
SAFEGUARDING 21ST CENTURY CONSUMERS: NAVIGATING THE MODERN LANDSCAPE FOR CONSUMER PROTECTION

Lochana Hegde, School of Law, CHRIST (Deemed to be University), Pune Lavasa
Campus, Lavasa, India

ABSTRACT

The Consumer Protection Act of 2019 defines a consumer in Section 2(7) as someone who buys any good or receives any service for a consideration that has been paid, promised, partially paid, and partially promised, or under any system of deferred payment and includes any user of those goods or recipient of those goods and services who is not the person who purchases those goods for the consideration that has been paid, promised, partially paid, and partially promised, or under any system of deferred payment when those uses or services are obtained with that person's consent, but does not include those who does.

Purpose - To provide a strong and thorough framework for defending the rights and interests of consumers, the Indian government drafted the Consumer Protection Act of 2019¹. The Act was passed to identify the shifting market functions as well as the different difficulties that customers have while interacting with retailers and providers of services. Laws that protect consumers work to level the playing field between customers and producers. They make sure that customers receive fair treatment and further safeguard them against unfair, dishonest, and deceptive business practices. Consumers frequently lack the knowledge and experience that corporations do. By mandating companies, producers, and firms to disclose precise and straightforward details about their goods, services, prices, terms, and conditions, consumer protection laws seek to remedy this information asymmetry. This enables customers to make wise decisions. Consumer protection laws set standards for the safety and quality of goods and services. They require businesses to adhere to these standards, ensuring that consumers are not exposed to hazardous products or substandard services.

¹ Ministry of Consumer Affairs, Food and Public Distribution, Government of India (2019) *Department of Consumer Affairs: Ministry of Consumer Affairs Food and Public Distribution: Government of India, Department of Consumer Affairs*. Available at: <https://consumeraffairs.nic.in/> (Accessed: 07 July 2023).

Hence, the Consumer Protection Act of 2019 was drafted accurately to address these issues².

Introduction

To better understand how consumers are protected today, it is of utmost importance to trace all the events in the past that led to this statute coming into existence. Consumer protection and attention shouldn't necessarily be seen as a novel concept in India. We must investigate the political underpinnings of consumption, consumer protection, as well as the current developments in India. Indian consumer protection has a long history that may be traced back to 3200 BC in both Indian jurisprudence and ancient Indian civilization. This is because ethical behavior was valued highly even in prehistoric India, where cultural norms were respected. We believe that as humanity advances, we are growing more conscious of and vocal about human needs, liberties, and obligations on the one hand, and what ought to be the state's role in terms of administration in the framework of the welfare state on the other. However, it is also important to keep in mind that the Indian state's goal of promoting the welfare of the people is not anything new for us to observe today. The goal of the ancient Indian kings was also to ensure the well-being of their subjects. Because of this, they demonstrated an immense stake in "managing not only the individual's circumstances in society but also their material life, by imposing many limitations on trade that safeguard the desires of buyers³.

The need to strengthen regulations

Businesses have been actively and vehemently pushing their goods and services as a result of the liberalization and globalization of the Indian economy. Every description of a good or service in a competitive setting focuses on what "other people are not." These actions cast doubt on the accuracy and integrity of the portrayal of goods and services. To include an area on unfair trade practices the Monopolies and Restrictive Trade Practises (MRTP) Act, 1969, was revised in 1984. One of the clauses defines an unfair trading practice as any statement that "gives false or misleading facts disparaging the goods, services, or trade of another person."

² GUIDELINES, ASEAN. (2015) *Why is consumer protection important? Why Is Consumer Protection Important?* Available at: <https://www.aseanconsumer.org/cterm-consumer-protection/why-is-consumer-protection-important> (Accessed: 07 July 2023).

³Ghosal, A. (2010) *Consumer Protection in India: Past and present - sage journals, Sage Journals - Consumer Protection in India: Past and Present*. Available at: <https://journals.sagepub.com/doi/abs/10.1177/0973598410110018> (Accessed: 13 September 2023).

