**Evaluating the Effectiveness of the Dispute Resolution Mechanism under the Consumer Protection Act, 2019**

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***Abstract***

*The disputes are bound to happen in any established legal mechanism. The Indian jurisprudence not only recognized justice as a matter of right to litigants but also recognize access to justice as well. The 2019 Consumer Protection Act is an act of the Indian Parliament. The 1986 Consumer Protection Act is replaced by this Act. By establishing authorities for the efficient, prompt, and appropriate administration and resolution of consumer disputes and other consumer-related matters, this revised Act aids in protecting the interests of consumers. With the passage of this Act, the customer was supposed to rule in a free market. The phrase "caveat amptor"—which originally meant "let the buyer beware"—has been replaced with "caveat venditor," which means "let the vendor beware." This Act is obviously focused on giving the consumer greater power by increasing openness. The Consumer Protection Act calls for the creation of consumer dispute redressal commissions because of increased competition and the temptation to engage in unethical, exploitative, and unfair business practices like selling faulty and unsafe products, adulterating products, and running false or misleading advertisements in an effort to increase sales and market share (CDRC).In the light of above stated backdrop, the paper is an attempt to analyses the various modes of redressal mechanism under the Act, and to highlight various legislative and policy gaps and suggest the suitable measures for the same.*

***Keywords:*** *Justice, Access to Justice, caveat venditor, and "caveat amptor.*

**I. INTRODUCTION**

“*Customers are the most important visitor on our premises, they are not dependent on us, and we are dependent on them. They are not an interruption in our work. They are the purpose of it. They are not outsiders in our business. They are part of it; we are not doing them a favor by serving them. They are doing us a favour by giving us an opportunity to do so*.” – Mahatma Gandhi.

Consumer protection ensures the attainment of the constitutional goal of social and economic justice.Consumer protection is essential in attaining economic justice because it promotes fair competition, protects consumers from fraudulent or deceptive business practices, and ensures that all consumers have access to safe, affordable, and high-quality products and services.

It is crucial for attaining social justice because it promotes fairness, equity, and equal opportunities in the marketplace.The consumer also plays a key role in the world economy. The growth and development of a nation is dependent on the consumption of the goods.Therefore, Consumer protection is crucial for economic systems to function well, and to ensure the balancing of rights of the parties within the constitutional mandate.The object of the Consumer Protection Act (hereinafter CPA) is the delivery of speedy justice and dispute settlement arising between consumer and seller or service provider. This paper will delve into the important aspects of dispute redressal mechanisms set up at different stages.

II. TRANSFORMATION IN THE LEGAL FRAMEWORK SAFEGUARDING CONSUMERS IN INDIA

Early forms of consumer protection can be traced back to ancient times, such as in the Old Testament and the Code of Hammurabi, these mainly focused on commercial interests. It was not until the United States that consumer advocacy movements began to form in response to monopolistic and fraudulent business practices that were prevalent at the time.In the past, consumers were responsible for verifying the quality of the goods they purchased, and sellers could only be held accountable in cases of gross negligence. However, as consumerism and concerns about capitalism and food fraud grew, the need for more robust consumer protection became apparent. The first phase of consumerism emerged, leading to the formation of consumer organizations in the 1940s and 1950s, such as in Denmark and Great Britain where the government established the Consumer Council to provide a platform for consumers to voice their opinions on issues related to producers and traders. However, the significant progress towards consumer protection came with the Single European Act, which revised the Rome Treaty and empowered the Economic and Social Committee to safeguard the interests of consumers. Subsequent amendments were introduced, creating a path for a more comprehensive consumer policy. Despite these improvements, a strong foundation for effective consumer protection was still lacking. This spurred further development towards more robust consumer protection policies.

