

**ROLE OF CENTRAL CONSUMER PROTECTION AUTHORITY: AN
ANALYSIS UNDER CONSUMER PROTECTION ACT, 2019**

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ABSTRACT

Under the Consumer Protection Act, 2019 (COPRA 2019)¹ in India, the Central Consumer Protection Authority (CCPA) is essential in defending consumers' rights and ensuring fair business practices. The CCPA is an essential component of COPRA 2019, reaffirming India's dedication to consumer protection. The CCPA's several functions allow it to protect consumer rights while also promoting a market that is honest and accountable. The CCPA's legal guidelines and authority are examined in the paper, along with the agency's obligations to bring class action lawsuits, carry out investigations, and punish bad actors in the corporate world. It also examines the CCPA's function in fostering consumer awareness through educational efforts and consumer organization capacity-building programmes. The CCPA also has a significant impact on consumer awareness and education. In order to inform customers of their rights and obligations, it runs campaigns and initiatives. The effects of these initiatives on consumer behaviour and protection are evaluated, highlighting the value of a customer base that is well-informed. The report closes with recommendations to strengthen the CCPA's enforcement capabilities and assure greater consumer protection in the future. This paper offers a thorough analysis of the CCPA's function in protecting consumer rights, policing business practises, and promoting an honest and open market.

KEYWORDS: *Consumer Protection Act 2019, COPRA 2019, CCPA, Consumer*

1. INTRODUCTION

Any contemporary economy must prioritize consumer protection in order to ensure that customers are treated fairly and that their rights are maintained throughout business dealings. India passed the Consumer Protection Act, 2019 (COPRA 2019), which represented a paradigm shift in its consumer protection framework, after realizing the need of defending consumer rights. The Central Consumer Protection Authority (CCPA), a specialized regulatory organization endowed with considerable powers and duties to supervise and implement consumer protection legislation, is one of the core elements of COPRA 2019. The

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¹ The Consumer Protection Act, 2019

CCPA was created with the main goal of advancing and defending Indian consumers' rights in mind. Its founding attempted to address issues that had long been of concern to consumers, including unfair business practices, deceptive advertising, and subpar goods and services. The CCPA aims to boost consumer trust, promote a fair market, and foster a climate of corporate accountability by offering a strong and independent process for consumer redress. The CCPA does have certain difficulties, though. These include a lack of resources, difficulty navigating legal systems, and the shifting nature of internet consumer protection. It is crucial to dedicate enough resources, give CCPA employees specialised training, improve collaboration with state-level agencies, and adjust to the rising problems of the digital age in order to overcome these difficulties and further strengthen consumer protection in India.

Understanding the function and effectiveness of the CCPA is essential for developing policies that assure the welfare and protection of consumers in India as the consumer environment changes and new issues in the digital age arise. In conclusion, India's commitment to consumer protection is anchored by the CCPA, which is more than just an organisation. Its many functions go beyond regulation; they also include empowerment, restitution, and establishing a market that is fair and accountable. By shining light on the importance of the CCPA as a critical institution in establishing a fair and transparent marketplace that nurtures the interests of consumers and companies alike, this research adds to the conversation on consumer protection and governance.

2. RESEARCH OBJECTIVES

1. To evaluate the effectiveness of the CCPA in addressing consumer grievances and ensuring accountability of businesses in adhering to consumer protection regulations.
2. To assess the role of the CCPA in promoting consumer awareness and education, including the impact of its awareness campaigns and capacity-building initiatives for consumer organizations.
3. To identify the challenges faced by the CCPA in executing its mandate, including limitations in resources, jurisdictional complexities, and addressing cross-border consumer disputes.

3. STATEMENT OF PROBLEM

By addressing below mentioned research problems, this study can provide valuable insights and solutions regarding “Role of Central Consumer Protection Authority under COPRA 2019” and offer recommendations for the same:

- 1. Lack of Awareness:** One of the main problems is that customers are not well-informed about their rights and the Central Consumer Protection Authority (CCPA), which was established in accordance with COPRA 2019. The fact that so many consumers are still unaware of their rights and how to use the CCPA's services emphasises the urgent need for comprehensive awareness programmes to close this knowledge gap. This ignorance may limit the CCPA's ability to effectively safeguard the interests of consumers.
- 2. Resource Constraints:** Limitations in finance, infrastructure, and human resources might prevent the CCPA from successfully responding to a large volume of consumer complaints
- 3. Adaptation to Technological Advancements:** As technology continues to advance, the CCPA may need to adapt its strategies and mechanisms to address emerging challenges, such as data privacy violations and online consumer scams.