The provision has taken shape thanks to the work of the MRTP Commission and the Supreme Court. Additionally, advertising is only considered an unfair commercial practice if it is disparaging and is based on "false and misleading facts." A thorough technological evaluation of the items is frequently necessary for verifying facts. This is beyond the capabilities of our courts. What is now significant is whether a judge would grant an interim injunction or not since courts might take quite a while to resolve a dispute. In the interim, until the court makes a definitive judgment, this prevents the party from publicizing. In reality, the damage from the advertising could already have been done by the time an interim injunction is obtained⁴

Protecting the Consumers

The defense of citizens' rights is the primary goal of the administration. And that includes guarding the weaker and disadvantaged people among us. Ensuring customers aren't abused is what it implies. It entails assisting them in comprehending complex financial items so they may choose wisely. In the end, this entails assisting people in advancing economically so they can assist their households and accomplish their goals. This work is crucial. It's important work. Therefore, it may be useful to know that we are motivated by an assumption in favor of consumer choice when contemplating how we carry out our responsibility to safeguard consumers. Our driving philosophy is that it fosters competition, increases choice, and supports individual freedom and self-determination when customers are allowed to select from a variety of economical solutions that may meet their requirements. It is a setting where everyone benefits. The practice of making any statement, whether verbally, in writing, or by visible representation, which fraudulently suggests that the items are of a certain standard, quality, quantity, grade, composition, style, or model is prohibited under the Consumer Protection Act of 1986. We may claim that our Act operates with the interests of consumers at heart since it also contains provisions that prevent manufacturers from taking advantage of buyers who are ignorant of certain items. Consumer rights in India such as the right to be informed about a certain product, the right to be heard, right to get compensation in case of loss ensure that a consumer remains carefree whilst buying products or availing services. In India, consumer rights include the right to information about a product, the right to be heard, and the right to compensation in the event of a loss guarantee that a customer is at ease when

⁴ Pathak, A. (2005) *Comparative Advertising in India: Need to Strengthen Regulations: sage journals, Sage Journals - Comparative Advertising in India: Need to Strengthen Regulations*. Available at <https://journals-sagepub-com-culp.knimbus.com/doi/abs/10.1177/0256090920050106> (Accessed: 13 September 2023).

making purchases or using services. The legislation was subsequently passed as a consequence of the numerous complaints received by different organizations regarding the deceptive business practices of some enterprises that cost their clients money and time. Through regulation and the promotion of ethical business practices across all sectors, including retail, wholesale, the service industry, etc., the act attempts to defend the interests of consumers. Businesses must exercise discipline and care for the wellness of their clients. Most issues may be avoided if the vendors decide to abide by the laws and practice social responsibility. Government agencies have the legal authority to impose the regulations if the businesses do not enforce them internally. The authorities make sure that these regulations are followed as intended. Some non-governmental organizations (NGOs) and voluntary groups seek to safeguard consumers. These organizations educate the public about consumer rights and defend such rights. They take several different actions, such as holding seminars to raise knowledge of consumer rights among the public. These are a few ways to safeguard consumers. These are the conventional techniques, some of which may not always be effective⁵.

Consumer Dispute Redressal Mechanisms

A three-stage structure governs the Consumer Dispute Redressal Forum. The National Consumer Redressal Forum (NCRF), State commissions, and District forums make up the tiers of dispute resolution in consumer awareness. The Redressal Mechanism of Consumer Protection Act, 1986, specifies the authority of each consumer forum. The National Forum and the State Commission both accept appeals from the District Forum's judgment and the State Commission's order, respectively. As in situations of any other kind, deadlines are established for the appeal. There are three tiers of consumer awareness timetables for redress, as well as a 21-day window to determine jurisdiction in a specific case. The concept of Res judicata also applies to this body, therefore the same case cannot be considered by more than one forum, or if a civil court case is continuing, no consumer forum may consider the same matter. Based on the claim's monetary worth and the Respondent's place of business where the cause of action occurred, the forum's jurisdiction will be determined. The fact that conflicts are resolved more quickly than they would in civil courts is only one advantage of this dispute-resolution method. The complaint submission process is straightforward and less onerous. There is no requirement that the complainant be represented by an advocate while filing the complaint. The complaint