The UNGA adopted the UN Guidelines for Consumer Protection[[3]](#footnote-4) in April 1985, which were later updated in 1999. This served as a tool for nations to promote consumer protection and, at the international level, served as the foundation for the consumer movement. Today, more than 240 organizations from over 100 countries are united under a single entity called Consumers International.In accordance with United Nations guidelines, a National Consumer Protection Council was established in India, consisting of 28 members who were representatives of various ministries. After conducting two meetings, it was decided to arrange a National Workshop on Consumer Protection on March 11-12, 1985, where consumer representatives would be present. A draft bill was created based on the inputs and advice shared by representatives from State Governments, Voluntary Consumer Organizations, Central Ministers, and Officials from different Government departments at the national seminar. The bill was formulated by closely studying and analyzing the consumer protection laws of the United Kingdom, United States of America, Australia, and New Zealand.[[4]](#footnote-5)The final draft of the consumer protection bill was prepared and presented to the Lok Sabha on December 9, 1986, by the then Minister of Parliamentary Affairs and Food and Civil Supplies, H.K.L.Bhagat, following several inter-ministerial meetings. In addition, amendments were made to six other consumer protection laws to empower consumers and their organizations to take legal action against offenders. The laws that are included in this category are the Standards of Weights and Measures Act, 1976; Prevention of Food Adulteration Act, 1954; Bureau of Indian Standards Act, 1986; Agricultural Produce (Grading and Marking) Act, 1937; Monopolies & Restrictive Trade Practices Act, 1969; and Essential Commodities Act, 1955.

The Consumer Protection Act, 1986 was passed by the Parliament and received approval from the Indian President on December 24, 1986. The objective of this Act was to establish a three-level quasi-judicial mechanism to swiftly and affordably address consumer complaints. This mechanism provides a single avenue to resolve consumer grievances.Law is a living document,hence with the development in technology and time, the need and requirements of a consumer has also changed. In order to address the shortcomings of 1986 Act, in 2019 the consumer protection law has gone through a major amendment.The Indian legislature passed the CPA, 2019, which addresses issues related to violations of consumer rights, unfair trade practices, and misleading advertisements, as well as any other actions that are detrimental to consumers. The main aim of enacting this Act was to include provisions for e-consumers as online buying and selling of goods and services have increased significantly in recent years.

This Act aims to protect the interests and rights of consumers by establishing Consumer Protection Councils to resolve disputes and provide adequate compensation to consumers in case their rights are infringed upon. It also emphasizes the use of alternate dispute resolution mechanisms to ensure the speedy and effective disposal of consumer complaints[[5]](#footnote-6). Moreover, the Act promotes consumer education to create awareness about their rights, responsibilities, and options for seeking redressal of grievances.

**Meaning of Consumer**

Before going into the details of the dispute settlement mechanism it is important to know the meaning of the consumer as the complaint is initiated by him and it is entertained by the Commission only if he qualifies the definition as per the act.The act defines Consumer[[6]](#footnote-7) refers to someone who purchases goods for a consideration that has been made or promised, or a combination of both, including anyone who uses those goods with the approval of the purchaser, but not someone who obtains the goods for resale or commercial purposes; or hires or uses services for a payment that has been made or promised, or a combination of both, including anyone who benefits from those services with the approval of the person who hired or used the services, but not someone who uses the services for commercial purposes.

In the case of *Shrikant G. Mantri* v. *Punjab National Bank*[[7]](#footnote-8), the Supreme Court held that in order for a person to be considered a 'consumer' while using a service for commercial purposes, they must prove that the service was solely intended for self-employment livelihood. The court found that the relationship between the appellant and the respondent in this case was purely a "business to business" arrangement, which falls under commercial purpose. The court emphasized that if business disputes were to be considered consumer disputes, it would defeat the purpose of the CPA, which aims to provide swift and simple resolution to consumer grievances. The court noted that the intention of the legislature was to keep commercial transactions outside the scope of the Act, while still granting protection to those who use such services solely for their self-employment livelihood.

**Power of Consumer Commission And Remedies Available To Consumers.**

The **Consumer Protection Act, 2019** serves as a robust legal framework aimed at safeguarding the rights and interests of consumers in India. Under the act, a **consumer** is defined as an individual who purchases goods or avails services for a valid consideration, whether fully paid, partially paid, or under deferred payment arrangements. This definition also extends to those engaging in **online and offline transactions**, including purchases made through electronic means, teleshopping, direct selling, or multilevel marketing. Additionally, it encompasses individuals who use goods or services with the buyer's consent.

### Key Objectives of Consumer Protection:

1. **Upholding Consumer Rights**: To shield consumers from unfair trade practices, deceptive advertisements, and substandard products or services.
2. **Effective Grievance Mechanism**: To provide consumers with accessible and efficient platforms for resolving disputes.
3. **Encouraging Fair Trade Practices**: To ensure businesses adhere to ethical and transparent practices.
4. **Ensuring Accountability**: To hold manufacturers, sellers, and service providers responsible for the quality and safety of their goods or services.