4. RESEARCH METHODOLOGY

This paper is descriptive in nature and the research is done using secondary sources of information such as newspapers, journals, websites, etc. for deep understanding and analysis of the Role of Central Consumer Protection Authority under COPRA 2019.

CONSUMER UNDER CPA, 2019

The term "consumer" has undergone a substantial change in recent years as a result of shifting market dynamics. Now, it includes those who work in both physical and online, or virtual, markets. This broadened definition is especially pertinent when taking into account practises like multi-level marketing, direct selling, and teleshopping. By updating its rules to the contemporary consumer scene, the Consumer Protection Act of 2019 (CPA) effectively recognises this shift. Notably, it recognises that customer interactions with goods and services can happen through numerous channels and intermediaries and makes sellers accountable at every level of the multi-level marketing network. The CPA's capacity to extend accountability to all parties engaged in the development, promotion, and distribution of goods or services is one of its main advantages. This means that everyone who damages customers or engages in deceptive behaviour may be held accountable, not only the final consumer. This includes producers, distributors, and promoters. This all-encompassing strategy fits with how internet commerce is changing. Every step of the supply chain is covered, protecting customers against injury or misleading practises. The CPA's protective

awning is made to safeguard consumers whether they contact with a product in a physical store, online, or through multi-level marketing programmes. Legal measures like the CPA are essential to preserving fairness and openness in commerce as consumer dynamics continue to change as a result of technology improvements and shifting market trends. They help safeguard customers against dishonest business practises as well as foster confidence among all market participants, thereby enhancing the longevity and integrity of the consumer-driven economy.

5. LEGAL PROVISIONS- PECUNIARY JURISDICTION

The term "pecuniary jurisdiction" describes the monetary thresholds at which a certain consumer forum will not hear a particular consumer issue. The Consumer Protection Act of 2019 (CPA 2019) and the Consumer Protection Act of 1986² are comparable in terms of their financial authority as follows:

1. CONSUMER DISPUTES REDRESSAL FORUMS:

- CPA 1986: Under the CPA 1986, consumer disputes were heard by three tiers of consumer forums: District Consumer Disputes Redressal Forum (DCDRF) at the district level, State Consumer Disputes Redressal Commission (SCDRC) at the state level, and the National Consumer Disputes Redressal Commission (NCDRC) at the national level.
- CPA 2019: The CPA 2019 introduced an additional tier of consumer forum known as the Central Consumer Protection Authority (CCPA) at the national level, which has the authority to take suo motu action against unfair trade practices and protect consumer rights. However, the district, state, and national level consumer forums continue to exist under CPA 2019.

2. PECUNIARY JURISDICTION OF CONSUMER FORUMS:

The CPA 2019 significantly increased the pecuniary jurisdiction of all consumer forums. The district commission now has the authority to hear cases involving claims up to Rs. 1 crore, which was limited to Rs. 20 lakhs under CPA 1986. Similarly, the jurisdiction of the state commission was increased from Rs. 1 crore to Rs. 10 crores, and the national commission now handles cases above Rs. 10 crores.

