

Sixth Intergovernmental Group of Experts on

Consumer Law and Policy

18-19 July 2022

Room XVII, Palais des Nations, Geneva

**SPEECH ON THE IMPLEMENTATION OF THE UNITED NATIONS
GUIDELINES FOR
CONSUMER PROTECTION BY MEMBER STATES
AND RELEVANT
STAKEHOLDERS**

Contribution

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SPEECH ON THE IMPLEMENTATION OF THE UNITED NATIONS GUIDELINES FOR CONSUMER PROTECTION BY MEMBER STATES AND RELEVANT STAKEHOLDERS

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Honorable, Commissioner for Justice, European Commission, Mr. Didier Reynders

Honorable, Executive Director, National Institute for the Protection of Consumer Rights, Dominican Republic, Mr. Eddy Alcántara

My fellow Delegates

Media members

Ladies & Gentlemen

1. I am extremely delighted to be present here today and represent my country India at this prestigious event. The law on consumer protection in India has witnessed a progressive change. While earlier, the maxim 'caveat emptor' which means 'Let the Buyer beware' was used to describe buyer – seller relationship, now the rule of 'caveat venditor' which means 'Let the Seller beware' has assumed significance. This indicates a positive shift towards consumer welfare by making the seller, manufacturer, and service providers accountable for the quality of goods produced or services offered by them to consumers.

2. The erstwhile Consumer Protection Act, 1986 was the first legislation to recognize the concept of 'consumer' in India and confer express rights to the consumer. These rights include the right to be informed about the quality, quantity, potency, purity, standard and





price of goods, products or services, the right to seek redressal against unfair trade practice and the right to be assured, wherever possible, access to a variety of goods, products or services at competitive prices. The Act also provided for establishment of consumer commissions at the district, state and national level with the objective of providing simple and speedy justice to consumers and having the power to give relief of a specific nature and to award, wherever appropriate, compensation to consumers.

3. However, with the emergence of global supply chains, rise in international trade and the rapid development of e-commerce, new options and opportunities became available to consumers. Consequently, this also made consumers susceptible to new forms of unfair trade and unethical business practices. Misleading advertisements, tele-marketing, multi-level marketing, direct selling and e-commerce posed new challenges to consumer protection and required appropriate and swift executive interventions to prevent consumer detriment. Therefore, it became crucial to amend the Act to address the myriad and constantly emerging vulnerabilities of the consumers.

4. To address these challenges and concerns, the Consumer Protection Act, 2019 was enacted. The new Act came into force on 20th July, 2020. The Act includes various provisions which address present-day challenges, in addition to enhancing the mechanism to help consumers in achieving redressal of their grievances.

5. The Consumer Protection Act, 1986 (CPA) is an Act that provides for effective protection of interests of consumers and as such makes provision for the establishment of consumer councils and other authorities that help in settlement of consumer disputes and matters connected therewith. The CPA seeks to protect the interests of individual consumers by prescribing specific remedies to make good the loss or damage caused to consumers as a result of unfair trade practices.

Broadly speaking, the CPA seeks to protect the following basic rights of consumers:



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- Right against the marketing of goods and services which are hazardous to life and property;
- Right to be informed about the quality, quantity, potency, purity, standard and price of goods or services;
- Right to choice, wherever possible through access, to a variety of goods and services at competitive prices;
- Right to be heard and to be assured that consumers' interests will receive due consideration at appropriate forums;
- Right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers;
- Right to consumer education; and
- Right to clean and healthy environment.

6. In a globalized and interdependent world, consumer protection law and policy are critical tools for combating unfair, fraudulent, and deceptive commercial practices. To promote good business practices in India, the government from the perspective of consumer protection has brought in laws that help in growing good business as well as protecting consumers' interests. The spread of spurious goods in the market is one of the major problems that every country is facing in today's fast-growing digital economy. The CP act, 2019 provides provisions to fight this problem. Constant checking on the customs port and awareness generated among consumers by governmental and non-governmental organizations have helped in coping with this issue. The right to be informed about quality and standard of goods including digital services, right to be assured access to a variety of goods and right to seek redressal against unfair trade practices are some of the important consumer rights which every consumer must be aware of and keep in mind while making any purchase. Guidelines against the misleading advertisement and constant checks on unfair trade practices have helped in promoting good business in the Indian market.