### Highlights of the Consumer Protection Act, 2019:

* **Consumer Rights**: The act guarantees rights such as safety, access to information, freedom of choice, grievance redressal, and the right to be heard.
* **Central Consumer Protection Authority (CCPA)**: A dedicated body established to address violations of consumer rights, unfair trade practices, and misleading advertisements.
* **Consumer Dispute Redressal Forums**: These forums, operating at District, State, and National levels, provide structured and efficient resolutions to consumer grievances.
* **E-commerce Coverage**: The act explicitly includes e-commerce transactions, holding online platforms accountable for consumer rights.
* **Penalties for Misleading Advertisements**: Manufacturers, advertisers, and endorsers face strict penalties for false or deceptive claims.This act empowers consumers while fostering a fair and transparent marketplace, benefiting individuals and the economy as a whole.

III. THE THREE-TIER DISPUTE REDRESSAL MECHANISM UNDER CPA, 2019

Chapter IV of the Act[[8]](#footnote-9) provides for the establishment of a dispute redressal commission which is divided into three levels, namely the District, State, and National Commission.

**Establishment of District, State, and National Consumer Disputes Redressal Commissions**

Section 28[[9]](#footnote-10) states the establishment of a Consumer Disputes Redressal at the level of the District, also known as the District Commission. Every district of the State is obligated to notify it. However, if deemed necessary, the State Government may establish more than one District Commission in a district. The District Commission shall be composed of a President and a number of members as prescribed in consultation with the Central Government, ranging from two to a maximum limit.

The State Government needs to set up a State Consumer Disputes Redressal Commission, known as the State Commission, by issuing a notification to enhance the resolution of consumer disputes. The State Commission will be headquartered in the State capital but may operate in other areas based on a notification issued in the Official Gazette by the State Government, in consultation with the State Commission. Additionally, the State Government may establish regional benches of the State Commission in various locations as it deems necessary. The composition of each State Commission shall include a President and a minimum of four members, or the number of members specified in consultation with the Central Government.[[10]](#footnote-11)

The National Commission is primarily based in the National Capital Region and carries out its duties in other locations as determined by the Central Government in collaboration with the National Commission, which will be announced in the Official Gazette. However, the Central Government may also set up regional Benches of the National Commission in various locations, as deemed appropriate, by issuing a notification[[11]](#footnote-12).

In the case of *Vodafone Idea Cellular* v. *Ajay Kumar Aggarwal,*[[12]](#footnote-13) the Supreme Court ruled that the availability of arbitration clause in the contract does not prevent the jurisdiction of the consumer forum. The court clarified that although consumers have the option to pursue arbitration, they are not obligated to do so and may choose to seek relief under the CPA. The court also stated that the addition of "telecom services" to the definition of Section 2(42) in the CPA of 2019 does not imply that telecom services are exempt from the jurisdiction of the consumer forum under the CPA of 1986. In fact, the definition of "service" in Section 2(o) of the 1986 Act is broad enough to encompass all types of services, including telecom services.

**Jurisdiction of the respective Commissions**

**Territorial Jurisdiction**

To file a complaint, one must approach the District Commission established within the local jurisdiction:[[13]](#footnote-14)

(a) The opposite party, or all of the opposite parties (if there are multiple), at the time of filing the complaint, usually reside, conduct business, operate a branch office, or work for personal gain; or

(b) Any of the opposite parties (if there are multiple), at the time of filing the complaint, actually and willingly reside, conduct business, operate a branch office, or work for personal gain. However, in such cases, the permission of the District Commission is required.

(c) The cause of action, either wholly or partially, arises;

(d) The complainant resides or works for gain personally.