⁵ The Consumer Protection Act, 1986, Acts of Parliament, 1986.

may also be sent via mail. The Remedies Available Consumer awareness is the practice of gathering sufficient knowledge about the products and services that people consume and exercising their consumer rights to defend themselves against unfair trade practices. Since it is a matter of public welfare, government intervention is necessary in the procedure or the techniques of dispute resolution in consumer awareness. The goal of this technique is to successfully inform a client of their rights and responsibilities with the express intent of guaranteeing their safety and safeguarding them against unfair business practices. The availability of information and accessible resources is prioritized⁶.

Product Liability

To list the circumstances in which a claim for compensation under a product liability action would be available for "harm" caused by a "defective" product manufactured by a product manufacturer, serviced by a product service provider, or sold by a product seller, Chapter VI of the 2019 Act, which established the legal framework on product liability, was dedicated to this purpose. Damage to any property other than the product itself is included in the definition of "harm," as is physical injury, illness, or death; mental anguish or emotional distress; among other things. It should be noted that this excludes any damage done to the product itself or the property as a result of a warranty condition being broken, as well as any financial or commercial losses, including any direct, incidental, or consequential losses related thereto. According to the Act, a "defect" is any flaw, imperfection, or shortcoming in the quality, quantity, potency, purity, or standard that must be upheld by or under any express or implied law or contract, or as is asserted by the trader in any manner whatsoever about any goods or product. As is clear from the foregoing, it is crucial to prove that "harm" was brought about by a "defective" product to bring about a product liability lawsuit. According to Section 2(36), the term "product manufacturer" comprises all parties involved in the selling process that fall under the definition's purview. According to the definition of "product manufacturer," a person who does any of the following is considered to be a manufacturer: (a) makes any product or parts thereof; (b) assembles parts thereof made by others; (c) places or causes to be placed his mark on any product made by any other person; (d) manufactures a product and sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains such product; or (e) designs, produces. The Act's Section 84 lists the circumstances in which a product manufacturer

⁶ The Consumer Protection Act, 1986, Acts of Parliament, 1986.

may be held accountable in a claim for damages arising from harm brought on by a faulty product produced by the product maker. The circumstances under which a product service provider shall be responsible in a product liability action for damage brought about by a faulty product serviced by the product service provider are listed in Section 85 of the Act. If the consumer forum determines that the product is flawed or if any of the complainant's claims are found to be true, it may, among other things, order one or more of the following: the defect be fixed, the product replaced, the price paid by the consumer plus interest be reimbursed, the consumer be compensated, including punitive damages for negligence, unfair business practices be stopped, the withdrawal of dangerous or unsafe goods be ordered, or a directive to ce The 2019 Act stipulates harsher penalties to better safeguard consumers, since its goal is to do so. Reading the definition of "product liability" indicates that the complaint must prove that "harm" was caused by a "defective" product to establish a claim of product liability. Therefore, the lack of a "defect" and the absence of "harm" to the customer as a result of using the product are both legitimate defenses against a product liability claim. The 2019 Act comprehensively addresses the topic of "Product Liability" and has undoubtedly improved compliance for all parties involved in the sale process, including product manufacturers, sellers, and service providers as well as endorsers, importers, marketers, and repairers⁷.

