding ten as may be nominated by Central Government.

The State Council shall meet as and when necessary but at least twice in a year.



DISTRICT CONSUMER PROTECTION COUNCIL

The State Government has established a council known as the District Consumer Protection Council in every district, called the District Council. The District Council consist of the following:

- a) The Collector of the District shall be the Chairman of the council,
- b) Such member of other official or non-official members representing such interests as may be prescribed by the State Government, and

The State Council shall meet as and when necessary but at least twice in a year.



CENTRAL CONSUMER PROTECTION AUTHORITY (CCPA)

One of the most significant additions to the 2019 Act is to establish Central Consumer Protection Authority (CCPA) with the following features;

- ❖ The Central Authority shall consist of a Chief Commissioner and other Commissioners as may be prescribed, to be appointed by the Central Government.
- ❖ The Central Authority shall have an Investigation Wing headed by a Director General for the purpose of conducting inquiry or investigation under this Act.
- ❖ The CCPA has to regulate, protect and enforce the interest of the consumers and matters related to unfair trade practices.



CENTRAL CONSUMER PROTECTION AUTHORITY (CCPA)

- ❖ The CCPA has been provided with vast powers to inquire, investigate and take action against violations of the 2019 Act.
- ❖ Another significant power the CCPA has been showered with, is the power to take action and impose penalty against misleading and false advertisement as well as against any endorser of such advertisement.
- ❖ It means the CCPA can now initiate action against the celebrities who have endorsed such misleading and false advertisement provided such celebrities failed to carry out any due diligence before participating in such advertisements.
- ❖ The CCPA may impose a penalty of up to Rs.10 Lakhs for first violation and up to Rs.50 Lakhs on every subsequent violation on a manufacturer or an endorser, for a false or misleading advertisement.
- ❖ In addition to this, such manufacturer or endorser may be sentenced to imprisonment for upto two years.

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WHO CAN FILE A COMPLAINT ?

- ❖ A consumer (individually or jointly), any voluntary consumer organisation, Central or State Governments.
- ❖ Limitation period is 2 years from the date of cause of action i.e. purchase of goods/hiring of services.



PROCEDURE

- ❖ A simple written complaint in duplicate with full name and address of opposite party narrating facts of the complaint along with copies of the supporting documents and details of relief sought.
- ❖ No Court Fee is charged.
- ❖ Engaging of Lawyer is not necessary, consumer or anyone can represent his case.



CONSUMER CAN FILE HIS COMPLAINT IN THE FOLLOWING CONSUMER COMMISSION

- 1) District Commission:** A District Commission established by the State Government in each district of the State by notification. The District Commission have jurisdiction to entertain complaints where the value of the goods or services paid as consideration does not exceed Rs. 1 Crore.
- 2) State Commission:** Each State Commission shall consist of a President and not less than four members. complaints where the value of the goods or services paid as consideration, exceeds rupees one crore, but does not exceed rupees ten crore.
- 3) National Commission:** The National Commission shall consist of a President and not less than four members. complaints where the value of the goods or services paid as consideration, exceeds rupees one crore, but does not exceed rupees ten crore.



PECUNIARY JURISDICTION

Commission	Claim Amount	Office Structure
District Commission	Up to Rs. 1 Crore	Headed by President & 2 other members.
State Commission	More than Rs. 1 Crore up to Rs. 10 Crore	Headed by President & 4 other members.
National Commission	Above Rs. 10 Crore	Headed by President & 4 other members. Maximum age 70 years for President and 67 years for any other member.



CONSUMER MEDIATION CELL

Another provision introduced by the 2019 Act to ensure speedy resolution of disputes is to provide for referring the disputes to mediation. The Consumer Commission shall refer the matter to mediation on written consent of both the parties.

The State Government shall establish a consumer mediation cell to be attached to each of the District/State Commissions of that State. The Central Government shall establish a consumer mediation cell to be attached to the National Commission. Every consumer mediation cell shall maintain:

- (a) a list of empanelled mediators;
- (b) a list of cases handled by the cell;
- (c) record of proceeding; and
- (d) any other information as may be specified by regulations.

The Commission shall within seven days of the receipt of the settlement report pass suitable order recording such settlement of consumer dispute and dispose of the matter accordingly.



RELIEF BY DISTRICT COMMISSION

If, after the proceeding conducted the District Commission is satisfied about the complaint, it shall issue an order to the opposite party directing him:

- To remove the defect pointed out from the goods;
- To removal of deficiencies in services;
- To replacement by new goods free from defects;
- To refund of price/ charges etc.;
- To pay such amount as may be awarded as compensation to the consumer for any loss or injury suffered by the consumer, due to the negligence of the opposite party.



SUMMARY OF OFFENCE AND PUNISHMENT

Particulars	Offence Type	Punishment Amount	Imprisonment Period
Order made by the District / State / National Commission	Found guilty	Min. Rs. 25000/- Max. Rs. 1 Lakh	Min. 1 month Max. 3 years
Direction of Central Authority	Fails to comply with any direction	Max. Rs. 20 Lakh	Max. 6 months
False or misleading advertisement	First time offence	Max. Rs. 10 Lakh	Max. 2 years
	every subsequent offence	Max. Rs. 50 Lakh	Max. 5 years
Manufacturing for sale or storing, selling or distributing or importing products containing adulterant or importing spurious goods. (1 st conviction, suspend licence for a period up to two years, and in case of second or subsequent conviction, cancel the licence)	Does not result any injury	Max. Rs. 1 Lakh	Max. 6 months
	Causing injury not amounting to grievous hurt	Max. Rs. 3 Lakh	Max. 1 years
	Causing injury resulting in grievous hurt	Max. Rs. 5 Lakh	Max. 7 years non-bailable
	Results in the death of a consumer	Min. Rs. 10 Lakh	Min. 7 years Max. Whole life non-bailable



APPEAL AGAIST THE ORDER

- Any person may appeal to State Commission against the award of District Commission within 45 days from the date of order after Deposit amount is 50% of the amount.
- Any person may appeal to National Commission against the award of State Commission within 30 days from the date of order after Deposit amount is 50% of the amount.
- Any person may appeal to Supreme Court against National Commission within 30 days from the date of order after Deposit amount is 50% of the amount.
- A person aggrieved by any order passed by the Central Authority may file an appeal to the National Commission within a period of thirty days from the date of receipt of such order.

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TIME LIMIT FOR ACTION

ACTION TAKEN ON COMPLAINT	TIME LIMIT
Admission of complaint from the date of receipt of the complaint.	21 days
Disposal without analysis or testing of commodities.	3 months
Disposal analysis or testing of commodities.	5 months
Appeal against the order made by the District Commission to the State Commission.	45 days
Appeal against the order made by the State Commission to the National Commission.	30 days
Appeal against the order made by the National Commission to the Supreme Court.	30 days
Appeal against the order made by the Central Authority to the National Commission.	30 days
Decision should be taken on Appeals for admission or rejection.	90 days



For more details, you may visit the website
<https://www.consumer-voice.org/consumer-protection-act-1986/>

**THANK
YOU!!**

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