

Bill No. 39 of 2025

THE CONSUMER PROTECTION (AMENDMENT) BILL, 2025

By

SHRI MADDILA GURUMOORTHY, M.P.

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further to amend the Consumer Protection Act, 2019

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

1.(1) This Act may be called the Consumer Protection (Amendment) Act, 2025.

Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

35 of 2019

2. In section 2 of the Consumer Protection Act, 2019 (hereinafter referred to as the principal Act), in sub-section (47) after clause (ix), the following clauses shall be inserted, namely:—

Amendment of section 2.

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“(x) failure to disclose essential terms, conditions or fees associated with the transaction, including but not limited to dynamic pricing mechanisms including surge pricing or personalised pricing;

(xi) adoption of methods, including the use of algorithms or other automated systems, designed to manipulate consumer behaviour resulting in a restriction of consumer choice; and

(xii) creating complicated barriers for consumers who wish to cancel subscriptions, return goods or opt out of services.”.

STATEMENT OF OBJECTS AND REASONS

The Consumer Protection Act, 2019 marked a significant milestone in safeguarding consumer rights in India. However, the rapid evolution of digital technologies and e-commerce has introduced new challenges that necessitate further amendments to the Act. These amendments aim to address emerging unfair trade practices in the digital age and strengthen consumer protection in an increasingly complex marketplace.

The digital economy has transformed consumer behaviour and business practices, with online platforms and digital services becoming integral to daily life. While this transformation has brought convenience and expanded choices, it has also given rise to new forms of unfair trade practices that exploit consumer vulnerabilities. A study by the Internet and Mobile Association of India (IAMAI) reported that India had 692 million active internet users as of 2020, with this number expected to reach 900 million in 2025. This digital surge underscores the urgency of updating our consumer protection framework.

The proposed amendments to section 2 of the Consumer Protection Act, 2019 aim to address three critical areas of concern in the digital marketplace. First, the amendment tackles the issue of non-disclosure of essential terms, conditions, and fees, including dynamic pricing mechanisms. This is particularly relevant in the context of e-commerce platforms where personalised pricing has become prevalent. Second, the amendment addresses the manipulation of consumer behaviour through algorithms and automated systems that result in a restriction of consumer choice. With the increasing use of artificial intelligence and machine learning in marketing and sales, there is a growing concern about the potential for these technologies to unduly influence consumer decisions and limit their options. This amendment aims to protect consumers from practices that may unfairly restrict their choices or manipulate their behaviour in the digital marketplace.

Lastly, the amendment seeks to prevent businesses from creating unreasonable barriers for consumers wishing to cancel subscriptions, return goods, or opt out of services. This is particularly relevant in the context of digital subscriptions and online purchases. According to recent data from the consumer affairs department, around four lakh complaints have been lodged against e-commerce companies with the National Consumer Helpline (NCH) in the past 11 months. More than half of these complaints are related to deficiency in service, delivery of wrong, defective or damaged products, paid amounts not being refunded, and delays in delivery. This highlights the urgent need for stronger consumer protection measures in the e-commerce sector.

These amendments to the Consumer Protection Act, 2019 represent a proactive step towards ensuring fair trade practices in the digital age. By expanding the definition of unfair trade practices to include these new provisions, we aim to create a more transparent, ethical, and consumer-friendly digital marketplace. This will not only protect consumer rights but also foster trust in digital commerce, ultimately contributing to the growth and sustainability of India's digital economy.

Hence this Bill.

NEW DELHI;
February 10, 2025

MADDILA GURUMOORTHY

ANNEXURE

[EXTRACT FROM THE CONSUMER PROTECTION (AMENDMENT) ACT, 2019]

(35 of 2019)

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Definitions.

2.(1) In this Act, unless the context otherwise requires,—

(47) “unfair trade practice” means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:—

(ix) disclosing to other person any personal information given in confidence by the consumer unless such disclosure is made in accordance with the provisions of any law for the time being in force.

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(*Shri Maddila Gurumoorthy, M.P.*)