Role of technology

Consumers may see a huge shift in the market thanks to the technology, which will provide them access to almost limitless information, a worldwide market, and increased buying convenience. The Internet already gives users the option to select the information they need from a variety of international sources and obtain it instantly. New information, retail, and entertainment services are also anticipated to be made available to customers with the upcoming wave of telephone and television technology. The Internet could make it possible for con artists to establish themselves quickly and affordably anywhere in the globe, prey on naïve customers, and disappear without a trace. Recent experience with emerging technology, like pay-per-call phone systems, indicates that scammers are eager to use new promotional resources. At a point when their capital and staff are scarcer than ever, government consumer protection organizations will face greater problems. Low-tech scams are not going away, and there is every reason to believe that "next-tech" frauds will become more prevalent and

⁷ The Consumer Protection Act, 1986, Acts of Parliament, 1986.

challenging to identify and trace across nations. To make the most of their little resources, organizations that enforce the law must work harder, more shrewdly, and more together. Undoubtedly, the most significant change in the marketplace throughout the 1990s was the deluge of information that customers now have at their disposal. Customers may investigate their interests, read the most recent news summaries, and browse for automobiles in a matter of minutes on the Internet. Even though it is still in its early days as an advertising medium, the Internet itself is expected to develop rapidly over the next years. Digital advertising and e-commerce are widely anticipated to follow suit. Most of the time, customers will be willing to use the wealth of information available on the World Wide Web to make more educated judgments. Indeed, some analysts believe that customers will get overloaded and perplexed as the sheer quantity of data accessible in the retail sector increases. Because of the Internet, customers will soon have access to a larger selection of items, more alternatives for services and prices, and more purchasing possibilities in a worldwide market. Internet marketing channels won't likely take the place of older, more established ones. 4 The volume of data and the goods that can be sent by even these tools, the telephone, and the television, are growing. For instance, the quantity of broadcasting networks has quadrupled and the average count of stations per home has increased sixfold since the 1960s. A wide variety of information, goods, and entertainment are continuously being made available through telephone services. For instance, buyers may now preview and buy compact CDs over cell phones along with getting full motion video. Online purchases by customers could soon grow to be quite mainstream. As more things, including software, can be transferred that way, consumers will more and more be able to complete their whole interactions online, from choosing products and negotiating pricing to purchasing and paying for goods, completing product registration cards, and even getting the products. In the future, live television and internet access could provide in-home face-to-face purchasing. There is no doubt that the new technologies offer customers a variety of fascinating advantages. It is equally obvious that they put consumers at risk and put businesses and governments in unfamiliar areas. The expanding areas of concern indicate that effective solutions need innovative thinking and teamwork from all involved parties. The fact that fraud has significantly expanded over the past 30 years is partially due to modern technologies. The rise in fraud has been aided by globalization as well, but what is novel and astounding is the magnitude of the market that may be exploited, as well as how cheap and simple it is to pull off a hoax. Innovations pose significant obstacles to discovery, capture, and enforcement for law enforcement organizations. The work of authorities alongside business

self-regulatory organizations is expanding along with the array of media outlets. The proliferation of channels and infomercials has made it increasingly challenging to keep an eye on television advertising. It will be increasingly harder to keep an eye on the Internet. However, it is essential since newcomers might not be familiar with their legal responsibilities under consumer protection legislation. Law enforcement organizations will face a dizzying array of legal problems in the new economy. Electronic communications across countries and borders give rise to fresh questions concerning the selection of laws and jurisdictions. Various legal requirements for advertising, such as claim substantiation, the use of sweepstakes, and privacy rights, may apply to any international consumer transaction. The relative legal responsibilities of players in the new market, such as suppliers of services, website sponsors, and message board owners, are raised by several difficulties raised by online transactions. New forms of activity, such as Web sites that engage directly with children and request information from them, may potentially give rise to legal difficulties. In a new setting where customers have better access to comprehensive product information, it could be essential to reevaluate the application of various consumer protection regulations. The quantity and complexity of consumer protection issues are expanding, yet all levels of government are running out of resources to address them. To complete the task with fewer resources is a problem for law enforcement organizations. They must operate more shrewdly and effectively, maximizing their influence by collaborating with other organizations and the private sector as a whole. To prevent fraud and inform customers, they must also employ new technology more effectively. While developing technologies could increase consumer sovereignty, they might also take away control in certain areas, such as the gathering and use of personal data. The amount of data collected will probably increase. It is possible to trace every step a person makes online, particularly private information about their location when shopping, what they are seeking, what they ultimately purchase, who they chat with, as well as how long. In addition to the participants in a transaction, online services, Internet service providers, and digital payment providers will also have access to this information. Many of the worries that customers have about modern technology may be addressed by the private sector. It possesses the "know-how" to identify viable options without unreasonably complicating its operations. Private organizations may be able to create pro-competitive certification requirements that enable customers to verify that a vendor abides by safeguarding consumer principles. They may also be able to come up with strategies for leveraging the new technology to settle disputes. Self-regulation allows for flexibility in problem-solving. It offers a chance to take things carefully