The State Commission is authorized to hear appeals against orders issued by any District Commission operating within the State and review the records and issue appropriate orders in consumer disputes that are either pending before or have been decided by any District Commission operating within the State. This applies when the State Commission finds that the District Commission exceeded its lawful jurisdiction, failed to exercise jurisdiction when it was required, or acted unlawfully or with significant irregularity in exercising its jurisdiction.[[14]](#footnote-15)

The National Commission is empowered to:

(a) Adjudicate appeals against orders issued by any State Commission;

(b) Hear appeals against orders issued by the Central Authority; and

(c) Scrutinize records and provide suitable orders in consumer disputes that are either ongoing or have been resolved by any State Commission. This is applicable if the National Commission determines that the State Commission exceeded its legal jurisdiction, failed to exercise jurisdiction when necessary, or acted illegally or with considerable irregularity in exercising its jurisdiction.The National Commission's jurisdiction, powers, and authority may be exercised by its Benches, which can be constituted by the President with one or more members as deemed fit.[[15]](#footnote-16)

The announcement of the Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021 by the Central Government brings attention to the quasi-judicial system established by the Consumer Protection Act of 2019. This system comprises three consumer commissions at different levels- district commissions, state commissions, and national commission, each with its pecuniary jurisdiction. However, it was observed that the existing provisions were leading to cases that should have been under the National Commission's jurisdiction to be filed in State Commissions and those that should have been under State Commissions to be filed in District Commissions. This led to a significant increase in the workload of District Commissions, leading to a backlog of cases and slowing down the resolution process, which went against the Act's aim of providing prompt relief.

**Pecuniary Jurisdiction**

The Consumer Protection Act of 2019 has specified the financial jurisdiction for each level of the consumer commission, and in line with this, the Central Government has issued the Consumer Protection Rules of 2021. As per the Act's provisions, the District Commissions have the authority to handle complaints where the value of goods or services paid is up to one crore rupees. Complaints where the value of goods or services exceeds one crore rupees but does not exceed ten crore rupees are to be addressed by the State Commissions, while complaints where the value of goods or services paid exceeds ten crore rupees come under the jurisdiction of the National Commission.However, it was noted after the Act came into effect that the current provisions regarding the financial jurisdiction of consumer commissions resulted in a surge of cases being filed in District Commissions, which were previously under the jurisdiction of State Commissions. Furthermore, cases that should have been heard by the National Commission were now being filed in State Commissions, leading to a significant increase in the workload of District Commissions. This delay in resolving cases undermined the purpose of providing timely redressal to consumers, which the Act aimed to achieve.As per the provisions of the Act, complaints that involve goods or services worth up to one crore rupees as consideration are within the jurisdiction of the District Commissions. For complaints where the value of goods or services paid exceeds one crore rupees but is not more than ten crore rupees, the State Commissions have jurisdiction. Complaints that involve goods or services worth over ten crore rupees as consideration fall under the jurisdiction of the National Commission.[[16]](#footnote-17)

The 2021 rules stated[[17]](#footnote-18) that, subject to other provisions of the Act, the new pecuniary jurisdiction will be as follows:

* Complaints with a value of goods or services paid as consideration not exceeding 50 lakh rupees will fall under the jurisdiction of District Commissions.
* Complaints with a value of goods or services paid as consideration exceeding 50 lakh rupees but not exceeding 2 crore rupees will fall under the jurisdiction of State Commissions.
* Complaints with a value of goods or services paid as consideration exceeding 2 crore rupees will fall under the jurisdiction of the National Commission.

It should be noted that the CPA, 2019 mandates that every complaint must be resolved as quickly as possible, with an effort made to make a decision within 3 months from the date of notice by the opposite party for complaints that do not require analysis or testing of commodities, and within 5 months for complaints that do require analysis or testing of commodities.

**Filing of Complaint**

According to Section 2(6) of the Act, a complaint is defined as a written allegation made by a complainant seeking relief under the Act for various reasons, including unfair trade practices, defective goods, deficient services, excessive pricing of goods and services, and the selling of hazardous goods. Furthermore, the complainant has the right to claim product liability against the manufacturer or service provider. The new Act has also introduced a provision for product liability, which makes the manufacturer or service provider liable to compensate consumers for any injuries caused by manufacturing defects or deficient services.In regards to the sale or delivery of any goods or services or any agreement, a complaint can be filed with the respective Commission having jurisdiction”

(a) The parties eligible to file a complaint include:

(a) The consumer who purchases or receives the goods or services, or claims unfair trade practices related to such goods or services;

(b) A recognized consumer association, irrespective of whether the consumer who purchased or received the goods or services or alleged unfair trade practices related to such goods or services is a member of the association or not;

(c) With the Commission's authorization, one or more consumers on behalf of all consumers with similar interests, for their benefit; or

(d) The Central Government, the Central Authority or the State Government, as applicable.

