

**Government of India**  
**Ministry of Consumer Affairs, Food and Public Distribution**  
**Department of Consumer Affairs**

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3702**  
**TO BE ANSWERED ON 18.12.2024**

**UNFAIR TRADE PRACTICES**

3702. SHRI SUKANTA KUMAR PANIGRAHI:

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION**  
**उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री** be pleased to state

- (a) the details of the steps taken by the Government to address the growing concerns of unfair trade practices including misleading advertisements, defective products and fraudulent business activities affecting the e-commerce sector;
- (b) the measures in place to ensure timely resolution of consumer complaints;
- (c) whether the Ministry is considering amendments to the Consumer Protection Act to strengthen provisions against unfair trade practices;
- (d) if so, the details thereof including the penalties being imposed on companies engaged in unfair trade practices;
- (e) the initiatives being taken by the Government to educate consumers about their rights and the manner in which unfair trade practices are to be identified; and
- (f) the manner in which Ministry is working with State Governments to ensure uniform enforcement of consumer protection laws?

**ANSWER**

**उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री**  
**(श्री बी.एल. वर्मा )**

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

(a) to (f) : 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 Consumer Protection Act, 1986 was repealed and Consumer Protection Act, 2019 was enacted.

The Consumer Protection Act, 2019 provides for a three tier quasi-judicial machinery at District, State and Central levels 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, wherever appropriate, compensation to consumers.

Further, in terms of Section 38 (7) of the Consumer Protection Act, 2019, every complaint shall be disposed of as expeditiously as possible and endeavour shall be made to decide the complaint within a period of three months from the date of receipt of notice by opposite party where the complaint does not require analysis or testing of commodities and within five months if it requires analysis or testing of commodities.

To serve the interest of speedy justice to the end consumers, Consumer Protection Act, 2019 states that no adjournment shall ordinarily be granted by the consumer commissions unless sufficient cause is shown and the reasons for grant of adjournment have been recorded in writing by the Commission.

"Unfair trade practice" [Section 2(47) of the Consumer Protection Act, 2019] encompasses deceptive methods such as misrepresenting product standards, falsely advertising old goods as new, claiming unverified sponsorship or benefits, offering misleading warranties, misrepresenting prices, or disparaging competitors' goods or services. These provisions ensure accountability, transparency and fairness, safeguarding consumer interests in a dynamic marketplace.

Section 2(28) of the Consumer Protection Act, 2019 defines "misleading advertisement" in relation to any product or service, as an advertisement, which— (i) falsely describes such product or service; or (ii) gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or (iii) conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or (iv) deliberately conceals important information.

To safeguard consumers from unfair trade practices in e-commerce, the Department of Consumer Affairs has also 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 customer grievance redressal.

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.

The CCPA has issued 325 notices for violation of consumer rights, misleading advertisements and unfair trade practices etc. The CCPA has also imposed total penalties amounting to Rs. 1.19 cr. so far.

The CCPA has notified the "Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022" on 9th June, 2022. These guidelines inter-alia provide for; (a) conditions for an advertisement to be non-misleading and valid; (b) certain stipulations in respect of bait advertisements and free claim advertisements; and, (c) duties of manufacturer, service provider, advertiser and advertising agency. These guidelines states that due diligence is required for endorsement of advertisements such that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive.

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 CCPA issued the “Guidelines for Prevention and Regulation of Dark Patterns, 2023” on 30th November, 2023. These guidelines address and regulate 13 specific dark patterns identified in the e-commerce sector, aiming to prevent deceptive practices that mislead consumers.

Moreover, the Bureau of Indian Standards (BIS) introduced the framework on ‘Online Consumer Reviews — Principles and Requirements for their Collection, Moderation, and Publication’ on 23rd November 2022. This framework safeguards consumer interests by addressing fake and deceptive reviews in e-commerce. While the standards are voluntary, they apply to all online platforms that publish consumer reviews and are guided by principles such as 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.

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