

Consumer Protection (e-commerce) Rules

July 22, 2020

As the Consumer Protection Act 2019 comes into force, the rules for prevention of unfair trade practice by e-commerce platforms will also be covered under this Act.

Features of the e-commerce Rules

- It will be applicable to all electronic retailers (e-tailers) registered in India or abroad but **offering goods and services to Indian consumers.**
- The e-commerce players will have to **display the total price of goods and services** offered for sale along with break-up of other charges.
- Every e-commerce entity is required to provide information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, grievance redressal mechanism, payment methods, security of payment methods, charge-back options, etc. including country of origin which are necessary for enabling the consumer to make an informed decision at the pre-purchase stage on its platform.
- e-commerce platforms have to **acknowledge the receipt of any consumer complaint within forty-eight hours** and redress the complaint within one month from the date of receipt under this Act.
- The Act introduces the concept of **product liability** and brings within its scope, the product manufacturer, product service provider and product seller, for any claim for compensation.
- The Act provides for **punishment by a competent court for manufacture or sale of adulterant/spurious goods.** The court may, in case of first conviction, suspend any licence issued to the person for a period of up to two

years, and in case of second or subsequent conviction, cancel the licence.

- The entities are also **not allowed to manipulate the price** of the goods and services offered on their platforms **to gain unreasonable profit and discriminate between consumers** of the same class or make any arbitrary classification of consumers affecting their rights under the Act.
- e-tailers will also have to **provide information on available payment methods**, the security of those payment methods, any fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider.