GOVERNMENT OF INDIA MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION DEPARTMENT OF CONSUMER AFFAIRS

RAJYA SABHA UNSTARRED QUESTION No. 3394 TO BE ANSWERED ON 01.04.2025

STRENGTHENING CONSUMER PROTECTION IN E-COMMERCE

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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the regulatory frameworks that can be established to safeguard consumer interests in ecommerce transactions, ensuring transparency, accountability, and fair business practices;
- (b) how the Ministry can enhance consumer awareness and education about their rights and responsibilities in the digital marketplace, promoting informed decision-making;
- (c) the mechanisms that can be put in place to facilitate swift and effective dispute resolution in e-commerce transactions, providing consumers with easy access to redressal mechanisms?

ANSWER

THE MINISTER OF STATE, CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI B.L VERMA)

(a) to (c): Department of Consumer Affairs is continuously working for consumer protection and empowerment of consumers by enactment of progressive legislations. With a view to modernize the framework governing the consumer protection in the new era of globalization, technologies, e-commerce markets etc. Consumer Protection Act, 1986 was repealed and Consumer Protection Act, 2019 was enacted.

Salient features of the new Consumer Protection Act, 2019 are establishment of a Central Consumer Protection Authority(CCPA); simplification of the adjudication process in the Consumer Commissions such as enhancing pecuniary jurisdiction of the Consumer Commissions, online filing of complaint from the Consumer Commission having jurisdiction over the place of work/residence of the consumer irrespective of the place of transaction, videoconferencing for hearing, deemed admissibility of complaints if admissibility is not decided within 21 days of filing; provision of product liability; penal provisions for manufacture/sale of adulterated products/spurious goods; provision for making rules for prevention of unfair trade practice in e-commerce and direct selling.

The Consumer Protection Act, 2019 provides for a three tier quasi-judicial machinery at District, State and National level commonly known as "Consumer Commissions" for protection of the rights of consumers and to provide simple and speedy redressal of consumer disputes including those related with unfair trade practices. The Consumer Commissions are empowered to give relief of a specific nature and award compensation to consumers, wherever appropriate.

The National Consumer Helpline (NCH) administered by the Department of Consumer Affairs has emerged as a single point of access to consumers across the country for their grievance redressal at a prelitigation stage. Consumers can register their grievances from all over the country in 17 languages including Hindi, English, Kashmiri, Punjabi, Nepali, Gujarati, Marathi, Kannada, Telugu, Tamil, Malayalam, Maithili, Santhali, Bengali, Odia, Assamese and Manipuri through a toll-free number 1915. These grievances can be registered on Integrated Grievance Redressal Mechanism (INGRAM), an omni-channel IT enabled central portal, through various channels- WhatsApp (8800001915), SMS (8800001915), email (nch-ca@gov.in), the NCH app, the web portal (consumerhelpline.gov.in) and the Umang app, as per their convenience. 1049 companies, who have voluntarily partnered with NCH, as part of the 'Convergence' programme directly respond to these grievances according to their redressal process and revert by providing a feedback to the complainant on the portal. Complaints against those companies, who have not partnered with National Consumer Helpline, are forwarded to the company for redressal.

To safeguard the interests of consumers from unfair trade practices in e-commerce, the Department of Consumer Affairs has notified the Consumer Protection (E-commerce) Rules, 2020 under the provisions of the Consumer Protection Act, 2019. These rules, inter-alia, outline the responsibilities of e-commerce entities and specify the liabilities of marketplace and inventory e-commerce entities, including provisions for consumer grievance redressal.

A "Safety Pledge" has been finalized, in consultation with all the stakeholders, which is a voluntary public commitment of e-Commerce platforms to ensure the safety of goods sold online and respect the consumer rights. Aligned with global best practices, this initiative strengthens consumer protection in the e-commerce. On the National Consumer Day 2024, 13 major e-Commerce companies including Reliance Retail group, Tata sons group, Zomato, Ola, Swiggy etc. signed the Safety Pledge for ensuring consumer safety. The support and agreement of major e-Commerce companies to abide by the safety pledge will go a long way in ensuring protection of consumer rights.

Under the provisions of the Consumer Protection Act, 2019, the Central Consumer Protection Authority (CCPA), an executive agency, came into existence on 24.07.2020. It is designed to intervene, to prevent consumer detriment arising from unfair trade practices and to initiate class action(s), including the enforcement of recalls, refunds and return of products. Its core mandate is to prevent and regulate false or misleading advertisements which are prejudicial to the public interest. In case of false or misleading advertisement, as per Section 21(2) of the Consumer Protection Act, 2019, CCPA may impose fines on manufacturer or endorser upto Rs. 10 lakhs or Rs 50 lakhs in case of repeated violations.

The CCPA, in exercise of the powers conferred by Section 18 of the Consumer Protection Act, 2019, has issued "Guidelines for Prevention and Regulation of Dark Patterns, 2023" on 30th November, 2023 for prevention and regulation of dark patterns listing 13 specified dark patterns identified in e-Commerce sector. These dark patterns include false urgency, Basket Sneaking, Confirm shaming, forced action, Subscription trap, Interface Interference, Bait and switch, Drip Pricing, Disguised Advertisements, Nagging, Trick Wording, Saas Billing and Rogue Malwares.

Further to strengthen consumer protection, the CCPA enacted the Guidelines for Prevention and Regulation of Greenwashing and Misleading Environmental Claims, 2024 (effective 15th October 2024), mandating transparency in environmental claims, and the Guidelines for Prevention of Misleading Advertisements in the Coaching Sector, 2024 (effective 13th November 2024), addressing false claims, exaggerated success rates, and unfair practices in coaching institutes.

The Bureau of Indian Standards (BIS) has notified framework on 'Online Consumer Reviews — Principles and Requirements for their Collection, Moderation and Publication' on 23.11.2022 for safeguarding and protecting consumer interest from fake and deceptive reviews in e-commerce. The standards are voluntary and are applicable to every online platform which publishes consumer reviews. The guiding principles of the standard are integrity, accuracy, privacy, security, transparency, accessibility and responsiveness.

The Department of Consumer Affairs has been generating consumer awareness by undertaking country-wide multimedia awareness campaigns under the aegis of "Jago Grahak Jago" to reach out to every consumer across the country by utilizing traditional media like All India Radio, Doordarshan, fairs & festivals, etc. as well as social media. Through simple messages and jingles, consumers are made aware about the consumer rights, unfair trade practices, consumer issues and the mechanism to seek redressal. The Department has also been releasing grant-in-aid to States/UTs for generating consumer awareness at local level. During the current financial year, the Department, under consumer awareness scheme, undertook campaigns through All India Radio (AIR) during T20 World Cup, IVRS (Interactive Voice Response System) campaign, Pan-India interaction session with panchayats, for generating awareness about consumer rights, standards, redressal mechanism, etc.