² The Consumer Protection Act, 1986

Commission	CPA 1986	CPA 2019
DCDRF	Upto Rs. 20 Lakhs	Upto Rs. 1 Crore
SCDRC	Above Rs. 20 Lakhs and upto Rs. 1 Crore	Above Rs. 1 Crore and up to Rs. 10 Crores
NCDRC	Above Rs. 1 Crore	Above Rs. 10 Crores

3. TERRITORIAL JURISDICTION

The territorial jurisdiction of consumer forums determines the geographical area within which a consumer dispute can be heard and adjudicated. A comparison between the territorial jurisdiction of the Consumer Protection Act, 1986 (CPA 1986) and the Consumer Protection Act, 2019 (CPA 2019) is as follows:

1. **CPA 1986:** Under CPA 1986, the territorial jurisdiction of consumer forums was based on the location of the opposite party or the residence of the complainant. The DCDRF had jurisdiction over disputes where the opposite party had its office or branch located within the district's boundaries. Similarly, the SCDRC had jurisdiction if the opposite party's office or branch was within the state's geographical limits. The NCDRC had jurisdiction if the opposite party's office or branch was located in a different state or if the dispute involved a value above Rs. 1 crore.
2. **CPA 2019:** The CPA 2019 introduced a significant change in the territorial jurisdiction of consumer forums. Under the new act, the territorial jurisdiction is referred as on the place where the cause of action arises or where the opposite party resides or carries on business. This change allows consumers to file complaints in the forum that is most convenient for them, irrespective of the location of the opposite party's office or branch.

The territorial jurisdiction of consumer forums under CPA 2019 generally gives consumers more flexibility and convenience when registering complaints since they can select the forum based on the location of the cause of action or the other party. This modification simplifies the dispute resolution procedure and guarantees that customers may more easily access justice. The advent of the CCPA, which has national jurisdiction, strengthens the framework for consumer protection by enabling a more effective resolution of problems with unfair business practise and consumer rights on a larger scale.

6. PRODUCT LIABILITY

Product Liability ³ under the Consumer Protection Act, 2019 (CPA 2019) is a crucial provision that aims to hold manufacturers, sellers, and service providers accountable for any harm caused to consumers due to defective products or deficient services. This provision is designed to safeguard consumers' interests, ensure the safety and quality of products and services, and provide a legal remedy for those adversely affected.

1. **Definition:** Product Liability under CPA 2019 ⁴ refers to the liability of a product manufacturer, product seller, or product service provider for any harm caused to a consumer due to defects in the product or deficiencies in services. The term "product" includes any goods, food, or services.
2. **Three Types of Product Liability:** Under CPA 2019, there are three types of product liability:
 - a. **Manufacturing Defects:** The product liability arises when a product is found to have a manufacturing ⁵ defect that makes it unsafe or threatening for consumers to use. It means the product has deviated from its intended design during the manufacturing process, making it dangerous or substandard.
 - b. **Design Defects:** Design defects occur when the product's design itself is flawed, rendering the product unsafe for consumers, even when manufactured correctly. In such cases, the entire product line may be deemed defective.
 - c. **Inadequate Instructions or Warnings:** This type of product liability arises when the product lacks adequate instructions for its safe usage or fails to provide proper warnings about potential risks associated with its use.
3. **Strict Liability:** Product Liability under CPA 2019 follows a strict liability standard. It means that the injured party (consumer) does not need to prove negligence on the part of the manufacturer, seller, or service provider.

³ The Consumer Protection Act, 2019, s. 2(35)

⁴ The Liability of Online Marketplace under Consumer Protection Bill, 2018, *available at* <https://www.legalserviceindia.com/legal/article-536-the-liability-of-online-marketplaces-under-the-consumer-protection-bill-2018.html> (last visited 2 June 2024)

⁵ The Consumer Protection Act, 2019, s. 2(36)

Instead, the liability is imposed on these entities merely by demonstrating that the product or service caused harm due to a defect or deficiency.

Product Liability under CPA 2019 serves as a significant protection for consumers, encouraging manufacturers, sellers, and service providers to ensure the safety and quality of their offerings. It instills confidence in consumers and fosters accountability in the marketplace, promoting consumer welfare and product/service excellence