in sensitive areas like privacy, to establish industry-wide standards of conduct, and to try out various strategies. Additionally, self-regulation benefits the business industry since customers will only adopt cutting-edge technology in which they place their faith. Finally, autonomy can reduce the demands placed on law enforcement. Governmental organizations can concentrate their energies on fraud and deceit if the business is successful in promoting overall standards of consumer protection. But it's important to keep in mind that self-regulation is not always consistent. Face the problems of a quickly evolving economy, often requires a significant presence of law enforcement as well as ongoing renewal and modification. Informed decision-making is fuelled by consumer education. This important, if expensive, component of the consumer protection agenda needs to come from a range of sources, including businesses, consumer advocacy organizations, educational institutions, and government organizations that collaborate but operate independently. Getting messages across to customers in an era of information overload may be challenging. Additionally, consumer education messages must alter people's behavior in specific situations, including telemarketing fraud, which is a difficult process. Even the finest consumer education cannot, in the end, suffice on its own. Although the government, businesses, academics, and consumer organizations are unsure, none of them want to fall behind. They are cautiously optimistic as they enter the new market. They anticipate greater and better information, larger markets, more intense competition, and more cooperation opportunities. Nevertheless, they are fully aware of the dangers, including increased privacy threats, new forms of fraud and deceit, and a global platform for con artists⁸.

Challenges faced

Consumer protection laws may be broken in a plethora of ways, from defective goods to costly services. Even worse, the laws that are now in place to safeguard consumers are out-of-date. They don't go far enough to safeguard customers from being exploited. If we want to ensure that customers are treated properly, these rules urgently need to be revised. Why it's necessary to increase customer awareness in India may be a question on your mind. After all, the government doesn't already have regulations in place to safeguard consumers. That's

⁸ United States. Federal Trade Commission. (1996),

Anticipating the 21st century: competition policy in the new high-tech, global

United States. Federal Trade Commission. - Anticipating the 21st century: competition policy in the new high-tech, global marketplace., Available at:

<https://onlinebooks.library.upenn.edu/webbin/book/lookupid?key=ha101712620> (Accessed: 17 September 2023)

