

An Overview of the Changes to be Introduced by the Consumer Protection Act, 2019

written by Smita Paliwal | July 21, 2020



The first consumer protection legislation Consumer Protection Act, 1986 ('old act') was introduced with the primary objective of protecting consumer rights. However, with the advent of technology and the introduction of e-commerce and various other mechanisms of conducting business, an overhaul of the existing legislation seemed necessary and prudent in order to better protect modern-day consumers.

Overhauling the Legislation - Consumer Protection Act 2019

Over the past 20 years, the consumer landscape in India has seen a paradigm starting with the economy opening up in the early 1990s to the advent of online marketplaces and e-commerce. The affordability and propensity to spend of the average Indian consumer as well have gone up. Therefore, the Consumer Protection Act, 2019 ('the Act') has been passed which is an attempt to update the old act by replicating the same. The majority of the provisions of the Act have been notified vide notification^[1] dated 15th July 2020 and has been brought into effect from 20th July 2020. Some of the main features of the Act are:-

- The erstwhile District Consumer Disputes Redressal Forum ('DCDRF') has been renamed as District Consumer Disputes Redressal Commission ('DCDRC'/'District Commission').
- The Opposite Party must now deposit 50% of the amount ordered by the District Commission before preferring an appeal to the State Consumer Disputes Redressal Commission ('SCDRC'/'State Commission') as opposed to the previous ceiling was of a maximum of Rs. 25,000/-, which has now been done away with.
- The period of limitation for preferring an appeal to the State Commission from an order of the District Commission has been increased from 30 days under the old Act to 45 days under the Act. The power to condone the delay, however, has been retained.
- The SCDRC shall now have a minimum of 1 President and 4 Members.
- The original pecuniary jurisdiction of the consumer commissions has now been revised as follows:
 1. DCDRC shall be up to Rs. 1 crore;
 2. SCDRC from Rs. 1 crore to Rs. 10 crores; and
 3. National Consumer Disputes Redressal Commission ('NCDRC'/'National Commission') to be more than Rs. 10 crores.

- The complainant can now institute a complaint within the territorial jurisdiction of the Commission where the complainant resides or personally works for gain[2] over and above what was provided earlier in the old Act.
 - The provisions in Sections 49(2) and 59(2) of the Act empower both the State Commission and National Commission to deem any terms of the contract between the consumer and the service provider/ manufacturer as the case may be, which are unfair to any consumer, to be ineffective and void. This is a new provision/power vested upon the SCDRC and the NCDRC which was not a part of the old Act.
 - There is now a provision for a second appeal to the NCDRC which has been provided for under section 51 clause (3) of the Act in the event that there is a substantial question of law involved.
 - The NCDRC can still exercise its power of revision under section 58 clause (1) sub-clause (b) of the Act and by the SCDRC can exercise the same power under section 47 clause (1) sub-clause (b) of the Act.
 - The NCDRC, SCDRC, and the DCDRC can still exercise their powers of review which have been conferred to them under sections 40, 50 and 60 of the Act.
 - The NCDRC is empowered to hear appeals against orders of the Central Authority and the same is provided for under Section 58 of the Act.
 - The period of limitation for filing a complaint is still 2 years and there is a provision for condonation of delay and the same is provided for under Section 69.
 - The provision given under Section 70 of the Act provides for administrative control of the SCDRC over the DCDRC and that of the NCDRC over the SCDRC. It also provides for an investigation into any allegations against the President and members of a particular SCDRC / DCDRC. The provision also provides for submission of an inquiry report to the State Government concerned along with a copy to the Central Government[3] for their needful action.
 - The provision under Section 71 of the Act confers the power of execution on the commissions as provided Under Order XXI, The Code of Civil Procedure, 1908 ('CPC')[4] with such limitation as provided in the Act itself.
 - The provision under Section 74 of the Act gives statutory recognition to mediation and provides a mechanism for promoting mediation as a mechanism of redressal for consumer disputes.
 - An action for product liability may now be brought by a complainant against a product manufacturer or a product service provider or a product seller, as the case may be, for any harm caused to him on account of a defective product[5].
 - The Act by way of Chapter III provides for the establishment of a Central Authority to regulate matters relating to unfair trade practices, consumer rights violations and false/misleading advertisements which are prejudicial/detrimental to the interests of the public and consumers and also to promote, protect and enforce the rights of consumers as a separate class. The Central Authority shall also be equipped with an Investigation Wing which shall be headed by a Director-General for the purpose of conducting inquiry or investigation under the Act at the discretion of the Central Authority.
- Conclusion

The Act is a welcome move as it seems to cover the lacunae of the old Act and it is being introduced during a crucial phase wherein consumers and their rights need to be protected as the global markets are becoming more and more consumer-centric. The Act vests more power on the District Commission, State

Commission while also revising their respective pecuniary jurisdictions thereby reducing the workload of the National Commission. With the implementation of the provisions of the Act, the popular phrase 'buyer beware' might be replaced to 'seller beware' or 'manufacturer beware' in case they are found in contravention of the Act considering the protection that is being offered to the consumers.

- [1] https://www.livelaw.in/pdf_upload/pdf_upload-378325.pdf
- [2] Section 2, Consumer Protection Act, 2019.
- [3] Section 70 & Section 71, Consumer Protection Act, 2019.
- [4] Section 71, Consumer Protection Act, 2019.
- [5] Section 2(34) and Section 2(35) of the Consumer Protection Act, 2019.

Contributed by - [Smita Paliwal](#) & [Rajeev Rambhatla](#)

[King Stubb & Kasiva](#),

Advocates & Attorneys

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Tel: [+91 11 41032969](tel:+911141032969) | Email: info@ksandk.com