7. CASES INVOLVING CENTRAL CONSUMER PROTECTION AUTHORITY

1. **Amazon vs CCPA-** The Delhi High Court passed an order against Amazon India directing them to pay over Rs. 1 lakh because of non-compliance of the Bureau of Indian Standards (BIS). Amazon sold over 2265 pressure cookers that didn't conform to the BIS standards ⁶. The High court further directed the Amazon to sell the pressure cookers from thereafter with BIS marks only complying with the standards marked by it. Amazon, in its bid to seek an interim relief from the court, has argued that neither it was made aware of the contents of any investigation by CCPA nor was it given a chance to respond to the allegations. However, Legal representatives for CCPA refuted Amazon's allegations, and said the investigation was duly undertaken and proceedings were initiated by CCPA based on the findings during the investigation.
2. **Amul Ice Cream Case-** In 2018, the Amul Ice Cream case featured one of India's most well-known dairy companies, Amul, and revolved over the use of the phrase "Real Milk" on its ice cream packaging. The matter was presented to the Central Consumer Protection Council (CCPC), and the issue was the ice cream's milk fat content. While Amul claimed to utilise "Real Milk," testing indicated that the milk fat level fell short of the required criteria. Amul was penalised by the CCPC for misleading labelling, emphasising the significance of honesty in advertising and precise product descriptions. This case demonstrated the diligence of India's consumer protection authorities in holding even well-known firms accountable for deceiving customers. It serves as a reminder of the

⁶ Digbijay Mishra, "Amazon vs CCPA in Delhi HC over Rs 1 lakh faulty cooker penalty", *The Economic Times*, 10 October 2022, available at <https://economictimes.indiatimes.com/tech/technology/amazon-takes-ccpa-to-delhi-hc-over-direction-and-penalty-order-on-violation-of-norms/articleshow/94745749.cms?from=mdr> (last visited on 16 October 2023)

importance of clear and accurate product labelling in order to maintain customer trust and safety in the marketplace.⁷

3. **Maggi Noodles Case-** The 2015 Maggi Noodles case is one of the most high-profile examples of a consumer product receiving intense scrutiny in India. Nestlé's Maggi instant noodles, a popular snack, came under fire after reports surfaced that the product had high lead levels and monosodium glutamate (MSG), a flavour enhancer that was not included on the label. This sparked a statewide uproar, product recalls, and a ban issued by India's Food Safety and Standards Authority (FSSAI). The case shed new light on food safety and labelling standards, sparking a heated debate regarding the quality and safety of packaged goods. It also emphasised the significance of strict quality control, precise labelling, and regulatory monitoring in assuring customer safety. Nestlé India later relaunched Maggi noodles with changes, demonstrating the impact of consumer protection laws and the essential role they play in protecting the public's interests in food safety and quality.⁸

8. ECOMMERCE UNDER CONSUMER PROTECTION ACT 2019:

E-commerce refers to the process of buying and selling goods or services, including digital products, through digital or electronic networks. Entities in the E-commerce sector, such as Amazon, Flipkart, and Myntra, are obligated to furnish essential information to consumers. This information includes details about returns, refunds, exchanges, warranties, guarantees, delivery and shipment processes, payment methods, grievance redressal mechanisms, security of payment methods, charge-back options, and even the country of origin of the products. The Consumer Protection Act (CPA) of 2019 now covers e-commerce, a rapidly expanding industry in India, illustrating how consumer protection is changing in the digital era. The Indian government's dedication to protecting the rights and interests of online consumers is demonstrated by the inclusion of e-commerce within the scope of the CPA 2019.

This information is crucial as it allows consumers to make informed decisions before making a purchase on the platform. E-commerce platforms are also

⁷ Maulik Vyas, "Amul savours some relief in its ice-cream advertising war with Hindustan Unilever", *The Mint*, 29 December 2018, available at <https://www.livemint.com/Industry/LMjsEF19fRlt3muu8WkyaJ/Amul-allowed-to-air-edited-icecream-ads-after-fight-with-Hi.html> (last visited on 2 June 2024)

⁸ Express Web Desk, "Maggi Controversy: Between 2015 and now", *The Indian Express*, 29 November 2017, available at <https://indianexpress.com/article/india/maggi-lab-test-fail-ban-uttar-pradesh-nestle-india-4960056/> (last visited on 2 June 2024)

required to acknowledge consumer complaints within **48 hours** and address them within one month from the date of receipt. Whether these E-commerce retailers are registered in India or operating from outside the country, they must comply with these regulations. Failure to comply may result in severe penalties. The central government holds the authority to take necessary measures and establish rules to prevent any unfair trade practices in the field of e-commerce.

