5. National Consumer Rights Day – Economy

Recently, National Consumer Day was observed in India to highlight the significance of consumer rights and the broader framework of consumer protection

National Consumer Rights Day - Background and Significance

National Consumer Rights Day is observed in India on 24 December every year. It commemorates the enactment of the Consumer Protection Act, 1986, which received Presidential assent on 24 December 1986.

The day aims to -

1. Promote awareness of consumer rights and responsibilities
2. Strengthen consumer empowerment in markets increasingly shaped by digital platforms, advertising and e-commerce
3. Reinforce the role of the State in ensuring fair trade practices and access to justice

Evolution of Consumer Protection Law in India

The Consumer Protection Act, 1986 was a landmark social welfare legislation that -

1. Introduced a three-tier quasi-judicial redressal mechanism
2. Recognised consumers as a distinct legal category deserving protection

With changes in market structure, digital commerce and advertising practices, the 1986 Act became inadequate. Consequently, the Consumer Protection Act, 2019 was enacted, replacing the 1986 Act, to address contemporary consumer challenges.

Objectives of the Consumer Protection Act, 2019

1. Protect consumer rights in both offline and online markets
2. Address grievances relating to defective goods, deficient services, and unfair trade practices
3. Regulate misleading advertisements and endorsements
4. Provide simple, speedy and technology-enabled dispute redressal
5. Strengthen regulatory oversight through a dedicated enforcement authority

Key Provisions of the Consumer Protection Act, 2019

Definition of Misleading Advertisement (Section 2(28))

A "misleading advertisement" includes any advertisement that -

1. Falsely describes a product or service
2. Gives false or exaggerated guarantees
3. Misleads consumers regarding nature, quality, quantity or performance
4. Makes deceptive implied claims amounting to unfair trade practice
5. Deliberately conceals material information that affects consumer choice

This provision directly targets -

1. Celebrity endorsements
2. Influencer marketing
3. Digital and surrogate advertising

Powers Against Misleading Advertisements (Section 21)

Empowers the Central Consumer Protection Authority (CCPA) to -

1. Order discontinuation or modification of misleading advertisements
2. Act against manufacturers, traders, advertisers, publishers and endorsers
3. Intervene when advertisements are prejudicial to consumer rights or public interest

Central Consumer Protection Authority (CCPA)

The Central Consumer Protection Authority is India's apex consumer watchdog. Established under Section 10(1) of the Consumer Protection Act, 2019. Became operational on 24 July 2020.

Mandate and Functions

Regulate -

1. Violation of consumer rights
2. Unfair trade practices
3. False or misleading advertisements

Act suo motu or on complaints

Protect consumers as a class, not merely individual complainants

Penal Powers

For false or misleading advertisements - Fine up to ₹10 lakh and imprisonment up to 2 years (first offence). Fine up to ₹50 lakh and imprisonment up to 5 years (repeat offence).

Authority to -

Ban endorsers from advertisements for up to 1 year, extendable to 3 years for subsequent violations

Other Major Consumer Protection Initiatives

Consumer Welfare Fund (CWF) - Provides financial assistance to States/UTs for consumer awareness and protection. Funded through interest on the Consumer Welfare Fund corpus.₹38.68 crore released in 2024–25, indicating strengthened fiscal support for consumer rights.

e-Jagriti Platform (January 2025) - A single integrated digital grievance redressal platform. Merges multiple consumer complaint systems into one interface. Performance highlights -

1. Over 1.35 lakh complaints filed
2. About 1.31 lakh cases disposed

Benefits both domestic and NRI consumers, enhancing access to justice.

National Consumer Helpline 2.0 - AI-enabled, multilingual grievance platform. Handles over 12 lakh complaints annually.

Key features -

1. Many complaints resolved within 21 days
2. 65% complaints filed digitally, reflecting digital adoption

Acts as a first-level dispute resolution mechanism.

Jago Grahak Jago Portals and Apps - Strengthen consumer awareness and vigilance. Enable -

1. Detection of dark patterns in e-commerce
2. Access to verified seller and product information
3. Reporting of fraudulent or suspicious websites

Bureau of Indian Standards (BIS)

The Bureau of Indian Standards ensures product safety and quality. Functions include -

1. Standard formulation
2. Product certification and hallmarking

BIS Care App allows consumers to -

1. Verify certification
2. Check hallmark authenticity
3. Lodge complaints

National Test House (NTH)

Provides testing, calibration and quality control services. Modernising operations through -

1. Digital systems
2. Mobile applications

Tested 45,926 samples in 2024–25, supporting regulatory enforcement and quality assurance.

Legal Metrology Amendments, 2025

Strengthen consumer protection through improved labelling and pricing norms. Key provisions include -

1. Mandatory country-of-origin disclosure on e-commerce platforms
2. Stricter labelling rules for medical devices
3. Tighter pricing norms for pan masala and packaged commodities

Aim to enhance -

1. Transparency
2. Regulatory clarity
3. Informed consumer choice

Significance for Governance and Markets

Reflects the shift from complaint-based redressal to proactive regulation. Addresses challenges posed by -

1. Digital marketplaces
2. Influencer advertising
3. Cross-border e-commerce

Strengthens consumer sovereignty, trust in markets and ethical business practices.

Way Forward

Continuous updating of consumer law to keep pace with AI-driven advertising and platform economies. Stronger coordination between CCPA, BIS, Legal Metrology and digital regulators. Greater focus on -

1. Consumer awareness in rural and semi-urban areas
2. Protection of vulnerable consumers
3. Speedy enforcement rather than post-facto remedies

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