

**"Govt has set the ball rolling for a Central Consumer Protection Authority under the new Consumer Protection Act. A look at its expected structure and its scope, including a crackdown on false ads."**

Last week, Union Minister of Consumer Affairs, Food and Public Distribution Ram Vilas Paswan announced that a Central Consumer Protection Authority (CCPA) will be established by the first week of April. This was after the Minister held consultations with industry representatives about the role and functioning of a proposed CCPA.

### **What is the Central Consumer Protection Authority?**

The authority is being constituted under Section 10(1) of The Consumer Protection Act, 2019. The Act replaced The Consumer Protection Act, 1986, and seeks to widen its scope in addressing consumer concerns. The new Act recognises offences such as providing false information regarding the quality or quantity of a good or service, and misleading advertisements. It also specifies action to be taken if goods and services are found "dangerous, hazardous or unsafe".

The CCPA, introduced in the new Act, aims to protect the rights of the consumer by cracking down on unfair trade practices, and false and misleading advertisements that are detrimental to the interests of the public and consumers.

The CCPA will have the powers to inquire or investigate into matters relating to violations of consumer rights or unfair trade practices suo motu, or on a complaint received, or on a direction from the central government. Sources said the Ministry of Consumer Affairs, Food and Public Distribution is in the process of finalising the rules relating to the composition and functioning of the CCPA, and these are expected to be notified by April.

### **What can the possible structure of CCPA be?**

Sources said the proposed authority will be a lean body with a Chief Commissioner as head, and only two other commissioners as members — one of whom will deal with matters relating to goods while the other will look into cases relating to services. It will be headquartered in the National Capital Region of Delhi but the central government may set up regional offices in other parts of the country.

The CCPA will have an Investigation Wing that will be headed by a Director General. District Collectors too, will have the power to investigate complaints of violations of consumer rights, unfair trade practices, and false or misleading advertisements.

### **What kind of goods, and food items in particular, can be classified as "dangerous, hazardous or unsafe"?**

This is not specified in the notification of the Act. Regarding food, an official said the CCPA will ensure that all standards on packaged food items set by regulators such as the Food Safety and Standards Authority of India (FSSAI) are being followed.

### **What will the CCPA do if any goods or services are found not meeting these standards?**

Under Section 20 of The Consumer Protection Act, the proposed authority will have powers to recall goods or withdrawal of services that are “dangerous, hazardous or unsafe; pass an order for refund the prices of goods or services so recalled to purchasers of such goods or services; and discontinuation of practices which are unfair and prejudicial to consumer’s interest”.

### **For manufacture, selling, storage, distribution, or import of adulterated products, the penalties are:**

- If injury is not caused to a consumer, fine up to Rs 1 lakh with imprisonment up to six months;
- If injury is caused, fine up to Rs 3 lakh with imprisonment up to one year;
- If grievous hurt is caused, fine up to Rs 5 lakh with imprisonment up to 7 years;
- In case of death, fine of Rs 10 lakh or more with a minimum imprisonment of 7 years, extendable to imprisonment for life.

### **How will it deal with false or misleading advertisements?**

Section 21 of the new Act defines the powers given to the CCPA to crack down on false or misleading advertisements. According to these provisions, if the CCPA is satisfied after investigation that any advertisement is false or misleading and is harmful to the interest of any consumer, or is in contravention of consumer rights, the CCPA may issue directions to the trader, manufacturer, endorser, advertiser, or publisher to discontinue such an advertisement, or modify it in a manner specified by the authority, within a given time. The authority may also impose a penalty up to Rs 10 lakh, with imprisonment up to two years, on the manufacturer or endorser of false and misleading advertisements. The penalty may go up to Rs 50 lakh, with imprisonment up to five years, for every subsequent offence committed by the same manufacturer or endorser.

CCPA may ban the endorser of a false or misleading advertisement from making endorsement of any products or services in the future, for a period that may extend to one year. The ban may extend up to three years in every subsequent violation of the Act.

### **What other powers will the CCPA have?**

While conducting an investigation after preliminary inquiry, officers of the CCPA’s Investigation Wing will have the powers to enter any premise and search for any document or article, and to seize these. For search and seizure, the CCPA will have similar powers given under the provisions of The Code of Criminal Procedure, 1973.

The CCPA can file complaints of violation of consumer rights or unfair trade practices before the District Consumer Disputes Redressal Commission, State Consumer Disputes Redressal Commission, and the National Consumer Disputes Redressal Commission. It will issue safety notices to alert consumers against dangerous or hazardous or unsafe goods or services.

### Expected Questions (Prelims Exams)

**Q. Central Consumer Protection Authority (CCPA) will be constituted to protect the rights and interests of the consumer. Consider the following statements in the context of CCPA:**

1. Its purpose is to protect consumers' rights from unfair trade practices, misleading advertisements.
2. CCPA on the instructions of the Central Government, can only investigate the matters related to the consumer.
3. Under CCPA the District Collectors have also been given the power to investigate matters related to consumers..

Which of the above statements is/are correct?

- (a) 1 and 2                      (b) Only 2  
(c) Only 3                        (d) 1 and 3

**Note:** Answer of Prelims Expected Question given on 26 Feb., is 1 (a)

### Expected Questions (Mains Exams)

**The Consumer Protection Act is an important effort regarding to the interests of the Consumer. Discussing the main features of it, mention details of the powers and responsibilities of the proposed Central Consumer Protection Authority.** (250 words)

**Note:** - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC main examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.

Committed To Excellence