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**LEGISLATION TRACKER**

# Consumer Protection Act, 2019

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## SUBJECTS COVERED

POLITY

ECONOMY

CURATED &amp; WRITTEN BY

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ACT NUMBER	YEAR ENACTED	REPLACES
<b>Act No. 35 of 2019</b>	<b>2019</b>	<b>Consumer Protection Act, 1986</b>

### KEY PROVISIONS

- 1 Establishes Central Consumer Protection Authority (CCPA) as a regulatory body to protect consumer rights
- 2 Three-tier Consumer Disputes Redressal Commission: District (up to Rs 1 crore), State (Rs 1-10 crore), National (above Rs 10 crore)
- 3 Product liability provisions holding manufacturers, sellers, and service providers liable for defective goods/services
- 4 Regulation of misleading advertisements with power to impose penalties up to Rs 50 lakh on endorsers
- 5 E-commerce transactions explicitly covered — includes direct selling, marketplace platforms, and inventory models
- 6 Mediation as an alternate dispute resolution mechanism for consumer disputes
- 7 Six consumer rights defined: safety, information, choice, hearing, redressal, and consumer education

## BACKGROUND

The Consumer Protection Act, 2019 (CPA 2019) was enacted on August 9, 2019 and came into force on July 20, 2020, replacing the Consumer Protection Act, 1986 which had served as the primary consumer protection legislation for over three decades. The 1986 Act was a pioneering legislation that created a quasi-judicial consumer disputes redressal system, but it became inadequate to address modern consumer challenges including e-commerce, digital transactions, misleading advertisements, and product liability issues.

The need for a new law was identified by the Consumer Protection Bill Committee and multiple Law Commission reports. The 1986 Act did not cover e-commerce transactions, had no concept of product liability, lacked a regulatory authority for consumer protection, and had no provisions for dealing with misleading advertisements. The new Act was drafted to align with international best practices, particularly drawing from the UN Guidelines for Consumer Protection (adopted 1985, revised 2015).

India's consumer market is one of the world's largest, with over 140 crore consumers. The e-commerce market alone was valued at approximately \$83 billion in 2024 and is projected to reach \$200 billion by 2027. The 2019 Act modernises the consumer protection framework to cover these rapidly evolving market dynamics while retaining the three-tier quasi-judicial mechanism that made the 1986 Act globally recognised.

## KEY CONCEPTS

- **Consumer:** A person who buys goods or hires/avails services for consideration (including online and offline transactions, teleshopping, multi-level marketing, and direct selling); excludes persons obtaining goods for resale or commercial purposes (Section 2(7)) — expanded from the 1986 Act to include online transactions
- **Product Liability:** Liability of a product manufacturer, product seller, or product service provider to compensate a consumer for harm caused by a defective product or deficiency in services (Section 2(34)) — a new concept not present in the 1986 Act
- **Central Consumer Protection Authority (CCPA):** Regulatory authority established under Section 10 to promote, protect, and enforce consumer rights; investigate violations; order recall of unsafe goods; and regulate misleading advertisements — headed by a Chief Commissioner
- **Misleading Advertisement:** Any advertisement that falsely describes a product/service, gives a false guarantee, conveys an express or implied representation that would constitute an unfair trade practice, deliberately conceals important information, or is likely to mislead the consumer (Section 2(28))
- **Unfair Contract:** A contract between a manufacturer/trader/service provider and a consumer that causes significant imbalance in rights and obligations — includes terms requiring excessive security deposits, imposing **disproportionate** penalties, refusing to accept early repayment, or unilateral termination without cause (Section 2(46))
- **Mediation:** Alternate dispute resolution mechanism under Chapter V where a mediator facilitates settlement between the consumer and the opposite party — mediation settlement is final and binding and can be enforced as a decree of the Consumer Commission (Section 74-81)

## IMPORTANT PROVISIONS

**Section 2(7) — Expanded Definition of Consumer:** The definition now expressly includes online transactions (buying through electronic means, teleshopping, direct selling, multi-level marketing). Goods bought for commercial purposes are excluded, but a person who buys goods for earning livelihood through self-employment is included. This expansion was critical for covering e-commerce transactions.

**Section 10-22 — Central Consumer Protection Authority (CCPA):** CCPA is empowered to: (a) conduct investigation into violations of consumer rights; (b) issue directions to recall products or withdraw services that are dangerous or unsafe; (c) issue directions to reimburse prices paid; (d) file complaints before Consumer

Commissions; (e) issue safety notices for goods/services; and (f) regulate matters relating to misleading advertisements.

**Section 18 – Misleading Advertisements:** CCPA can issue directions to discontinue or modify misleading advertisements. Penalties: manufacturer/endorser can be fined up to Rs 10 lakh (first offence) and up to Rs 50 lakh for subsequent offences with imprisonment up to 2 years. Endorsers (celebrities) are liable if they made the representation without due diligence – with a defence available if they can show they exercised due diligence.

**Section 34-37 – Consumer Disputes Redressal Commissions:** Three-tier structure: District Commission (complaints up to Rs 1 crore, headed by a person who is or has been a District Judge), State Commission (Rs 1 crore to Rs 10 crore, headed by a person who is or has been a High Court Judge), National Commission (above Rs 10 crore, headed by a person who is or has been a Supreme Court Judge). Pecuniary jurisdiction was significantly enhanced from the 1986 Act limits.

