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# Consumer Protection in India: An Overview

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## ABSTRACT

*Consumer Protection is a Socio-economic activity that is to be carried out by government and business with a prime interest of consumer satisfaction. Consumer protection has been a part of the responsibilities of the rulers in India even before independence. But a formal consumer protection law, which purely focuses on consumer protection, was enacted in the year 1986. The consumer movement that flourished in the early and middle of the 20th century made the whole world focus on formulation of strong consumer Acts. United nation guidelines were the basis for formulation of consumer protection policies and measures in many developing countries including India. Consumer Protection Act 1986 (CPA 1986), which was passed in Parliament in 1986, is considered as one of the best Acts for consumer protection among its counterparts. This paper brings out the evolution of consumer protection in India, formulation of CPA 1986 and its implementation.*

**Keywords:** *Consumer Protection, Consumer Protection Act 1989, UN guidelines, Consumer Movement*

## I. INTRODUCTION

Consumer protection is a practice which safeguards consumers from sellers' unfair practices.<sup>3</sup> Over the years profit making, without much hard work has been the favourite weapon for the sellers to make quick bucks for a very long-time consumers rights have been infringed and there we no such laws which could protect them. A number of cases regarding defective and unsafe products were reported. Manufacturer's technique of cheating is very innovative. The fancy images and packaging of products attract consumers. By this, the important information regarding goods is somehow diluted. A product's safety standards are the main concern for consumer. Quality and quantity define the products loyalty. Domestic markets are flooded with cheap and low items. A healthy market is where seller does not cheat and if by mistake the product is defective consumer can claim for compensation<sup>4</sup>. In the era of globalisation not

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<sup>3</sup> Dr. V.K. Agrawal, Consumer Protection ( Law and Practice ), Bharat Law House Pvt. Ltd., 7th edn., 2016.

<sup>4</sup> D.N. Saraf, The Law of Consumer Protection in India, 2d ed. (Bombay N.M. Tripathi Pvt Ltd.)

just the domestic goods infect the imported items need to be monitored.

## **II. CONSUMER PROTECTION IN INDIA**

For a country which has such a humongous population, the need for some stringent law is necessary. The increase in exploitation is due to poverty, poor education, lack of information. The Indian society has this stigma of not filling complain or approaching police. The mindset behind this is that it will result infamy and society will laugh on them which eventually close the legal doors<sup>5</sup>. Instead, if one files a complaint then awareness can be spread and precautions will be taken. So, coming back to the main point we have the updated or say in legal language the amended Consumer Protection Act of 2019. This Act comes with more power to consumers. The Sales of Goods Act ,1930 also safeguards.

- **Consumer Protection Act, 1986<sup>6</sup>**

The main objective of consumer protection Act 1986 is to aware customers about their basic rights such as right to be informed, right to choose, right to safety, right to be heard and right to redress grievances. CPA has been amended 3 times to conceal all the loopholes. These remedies are basically preventive as well as punitive in nature. CPA does not debar consumers for civil courts to seek compensation for the damages regarding defective goods. So, one can definitely initiate civil proceeding under sales of goods, law of contract, law of torts and other existing law. CPA barely provides any consumer forums which aims for speedy and cost-effective solution. There was not any separate regulator of CPA,1986. Complain can only be filed where the seller's office is located. That means buyers will have to travel long way to get compensation for the damages he suffered. Mental agony is also included which is not considered at all. Court expenses, travelling expenses and off course the mental harassment. The hierarchy of special courts are District Forum (up to 20 lakhs), State Forum (more than 20 to 1 crore) and National Forum (more than 1 crore). No concept of E-commerce prevailed at that time because people mostly were dependent on traditional way of buying and selling. The virtual world stated the trend of online buying and selling. Also, one more drawback is that there is no mediation cell. Consumer has no way left out to approach court. Mediation is generally setup to dissolve cases quickly outside the court. Moreover, they are less expensive and effective.

- **Consumer Protection Act, 2019**

Now the ball is in consumer's court as amended Act gives ample powers to them. The

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<sup>5</sup> Kautilya Arthashastra, 8<sup>th</sup> ed, by R. Shamasastri (Mysore: Mysore Printing & Publishing House,1967)

<sup>6</sup> Consumer Protection, by R.K. Bangia 6<sup>th</sup> ed (Allahabad Law Agency)

Central Consumer Protection Authority (CCPA) is the regulating body which purely looks after the issues related to customer affairs. It has authority to conduct inquiry and investigation for any kind of unfair trade practices and misleading advertisement. Penalties can also be imposed on manufacturers is found guilty which was missing in earlier Act. Also, complaint can be filled in consumer court where complainant resides. There is absolutely no need to travel to seller's place to seek compensation for the damages. The major change that has been done is by increasing the pecuniary jurisdiction<sup>7</sup>. Now the amount has increased for District Forum is up to 20 lakhs, State Forum is more than 20 to 1 crore and National Forum is more than 1 crore. Due to the advancement of technology and entering into the world of digital era everything is possible with just one click. And with that advancement the cyber security has compromised one's privacy. It has resulted in online fraud, cheating and phishing.<sup>8</sup> Cyber-crime is altogether a different topic but the relevance of this is the emergence of E-commerce. Online product buying and selling has become a concern for the legislators to protect the rights of consumer in digital platform. Merchandise needs to disclose all the necessary information regarding the goods return and refund policy, warranty and guarantee period, delivery and shipping charges and the post important thing payment methods. Mediation cells have also started working to resolve consumer dispute outside the court room. This method of resolving dispute has proved effective in many cases. This is a time saviour mechanism for consumers who want to claim damages quickly without spending much.

### **III. CONCLUSION**

So, this article briefly discusses about all the important changes that are done in the Consumer Act, 2019 which every citizen must know. While before this the law related to consumer protection is less developed in India but by the time being the people are getting more aware related to the consumer protection law. It is important to note here that the Indian law under C.P. Act 2019 bases the product on the trader and services providers negligence. As a result, the Consumer Protection Act, 1986 with amendment of 2019 was enacted with the aim of providing Indian consumers with “cheap, simple and quick” justice and to empower consumers through awareness and education; enhance consumer protection and safety through progressive legislations and prevention of unfair trade practices; enable quality and quantity assurance through standards and their conformance; and ensure access to affordable and effective grievance redressal mechanisms the ministry of consumer affair is working

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<sup>7</sup> Consumer Protection Law & Practice, Taxmann, ed: August, 2020

<sup>8</sup> Dr. V.K. Agrawal, Consumer Protection ( Law and Practice ), Bharat Law House Pvt. Ltd., 7th edn., 2016

continuously India<sup>9</sup>.

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<sup>9</sup> Ministry of Consumer affairs, Food and Public Distribution (Gov. Of India)