With its ease and easy access to a variety of goods and services, e-commerce has completely changed the way customers purchase and conduct business. India has made a huge step towards ensuring that the digital market is fair, transparent, and safe for customers, increasing their trust in online transactions, by including e-commerce in the CPA 2019. In an increasingly digital environment, this legal framework is a potent weapon for defending consumer rights and interests.

9. UNFAIR TRADE PRACTICES:

The Consumer Protection Act of 2019 (CPA) incorporates provisions to address and prohibit unfair trade practices that may harm consumers. Some key provisions under the CPA 2019 related to unfair trade practices include:

- 1. False Representation:** A "false representation" is an essential part of an unfair commercial practice, according to the Consumer Protection Act, 2019 (COPRA 2019). It refers to any false or misleading information provided by a vendor, manufacturer, or service provider on their goods, services, or products. These representations, which can be expressed verbally, in writing, visually, or inferentially, are meant to persuade customers to buy or utilise a product or service. The Act restricts from making false or misleading claims about goods or services, including deceptive advertisements ⁹, warranties, or guarantees. Consumers can register complaints with the proper consumer dispute resolution body, seeking compensation or other remedies as specified by the Act, if they feel they have been the subject of deceptive statements. This clause gives customers the ability to hold companies responsible for their marketing and promotional efforts, promoting a competitive and open market.
- 2. Unfair Contracts:** "Unfair contracts" are a fundamental component of unfair commercial practices, according to the Consumer Protection Act, 2019 (COPRA 2019). Contractual terms and conditions that are slanted against customers and disproportionately in favour of the company are referred to as unfair contracts. They may be enforced by a seller, service

⁹ The Consumer Protection Act, 2019, s. 2(1)

provider, or manufacturer. These one-sided terms and conditions may take advantage of the consumer's lack of knowledge or negotiating power. COPRA 2019 aims to promote fairness, transparency, and justice in consumer interactions by treating unjust contracts as an unfair trade practise, making sure that customers are not unfairly disadvantaged when making contractual arrangements with companies.

3. **Non-Issuance of Memo or Bill:** Failure or Non-Issuance of cash memo or bill is classified as Unfair Trade Practices under CPA 2019. Businesses are required by law to give customers a detailed and accurate bill for the products or services they order. If you don't, there may be fines and legal repercussions. In order to safeguard their rights and ensure the openness of their business dealings, consumers are urged to seek and keep receipts for their purchases.
4. **Unyielding Stance on Defective Goods and Services Refunds:** Declining the return or withdrawal of faulty products ¹⁰, discontinuing deficient services, or failing to reimburse the agreed-upon amount within the specified time mentioned in the bill, cash memo, or receipt, or in the absence of any such mention, refusing to withdraw or refund goods or services within a thirty (30) day period. Consumers are thus therefore empowered to seek replacements or Refunds is the seller has defective goods or any such matter, It is a crucial aspect and very important step towards consumers.

10. CHALLENGES FACED

1. **Limited Resources:** Limitations on funding, personnel, infrastructure, and other vital components required for the operation of the consumer protection agencies and procedures established by COPRA 2019 are referred to as limited resources. The Institution was widely needed in the contemporary times and it must have gone through scarcity of funds due to low budgetary allocations and shortage of trained staff. The National Consumer Disputes Redressal Commission (NCDRC), State Consumer Disputes Redressal Commissions (SCDRCs), and District Consumer Disputes Redressal Forums (DCDRFs) all depend on enough funds to operate. These organisations need money to manage a heavy caseload, maintain offices, employ qualified staff, and run consumer awareness campaigns. Budget restrictions might cause inefficiencies and delays in the handling of customer complaints.

¹⁰ The Consumer Protection Act,2019, s. 2(10) and s. 2(11)

2. **Coordination with State Bodies:** CCPA operates at National level, consumer project is a concurrent subject under the Indian Constitution, therefore streamlining the issues between the states and the center would also been a challenge for CCPA. Bodies such as SCDRCs, DCDRFs and NCDRC have to be streamlined and should have proper coordination to ensure the resolution of consumer complaints. Centre and State bodies coordination is very much needed to function properly.
3. **Less Awareness:** The CCPA's purpose depends on ensuring that customers are aware of its presence, how it works, and how to contact it with complaints. The CCPA may have encountered difficulties while implementing extensive consumer awareness and outreach campaigns to engage with all facets of society. Mainly outreach towards people living in rural areas regarding their rights and duties is still a major challenge to be addressed.