It is worth noting that complaints under this subsection can be submitted electronically, as prescribed. **A "recognized consumer association," as used in this subsection, refers to any voluntary consumer association registered under any prevailing law**.Every complaint submitted should be accompanied by a fee, as prescribed, payable in the prescribed manner, including electronic form.[[18]](#footnote-19)

In the case of *Debashis Sinha* v. *M/S RNR Enterprise represented by its Proprietor/Chairman, Kolkata,*[[19]](#footnote-20) the Supreme Court held that complaints by consumers should not be rejected by consumer forums on the ground that the consumers knew what they were purchasing.

**E-Daakhil Portal: A Convenient Electronic Filing System for Consumer Complaints**

The Act[[20]](#footnote-21) offers consumers the convenience of filing their complaints electronically. To facilitate this, the Central Government has created the e-portal Portal, which enables consumers to approach the relevant consumer forum from anywhere in the country without the need for physical travel. This portal offers many features, such as e-notices, links to download case documents, and links for video conferencing hearings. The opposite party can file a written response, while the complainant can file a rejoinder, and alerts via SMS/email are also available. **The E-Daakhil facility is currently available in 544 consumer commissions, including the National Commission and consumer commissions in 21 states and 3 Union Territories. Over 10,000 cases have already been filed on the portal, with more than 43,000 users having registered**[[21]](#footnote-22).

**Procedure for Dispute Redressal in District Commission**

The District Commission shall be presided by the President and at least 1 member shall preside over each proceeding before the Commission. However, if a member is unable to continue the proceeding for any reason, the President and the remaining member carry on with the case from the point at which the previous member left off.

Upon receiving a complaint under Section 35, the Commission may accept or reject the complaint by order. The complaint cannot be rejected without giving the complainant an opportunity to be heard. The admissibility of the complaint should be determined within 21 days from the date of filing, except in exceptional circumstances. If the District Commission fails to make a decision on the admissibility of the complaint within the specified time, it will be presumed that the complaint has been admitted[[22]](#footnote-23).The same procedure is applicable to the State and National Consumer Commissions as well.

In *IbratFaizan* v.*OmaxeBuildhome Private Limited,*[[23]](#footnote-24)theApex Court ruled that the National Consumer Disputes Redressal Commission (NCDRC) qualifies as a "tribunal" as defined by Articles 227 and 136 of the Indian Constitution. Furthermore, the court determined that a writ petition against an order issued by the NCDRC under Section 58(1)(a)(iii) or Section 58(1)(a)(iv) of the CPA can be filed before the High Court under Article 227.

**Mediation as a Mode of Dispute Settlement Under CPA**

Mediation is an alternative method of resolving disputes outside of court, allowing parties to determine the procedure themselves. It is known for its efficiency in facilitating the settlement of disputes.[[24]](#footnote-25)Under the CPA, 2019, a provision has been introduced allowing the relevant Commission to refer a consumer dispute for mediation if there is potential for a settlement between the parties. However, the parties must consent to the mediation process within a 5-day timeframe, as their agreement is crucial to the success of the mediation. In the event of a dispute being referred to mediation, the fee paid to the Commission for dispute redressal will be refunded to the parties[[25]](#footnote-26).

To settle consumer disputes, a panel of mediators is available at the "Consumer Mediation Cell". This cell maintains a record of the proceedings and the cases. Before the mediation begins, the parties are required to pay a fee to the mediator. The mediator is expected to act impartially and make a fair judgment. The mediation process is confidential and both parties are required to attend the proceedings. They must provide all the necessary information and documents to the mediator. If the parties reach an agreement within three months, a settlement report is submitted to the Commission along with the signatures of the parties. The Commission is required to issue an order within seven days of receiving the settlement report. If no agreement is reached through mediation, a report of the proceedings is sent to the Commission. The Commission then hears the issues and decides the matter. Once the dispute has undergone the mediation procedure, it cannot be taken to other proceedings such as arbitration or court litigation.[[26]](#footnote-27)