7. Globally the OECD's Committee on Consumer Policy (CCP) has been working in the area of dispute resolution and redress for a number of years. The OECD Guidelines for Consumer Protection in the Context of Electronic Commerce ("OECD E-commerce Guidelines") developed by the CCP in 1999 state that consumers should be provided with "meaningful access to fair and timely dispute resolution and redress without undue cost or burden" and recognize the need to devote "special attention to the development of effective cross-border redress systems." Likewise, the 2003 OECD Guidelines for Protecting Consumers from Fraudulent and Deceptive Commercial Practice Across Borders. Other international instruments on consumer protection encourage the development of effective consumer dispute resolution and redress mechanisms. The new Act seeks to provide a framework for Speedy, Hassel free and inexpensive redresses of consumer grievances. Towards this end it provides that the Commissions shall

- Endeavor to dispose the complaint within 3 months if it does not require analysis or testing of commodities, and
- within 5 months, in case it requires analysis and testing of commodities – Section 38(7) of the Consumer Protection Act, 2019

Some of the other new features included in the Act include provisions for prevention of unfair trade practices in e-commerce and direct selling, e-filing, mediation, giving better choice to consumers to file grievances, etc. Now under the leadership of Honorable Prime Minister of India Shri Narendra Modi Ji, the digital India initiative has quickened the pace of digitization of Consumer Commissions to provide speedier and hassle-free grievance redressal to the consumers. Now the E-Daakhil portal facilitates effective, speedier and hassle-free redressal of complaints. This indicates a positive shift towards consumer welfare as now, the filing, status and pendency of complaints can be monitored by the consumers as well. The Act also provides for Mediation of consumer disputes with the consent of both parties, which gives consumers a faster and amicable mode for resolving





their disputes. This will not only save time and money involved in litigating the dispute, it will also help in reducing pendency of cases.

8. Consumer awareness forms an important facet of securing consumer rights. The Right to Consumer Awareness is recognized as a 'Consumer Right' under the 2019 Act. To ensure that consumers demand good quality goods and services, it is vital that consumers are well-aware of their rights. Awareness of consumer rights should be spread across every nook and corner of the country and PMGDISHA (PRADHAN MANTRI GRAMIN DIGITAL SAKSHARTA ABHIYAAN) is a scheme initiated by Government of India to make sixty million persons in rural areas, across States/UTs, digitally literate. Consumer protection and education initiatives empower consumers to be better positioned to take responsibility for their own well-being. However it needs to be recognized that financial products and services differ significantly from most other goods and services. Specifically there is asymmetry in the access to information and bargaining power between the consumers and financial service providers. These imbalances needs to be addressed by undertaking a comprehensive and multi-dimensional approach for the promotion of digital financial literacy and capability, responsible marketing and advertisement which is fair and transparent and strengthening the existing grievance redressal mechanisms for consumer protection.

The Department has produced video spots on salient features of Consumer Protection Act 2019, consumer grievance redressal mechanism, details to be seen on packaged commodities, use of correct weights and measures, Hallmarking and salient features of National Consumer Helpline (NCH). Dubbings of many of these videos in 20 languages are available on Department's website. These videos can be downloaded by users on their computers also. The videos have been disseminated widely through central Government and state government agencies like Krishi Vighyan Kendras, Common Service Centres, Panchayats and Railway stations. Social media handles of the Department have been used to disseminate information for creation of consumer awareness.



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9. India by the use of technology is trying to reach as many consumers as it can and for that, it has established its National Consumer Helpline (NCH). By the Omni channel, social media, and AI technology we are proactively using NCH for consumer protection.

10. Recently enacted Digital Market Place Act in Europe also calls for increased obligation on major e-commerce places which is termed as a gatekeeper in the Act. India is in process of making a regulatory framework to streamline the big tech companies in the marketplace. India is also preparing a framework to regulate online gaming to protect the consumers from issues like game of skills under the disguise of the game of chance.

11. To work towards the achieving of Transforming our world: The 2030 Agenda for Sustainable Development goals and to work under the initiative started by the Honourable Prime Minister Narendra Modi Ji's, LIFE- lifestyle for sustainable development India is working to bring in the Right to Repair through a legally enable mechanism.

12. An effective enabling environment for consumer protection and development may include both international and national cooperation and enforcement to deal with cross-border unfair fraudulent and deceptive commercial practices. Government has taken active steps in modernizing the legislation on consumer protection to keep pace with the changes in markets to ensure fair, equitable and consistent outcomes for consumers. The Consumer Protection Act, 2019 has indeed been a milestone in securing the objective of consumer protection in India. It has ushered in a new era for safeguarding consumer interest and protection of consumers from unfair trade practices by providing new and effective ways to consumers to exercise their rights. Executing the mandate of the Act will require equal and participation from all stakeholders

