

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

**LOK SABHA
UNSTARRED QUESTION NO. 5437 (OIH)
TO BE ANSWERED ON 25.03.2026**

SERVICE CHARGES

5437. SHRI BHARAT SINGH KUSHWAH:
(OIH)

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

- (a) whether the Government has taken cognizance of the practice of certain hotels and restaurants levying service charges mandatorily on customers' bill;
- (b) the number of complaints received in this regard during the last three years and the current year, year-wise;
- (c) the action taken against such complaints so far along with the number of punitive/regulatory actions taken in this regard;
- (d) whether effective monitoring mechanism, strict compliance of guidelines and strengthening of online grievance redressal system is being done to protect the interests of consumers while making the service charges optional; and
- (e) the concrete steps proposed to be taken by the Government to stop the hotels and restaurants from compulsorily charging service charges in future?

ANSWER

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

(a) to (e) : The Central Consumer Protection Authority (CCPA) has issued guidelines (Guidelines to prevent unfair trade practices and protection of consumer interest with regard to levy of service charge in hotels and restaurants) on 4th July, 2022, to prevent restrictive trade practice/unfair trade practice and protection of consumer interest with regard to levy service charge in hotels and restaurants.

The guidelines issued by CCPA, interalia, stipulate the following:

- (i) No hotel or restaurant shall add service charge automatically or by default in the bill.
- (ii) Service charge shall not be collected from consumers by any other name.
- (iii) No hotel or restaurant shall force a consumer to pay service charge and shall clearly inform the consumer that service charge is voluntary, optional and at consumer's discretion.
- (iv) No restriction on entry or provision of services based on collection of service charge shall be imposed on consumers.
- (v) Service charge shall not be collected by adding it along with the food bill and levying GST on the total amount.

CCPA has initiated action against 32 restaurants across the country for levying service charges and engaging in unfair trade practices. Penalty of Rs. 80,000/- has been imposed against Café Blue Bottle, Patna and China Gate Restaurants Private Limited (Bora Bora), Mumbai.