regrettably not always the case. In truth, corporations frequently take their customers for granted. And even when they do make an effort to defend themselves, they frequently lack direction and know-how. People need to be mindful of their entitlements as customers because of this. Consumers must be made aware of their rights. Campaigns and outreach initiatives, as well as the internet and other platforms, can be used to accomplish this. A more robust legislative framework is required for consumer protection. This will make it possible to hold companies liable for their deeds and provide customers with redress if they are mistreated. The implementation of consumer protection legislation has to be strengthened. This entails making sure organizations like the Consumer Protection Council have the funding and resources to fulfill their role. Law schools or regional consumer protection organizations might arrange workshops and seminars on consumer protection legislation and rights. We could ask legal professionals to speak on pertinent legal frameworks. Webinars are a successful technique to reach a larger audience in the digital era. On websites like Zoom or YouTube, we may conduct webinars that address different facets of consumer protection, current law developments, and case studies. Make use of social media to raise awareness. Share articles, infographics, and videos with useful information about consumer rights, how to spot fraud, and where to turn for support in case of problems. Create a blog or write articles for legal websites that cover themes related to consumer protection. These articles might be helpful tools for anyone looking for information. Join forces with well-known consumer rights groups worldwide. They frequently have connections and resources that can help your efforts succeed. Offer to talk on consumer protection at community events, universities, and local schools. Make sure to adjust your presentations for various age and demographic groups. Encourage companies to use moral and client-focused practices. Some people could be amenable to collaborations that aim to increase consumer protection. Maintain a consumer protection-focused website or social media account. Update it frequently with useful information and material⁹.

What needs to be done to improve Consumer Protection in India?

- Educating customers on their rights might be a good place to start. Many individuals don't even realize they are entitled to certain things, which is a problem. We must ensure that everyone is informed of their options if they are dissatisfied with a good or service.

⁹ Consumer Protection in India: Needs and Methods," *Vakilsearch*, <https://vakilsearch.com/blog/consumer-protection-in-india-needs-and-methods/> (last visited September 17, 2023).

- A more efficient procedure for submitting concerns has to be developed. Consumers now find it difficult to make a complaint, and this has to change. People should be able to make complaints through a centralized system, and the procedure should be easy to understand.
- We must uphold the law as it is. Because the government doesn't adequately police consumer protection rules, businesses frequently get away with breaking them. Bringing the consumer court online would allow the authorities to be harsher when it comes to upholding the law.
- We must enact new legislation to safeguard consumers. Many of the current regulations are out of date and inadequately shield consumers from business abuses. We must enact new rules that better safeguard consumers and are more pertinent to the modern world.

The penalty for businesses breaking consumer protection regulations needs to be increased. Because the fines are now too low, businesses are encouraged to flout the law¹⁰.

Conclusion

Consumers are at the whim of retailers and manufacturers that frequently prioritize profit above people, resulting in defective products and expensive items. This must be altered. By increasing consumer understanding of their rights and speaking out against businesses that treat customers unfairly, you may contribute to the improvement of consumer protection in India. In conclusion, India's consumer protection environment has changed dramatically in response to the problems brought on by the competitive marketplace of the twenty-first century. The Consumer Protection Act, of 2019, as well as the rise of e-commerce and difficulties affecting digital consumers, are only a few of the aspects of this transition that have been covered in this research paper. The legislative framework, consumer rights, dispute resolution procedures, and the value of consumer education have all been covered in detail. It is clear that while India has improved consumer protection in respectable ways, there is still room for improvement. For example, since e-commerce expands quickly, consumer rules must be continuously modified to handle difficulties with online fraud, data privacy, and product quality unique to the digital sphere. Additionally, the promotion of consumer awareness and education must be a continuous

¹⁰ Consumer Protection in India: Needs and Methods," *Vakilsearch*, <https://vakilsearch.com/blog/consumer-protection-in-india-needs-and-methods/> (last visited September 17, 2023).

effort, giving people the capacity to make wise decisions and assert their rights. Stakeholders, including the government, companies, and consumer advocacy organizations, should work together to simplify enforcement, establish strict standards for product safety, and offer accessible channels for dispute resolution to significantly strengthen consumer protection. Regulations should be adjusted by policymakers in light of the market's dynamic changes.

In the final analysis, defending the rights and interests of customers is both a moral and legal requirement. In addition to fostering market confidence, a well-protected customer base also promotes economic expansion. A strong consumer protection framework will be essential to ensuring a fair and sustainable market that benefits everyone as India moves forward in the twenty-first century. This research study provides a current assessment of consumer protection in India and will add to ongoing discussions and initiatives aimed at defending consumers' rights in this multicultural and dynamic country.