11. RECOMMENDATIONS

1. **Increased Budget Allocation:** To address the challenge of limited resources, the government should allocate sufficient funds to the CCPA to strengthen its infrastructure, hire skilled personnel, and conduct consumer awareness campaigns effectively. Ample financing enables organisations responsible for consumer protection to hire and keep professionals with relevant expertise, including lawyers, investigators, and administrative employees. Budget increases can help staff members participate in continuing training and capacity-building initiatives. Market dynamics, consumer difficulties, and consumer protection legislation all change over time. Initiatives aimed at raising consumer awareness and educating consumers might receive a substantial percentage of the money. These efforts are essential for educating customers on their rights and obligations as well as how to use dispute resolution procedures. Budget allocations that are increased can aid in reducing the backlog of unresolved consumer disputes and complaints. For customer pleasure and system confidence, complaints must be settled quickly.
2. **Capacity Building and Training:** To overcome jurisdictional complexities and ensure consistent handling of consumer complaints, the CCPA staff should receive specialized training in consumer protection laws, cross-border jurisdiction, and digital consumer rights. A well-trained staff can keep up with these advancements, ensuring that consumers get the help and protection they need.

3. **Collaboration with State Authorities:** The CCPA should establish robust mechanisms for coordination and collaboration with state-level consumer protection authorities to streamline complaint handling and ensure consistent enforcement of consumer protection laws across the country. This will also help in quick readdress of the consumer complaints and also help reduce the backlogs of the cases in the country.
4. **Consumer Awareness Programs:** The CCPA should conduct extensive consumer awareness programs through multiple platforms, including traditional media, social media, and online platforms, to inform consumers about their rights and the process of approaching the CCPA with grievances. It is crucial that the general public has knowledge about CCPA and it is easily accessible to them when required such as E-Dakhil Portal

12. CONCLUSION

In conclusion, the Consumer Protection Act, 2019 (COPRA 2019) marks a crucial turning point in India's consumer protection system with the creation of the Central Consumer Protection Authority (CCPA). In protecting consumer interests, combating unfair commercial practises, and defending consumer rights in the marketplace, the CCPA is crucial¹¹. This research also addressed the difficulties the CCPA faced, such as limited resources, complicated legal issues, and online consumer protection. There were suggestions made to improve the CCPA's ability to meet these obstacles and effectiveness in assuring improved consumer protection results. In conclusion, India's dedication to consumer protection and welfare is exemplified by the CCPA, a key organisation. The CCPA may strengthen its position as a protector of consumer rights by implementing the suggestions made in this study, helping to create an atmosphere of trust, justice, and accountability in India's thriving and dynamic consumer market. COPRA 2019 must overcome obstacles including few resources and the complexity of the digital era. To successfully safeguard consumers from these issues, budgetary assistance, capacity development, and flexible tactics are required. The Act's dedication to empowering consumers endures in the face of these obstacles. India can keep moving forward in ensuring that its customers are educated, protected, and able to engage confidently in the marketplace by improving the CCPA, raising consumer awareness, and encouraging cooperation among stakeholders. The CCPA's efforts will contribute to a vibrant economy based on the ideals of consumer empowerment and protection as consumers acquire confidence in their rights and companies adopt ethical practices. The

¹¹ Consumer Protection Act 2019: Enhancing Consumer Rights, *available at* <https://www.barandbench.com/columns/consumer-protection-act-2019-enhancing-consumer-rights> (last visited 2 June 2024)

Consumer Protection Act of 2019 represents a substantial leap forward in India's commitment to consumer welfare. The COPRA 2019 principles will continue to direct India towards a fair, transparent, and consumer-centric economy where consumer rights are maintained, unfair trade practices are reduced, and market trust prevails as India's consumer environment changes.