IV. RECENT JURISPRUDENCE DEMONSTRATING EFFECTIVE DISPUTE RESOLUTION UNDER THE CPA

The passenger in M/S. Lufthansa German Airlines v. Mr. Rajeev Vaderah[[27]](#footnote-28) misplaced seven luggage on a Lufthansa flight from Frankfurt to London. The bags were sent to him after a few days, completely empty and without any valuables. The customer claimed that the airline had not given them enough money to make up for their loss, anxiety, and mental anguish, and they lodged a consumer complaint with the District Consumer Commission. The District Consumer Commission concluded, after considering the facts, that the airline's employees had provided services negligently and could not be released from liability by asserting limited liability alone. The airline was ordered to reimburse the stolen goods for $5,000 USD and to pay Rs. 1.5 lakh in compensation for the costs of harassment, litigation, and other charges. The Delhi State Consumer Disputes Redressal Commission (DSCDRC) has maintained the District Forum's ruling on compensation for loss and mental harassment experienced by a passenger as a result of Lufthansa Airlines' improper handling of their baggage**.**

The National Commission denied that it lacked pecuniary jurisdiction in Anil Rawat v. Clarion Properties Limited[[28]](#footnote-29), arguing that it did so because of Section 21 of the Act, which gave it jurisdiction over claims for compensation and goods and services valued at more than one crore rupees. The defendants' failure to give the complainant possession of the flat meant that the cause of action remained open, dismissing the objection that the Complaint was time-barred. The Commission was unable to locate any documentation to back up the opposing parties' assertion of "Force Majeure." Due to the developer's inability to furnish apartments within the allotted time frame, the matter was deemed to be in deficient service and fell under the purview of consumer forums. The respondent parties were directed by the Commission to provide delay compensation in the form of simple interest at an annual rate of 6% on the sum paid by the complainants between the date of the offer of possession and the promised date of possession.

Similarly, in *Dr. AnandGnanaraj* v. *Floor N Dector*,[[29]](#footnote-30)the District Consumer Disputes Redressal Commission, partly upheld a complaint filed by an individual against the company that supplied defective tiles for the complainant's house. The Opposite Party was directed to either replace the defective tiles in the complainant's house or pay a sum of 4,18,080/- INR, which was the cost of the tiles. Additionally, a compensation of 50,000/- INR was awarded to the complainant for the deficiency in service and mental agony caused.

The State Commission upheld a consumer complaint against a car dealer, service provider, and manufacturer for a brake-mechanism problem in Saravana Stores Tex v. Audi-Chennai[[30]](#footnote-31). The complainant applied for relief from the Commission, asking Audi, the automaker, to replace the defective car and to compensate him or her for suffering and mental anguish, among other things, to the tune of thirty lakhs/-INR.

Furthermore, the District Forum and State Commission's Order was maintained in Dr. Indra Chopra v. Rashmi Saxena…[[31]](#footnote-32), a revision petition that was heard by a single bench of the National Consumer Dispute Redressal Commission. The Doctor was ordered by the NCDRC to pay Rs. 3,00,000 in compensation and Rs. 15,000 towards litigation costs after it was determined that they had engaged in carelessness. The patient had been admitted to the physician's assisted living facility in preparation for giving birth; but, as a result of the physician's and her helpers' carelessness, the patient's ureters were damaged during the caesarean section, and the infant was stillborn. The patient required more surgery, which added to the costs. An FIR was issued against the doctor under Sections 316 and 326 of the IPC after the patient's spouse filed a police case. A consumer complaint was also pending before the District Forum in Lakhimpur, Uttar Pradesh, in addition to the criminal prosecution. Following hearing from all parties, the NCDRC found that the doctor had failed to uphold his duty of care. When the woman began experiencing intense labour pains, the doctor did not see her right away. The patient was placed in the care of untrained and unqualified aides by the doctor. The infant died because the caesarean section was hastily done at a later stage.

The NCDRC accepted a complaint against IDBI Bank Limited in BinodDokania v. IDBI Bank[[32]](#footnote-33) Limited, alleging a failure in service on the side of the respondent bank. The complainants have lodged their initial complaint against the other party/IDBI bank under sections 21 and 22 of the CPA, 1986. The complaint claimed that the other party had lost or destroyed the original title documents to his residential flat, so constituting a failure in service. In order to obtain a house loan from the Bank, the paperwork was sent to the other party.

