

Consumer Protection Amendment Bill

What is the issue?

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- Centre had approved a new Consumer Protection Bill in 2015 to replace the Consumer Protection Act, 1986.

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- Government has recently made many changes to the bill based on the recommendations of the Parliamentary Standing Committee.

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- This reworked bill is pending for a long time, the demand for clearing which is rising.

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What have necessitated an amendment?

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- The earlier legislation was not keeping pace with the **new market dynamics**, multi-layered delivery chains, and often misleading **advertising** and marketing machinery.

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- Need for new provisions to deal with the fast changing technological and market dynamics, **e-commerce** being the latest.

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- The Act doesn't grant the authority to proceed against any person guilty of a violation under the Act. Penal steps could be taken only through a judicial process before the State or District Consumer Redressal Forums.

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- These forums are plagued by administrative issues, and consumers are being made to suffer for an average of five years to get their grievances redressed.

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What are the provisions of the new bill?

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- The new Bill includes the establishment of an **executive agency**, the Central Consumer Protection Authority (CCPA), which will protect and enforce the rights of consumers.

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- The new bill includes stringent provisions to tackle misleading **advertisements**, as well as to fix liability on endorsers and celebrities.

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- The new Bill contains an enabling provision for consumers to **file complaints electronically**.

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- The Bill has a provision for **product liability** and provides enough powers to the regulatory authority to recall products and cancel licences if a consumer complaint affects more than one individual.

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- The powers to take action for damage caused by a product will act as a deterrent for manufacturers since the liability quotient has increased.

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- Provisions aimed at simplifying the **consumer dispute resolution** process include,\n

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1. enhancing the pecuniary jurisdiction of the Consumer Grievance Redress Agencies.

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2. powers to State and District Commissions to review their orders.

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3. setting up a 'circuit bench' in order to facilitate quicker disposal of complaints.

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- The Bill also proposes to set up **Consumer Mediation Cells** which will be attached to the redressal commissions at the district, State and national levels. This will further help reduce the backlog of cases and lessen the strain on redressal forums.

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Source: BusinessLine

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