Lok Sabha passes Consumer Protection Bill, 2019

Context

The Lok Sabha passed the Consumer Protection Bill 2019 after due consideration and discussion.

Objective of the bill

The bill aims at protecting the interests of consumers by establishing authorities for timely and effective administration and settlement of consumers’ dispute. The Bill aims to simplify a number of rules.

Central Consumer Protection Authority (CCPA)

- Under the Bill, there is provision for central government to set up a Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers and will be empowered to investigate, recall, refund and impose penalties.
- It will regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements.
- The authority will have power to impose a penalty on a manufacturer or an endorser of up to 10 lakh rupees and imprisonment for up to two years for a false or misleading advertisement.

Benefit to Consumers

- Presently Consumer only have a single point of access to justice, which is time consuming. Additional swift executive remedies are proposed in the bill through Central Consumer Protection Authority (CCPA)
- Deterrent punishment to check misleading advertisements and adulteration of products
- Product liability provision to deter manufacturers and service providers from delivering defective products or deficient services
- Ease of approaching Consumer Commission and Simplification of Adjudication process
- Scope for early disposal of cases through mediation.
- Provision for rules for new age consumer issues: e-commerce & direct selling.