Regarding all the papers that have not been returned to the complainants in their original form, the NCDRC ordered the opposing party to provide an indemnity bond in the complainant's favor. Additionally, the NCDRC ordered the respondent to pay the complainants Rs. 20 lakhs for financial damages, Rs. 1 lakh for mental suffering and harassment, and Rs. 50,000 for litigation costs.

**Critical analysis of The Act.**

The **Consumer Protection Act, 2019** is a landmark piece of legislation that addresses the complexities of consumer rights in the digital and globalized era. It modernizes the framework established under the Consumer Protection Act of 1986, aligning it with the needs of contemporary commerce. This Act offers substantial improvements, but its implementation and certain gaps merit closer scrutiny.

**Strengths and Key Features**

The 2019 Act introduces several progressive provisions that strengthen consumer rights and enhance accountability for businesses. One of the key features is the **expanded definition of "consumer"**, which includes transactions conducted online through e-commerce platforms, teleshopping, and multilevel marketing. This ensures that digital consumers are afforded the same legal protections as those purchasing offline. Another significant development is the establishment of the **Central Consumer Protection Authority (CCPA)**. This regulatory body has the authority to investigate complaints, impose penalties, and order product recalls, providing a centralized mechanism to address consumer grievances and unfair trade practices.The Act improves the **dispute redressal process** by increasing the monetary jurisdiction of consumer courts and allowing consumers to file complaints in the district of their residence or workplace. This enhances accessibility for consumers, especially in rural areas. Additionally, the introduction of **mediation** as an alternative dispute resolution mechanism promotes amicable settlements and helps reduce the burden on courts.A noteworthy advancement is the regulation of **misleading advertisements**. Advertisers, manufacturers, and endorsers can now face penalties for false or deceptive claims, promoting transparency and consumer trust. The Act also places obligations on e-commerce platforms, requiring them to provide clear product details, adhere to return policies and address grievances effectively. These measures reflect the Act’s adaptability to the evolving marketplace.

***Challenges and Opportunities for Improvement***

Despite its much strength, the Consumer Protection Act, 2019, faces significant challenges in its implementation and scope. The effectiveness of the CCPA depends on adequate resources, coordination with local authorities, and avoidance of jurisdictional conflicts with existing regulatory bodies. Moreover, while penalties for misleading advertisements are a step in the right direction, the absence of a robust mechanism to verify claims in advertisements could limit enforcement effectiveness.Although the inclusion of e-commerce transactions is commendable, the Act lacks provisions addressing key concerns like **cross-border transactions, data privacy, and cybersecurity**. With the increasing prevalence of online fraud and data breaches, these omissions leave consumers vulnerable. Similarly, while the revised monetary jurisdiction of consumer forums allows them to handle higher-value claims, the limits may still be inadequate in light of rising costs and inflation.The backlog of cases in consumer forums continues to pose a challenge, even with the introduction of mediation. Public awareness of the mediation process and the availability of trained mediators are essential for its success. Furthermore, as the digital economy grows, the Act must evolve to address issues such as deceptive practices in digital marketing and emerging technologies.To maximize the Act's impact, there is a need for **greater consumer awareness campaigns**, training for mediators and adjudicators, and enhanced monitoring of its provisions. Amendments addressing **data protection and cybersecurity** would make the Act more comprehensive. Clearer guidelines for endorsements and advertisements would further ensure accountability among businesses and celebrities.The Consumer Protection Act, 2019, is a forward-thinking piece of legislation that empowers consumers and modernizes the regulatory framework. It demonstrates significant progress in addressing unfair trade practices, enhancing consumer grievance mechanisms, and regulating e-commerce. However, its successful implementation and the resolution of emerging challenges in digital commerce will be crucial to achieving its objectives. By addressing these gaps and building on its existing strengths, the Act can ensure a more equitable and transparent marketplace for Indian consumers.