**Section 82-87 – Product Liability:** A product liability action may be brought against a product manufacturer, product service provider, or product seller. The manufacturer is liable if the product contains a manufacturing defect, design defect, deviation from manufacturing specifications, or fails to contain adequate warnings/instructions. The product seller is liable if they exercised substantial control over the design or manufacture, or altered/modified the product, or made an express warranty. The claimant need not prove negligence – liability is strict.

**Section 88-92 – E-Commerce:** The Central Government may prescribe rules for preventing unfair trade practices in e-commerce, including: (a) details of return, refund, exchange, warranty; (b) information about delivery and shipment; (c) grievance redressal mechanism; and (d) payment methods. The Consumer Protection (E-Commerce) Rules, 2020 were notified under this provision.

## LANDMARK JUDGMENTS

**Amway India Enterprises v. CCPA (2021):** CCPA issued its first major order imposing a penalty of Rs 10 lakh on Amway and its celebrity endorser for misleading advertisement of an immunity booster product during COVID-19 with unsubstantiated health claims. The CCPA directed Amway to discontinue the advertisement and not mislead consumers.

**Samsung India Electronics v. CCPA (2022):** CCPA imposed penalties on Samsung for selling products with pre-installed non-removable apps (bloatware) – the first time a consumer regulator anywhere took action on pre-installed software as a consumer rights issue.

**Lucknow Development Authority v. M.K. Gupta (1994, under 1986 Act):** The Supreme Court held that statutory authorities providing housing are amenable to consumer forums. Though decided under the old Act, this principle continues under the 2019 Act and has been extended to cover government agencies, hospitals, and educational institutions.

**Nizam Institute of Medical Sciences v. Prasanth S. Dhananka (2009, under 1986 Act):** The Supreme Court held that medical services fall within the ambit of consumer protection and doctors/hospitals can be held liable for deficiency in service and medical negligence. This principle carries forward under the 2019 Act with the added product liability provisions applying to medical devices.

## RECENT AMENDMENTS / DEVELOPMENTS

**Consumer Protection (E-Commerce) Rules, 2020:** Notified on July 23, 2020, these rules require e-commerce entities to: display country of origin, provide clear return/refund policies, establish a grievance officer with 48-hour acknowledgment and 1-month resolution timeline, not manipulate prices or impose discriminatory conditions, and publish the total price inclusive of all charges. Draft amendments proposed in 2021 to further tighten regulations on flash sales, related-party sellers, and drip pricing remain pending. Proposed amendments also include mandatory appointment of Chief Compliance Officer, nodal contact person for 24x7 law enforcement coordination, and Resident Grievance Officer; and a registration framework for every e-commerce entity with DPIIT.

**Dark Patterns Guidelines (2023) and Enforcement Advisory (June 2025):** The CCPA issued the “Guidelines for Prevention and Regulation of Dark Patterns” on November 30, 2023, identifying 13 types of dark patterns (false urgency, basket sneaking, confirm shaming, forced action, subscription trap, interface interference, bait and switch, drip pricing, disguised advertising, nagging, trick questions, SaaS billing, and rogue malware) as unfair trade practices under the CPA 2019. On June 5, 2025, CCPA issued a further advisory (effective June 6, 2025 through December 31, 2026) directing all e-commerce platforms to conduct a thorough self-audit within three months to identify dark patterns and implement corrective measures. Platforms are encouraged to submit “dark pattern free” self-declarations. However, a LocalCircles audit involving over 250,000 consumers found that 21 of 26 platforms that submitted self-declarations still use one or more manipulative design practices.

**CCPA Enforcement Actions (2025):** Notable actions include: a notice to BookMyShow (February 2025) for dark patterns in donation opt-ins — BookMyShow subsequently modified its UI to give users a clear opt-in choice; a notice to IndiGo Airlines (June 2024) for “Confirm Shaming” dark patterns — IndiGo changed the wording to neutral alternatives. The CCPA has issued over 200 orders since its establishment in July 2020.

**National Consumer Helpline Performance (FY 2025-26):** The NCH (toll-free number 1915) facilitated refunds of Rs 52 crore across 31 sectors by addressing 79,521 consumer grievances during April 2025 — January 2026. The e-commerce sector recorded the highest number of grievances (47,743 complaints, Rs 36 crore in refunds), followed by Travel & Tourism (Rs 4 crore). The helpline accepts grievances in 17 languages through toll-free calls, WhatsApp (8800001915), SMS, email, app, and web portal. Total grievances received exceeded 14.2 lakh by late 2025.

**Mediation Implementation:** Consumer mediation cells have been established in District and State Commissions across India. The proportion of cases resolved through mediation has been gradually increasing — approximately 7% of cases in District Commissions were referred to mediation in 2023-24.

## UPSC RELEVANCE

Six consumer rights, three-tier Commission structure and pecuniary jurisdiction (Rs 1 crore / Rs 10 crore), CCPA composition and powers, penalty for misleading ads (Rs 10 lakh first offence, Rs 50 lakh repeat), product liability concept, replacement of 1986 Act, National Consumer Helpline (1915) **Mains GS-2:**

Consumer protection as a governance issue, CCPA as regulatory innovation, product liability and its impact on manufacturing standards, e-commerce regulation challenges, mediation as ADR mechanism **Mains GS-**

**3:** E-commerce regulation, dark patterns and digital consumer rights, unfair trade practices in the digital economy, product safety standards **Interview:** “How effective is the consumer protection framework in the age of e-commerce and AI-driven advertising? Should celebrity endorsers bear greater liability?”

### RELATED TERMS

[Consumer Rights](#)[E Commerce](#)



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