

Draft Rules under the Consumer Protection Act 2019

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The Department of Consumer Affairs released certain draft rules and regulations under the Consumer Protection Act, 2019 for public comments.

Coverage of the rules

The rules and regulations cover various aspects, including:

1. Prevention of unfair trade practices in e-commerce (business to consumer) and direct selling
2. The Consumer Disputes Redressal Commissions and the Central Consumer Protection Council
3. Members of the District and State Consumer Disputes Redressal Commissions, and
4. Mediation of disputes.

Key features of the draft rules

- **Liabilities of e-commerce entities: An ecommerce entity is prohibited from:**
 - Directly or indirectly influencing the price and is required to maintain a level playing field
 - Adopting any unfair or deceptive practices that may influence decisions of consumers, and
 - Falsely representing themselves as consumers and posting reviews, or misrepresenting the quality or features of goods and services.
- Other liabilities of e-commerce entities include: (i) displaying terms of contract between them and the sellers, (ii) ensuring advertisements of goods and services are consistent with their actual

characteristics, and (iii) ensuring personally identifiable information of customers is protected and its usage complies with the legal provisions.

- Liabilities of sellers: Liabilities of sellers (who advertise or sell on e-commerce platforms) include:
 - Displaying all the charges associated with the sale of products, such as delivery charges and taxes
 - Stating upfront the policies regarding shipping, exchange, return, refund, and warranty, and
 - Complying with statutory provisions for display and sale of products.
- Fee for filing complaints: The draft rules specify the fee required to be paid for filing a complaint with the Consumer Disputes Redressal Commissions. The fee depends on the value of goods or services under the complaint and the compensation claimed. No fee is required to be paid, if such value or compensation is up to five lakh rupees. The fee ranges between Rs 200 and Rs 7,500 for complaints filed for higher values.
- **Number of members in the National Commission:** The Act provides that the National Consumer Disputes Redressal Commission will consist of at least four members. The draft rules specify that it cannot have more than 11 members, and at least one of the members must be a woman.