**V. CONCLUSION**

A crucial component of consumer protection legislation is dispute resolution procedures, which give customers a way to resolve any complaints they may have against companies. These procedures may be conducted in court, through arbitration or mediation, among other formats.Because they offer a fair playing field for customers who might not have the financial or legal means to sue companies in court, consumer forums are crucial to consumer protection. In the absence of such procedures, customers might feel helpless and unable to hold companies responsible for any harm they may have caused.Additionally, dispute settlement procedures offer a more effective and economical means of resolving conflicts, especially in cases involving lesser claims. For instance, disputes handled through mediation and arbitration can frequently be settled faster and more affordably than those resolved through drawn-out, costly judicial procedures. Furthermore, strategies for resolving disputes can promote improved ties between customers and companies. Consumers are more inclined to trust firms and keep doing business with them when conflicts are settled fairly and effectively, while businesses are more likely to see customers as valued clients and treat their complaints seriously.In many countries, consumer protection laws require businesses to have dispute settlement mechanisms in place, which can be a powerful deterrent against fraudulent or deceptive business practices. When businesses know that consumers have access to a fair and impartial dispute settlement process, they are more likely to comply with consumer protection laws and avoid engaging in unethical or unfair trade practices.The recent judicial approach has adopted the process of consumer constitutionalism by adopting consumer centric approach. The judicial approach is more inclined towards consumer rights centric as it has adopted the model of right based approach. The adoption of mediation centric mode as one of the model of dispute redressal under the Act has added its importance and relevance as expressed by the various judicial dictums. There is a need to regulate the mechanism for effective redressal mechanism. The identified gaps need to be regulated for effective administration of redressal mechanism. The online dispute redressal mechanism need to be strengthen more.

1. \* Assistant Professor, School of Law, University of Kashmir. [↑](#footnote-ref-2)
2. \*\* Assistant Professor, School of Law, Galgotias University, Greater Noida. [↑](#footnote-ref-3)
3. The UN Guidelines for Consumer Protection, 1999, *available at:*https://www.un.org/esa/sustdev/publications/consumption\_en.pdf (last visited on 19 March, 2023). [↑](#footnote-ref-4)
4. Dr. M Rajanikanth, “A Study on Evolution of CPA in India–CPA1986,”6(4) *International Journal of Application or Innovation in Engineering & Management* 133-138(2017). [↑](#footnote-ref-5)
5. The Consumer Protection Act, 2019. [↑](#footnote-ref-6)
6. The Consumer Protection Act, 2019, s.2(7). [↑](#footnote-ref-7)
7. Civil Appeal No.11397 of 2016. [↑](#footnote-ref-8)
8. The Consumer Protection Act, 2019. [↑](#footnote-ref-9)
9. The Consumer Protection Act, 2019,s. 41 [↑](#footnote-ref-10)
10. The Consumer Protection Act, 2019, s. 42. [↑](#footnote-ref-11)
11. The Consumer Protection Act, 2019,s. 53. [↑](#footnote-ref-12)
12. 2022 Live Law (SC) 221. [↑](#footnote-ref-13)
13. The Consumer Protection Act, 2019, s.34. [↑](#footnote-ref-14)
14. The Consumer Protection Act, 2019, s.45. [↑](#footnote-ref-15)
15. The Consumer Protection Act, 2019, s.58. [↑](#footnote-ref-16)
16. The Consumer Protection Act, 2019, s. 58. [↑](#footnote-ref-17)
17. Ibid. [↑](#footnote-ref-18)
18. The Consumer Protection Act, 2019, s.35. [↑](#footnote-ref-19)
19. Civil Appeal No.3343 OF 2020 [↑](#footnote-ref-20)
20. Supra note 14. [↑](#footnote-ref-21)
21. Ibid. [↑](#footnote-ref-22)
22. The Consumer Protection Act, 2019, s.36. [↑](#footnote-ref-23)
23. The Consumer Protection Act, 2019, s.74. [↑](#footnote-ref-24)
24. The Consumer Protection (Mediation) Rules, 2020, rule 5. [↑](#footnote-ref-25)
25. The Consumer Protection Act, 2019, s.37(2). [↑](#footnote-ref-26)
26. The Consumer Protection (Mediation) Rules, 2020, rule 6. [↑](#footnote-ref-27)
27. First Appeal No.-791/2014. [↑](#footnote-ref-28)
28. C.C.No. 1512 of 2017. [↑](#footnote-ref-29)
29. Consumer Complaint No 313/2019. [↑](#footnote-ref-30)
30. C.C. No. 171 of 2014. [↑](#footnote-ref-31)
31. Revision Petition No. 2716 Of 2016. [↑](#footnote-ref-32)
32. C.C. 2218 of 2018. [↑](#footnote-ref-33)