



**AN ANALYSIS OF EFFECTIVENESS OF INDIAN ADJUDICATION MECHANISMS FOR
CONSUMER PROTECTION UNDER CONSUMER PROTECTION ACT, 2019****Dr. Amit Kumar****Assistant Professor, Institute of Law, KUK****Presently Registrar,****Dr. B.R. Ambedkar National Law University, Sonapat(Haryana).****ABSTRACT:**

The Consumer Protection Act, 2019 replaced the three-decade-old 1986 Act with the objective of strengthening the rights of consumers and providing a more effective adjudication framework. This paper analyzes the effectiveness of the adjudication mechanisms established under the 2019 Act, with a particular focus on the functioning of the Consumer Disputes Redressal Commissions (CDRCs), the introduction of mediation, the Central Consumer Protection Authority (CCPA), and the use of technology. The paper concludes with observations on existing challenges and suggestions for improvement.



KEYWORDS: Central Consumer Protection Authority (CCPA), Consumer Disputes Redressal Commissions (CDRCs).

INTRODUCTION

The contemporary era is marked as the era of consumers. No nation can intentionally or unconsciously ignore the interest of the consumers. This can be contended based on the rapid enactment of consumer protection laws in different countries of the world. Aside from the consumer protection laws in developed world, we could see the accelerated rate of lawmaking for consumers in developing countries like Thailand, Sri Lanka, Korea, Mongolia, Philippines, Mauritius, China, Taiwan, Nepal, Indonesia, Malaysia and other countries¹. India is also not an exception to this standard. The Consumer Protection Act, 1986 is one of the examples that is to be treated as a milestone in the history of socio-economic legislation to secure the interests of the consumers in India. However, with the advent of digital commerce and the increasing complexity of consumer transactions, it became clear that the 1986 Act was inadequate for addressing modern challenges. This led to the enactment of the Consumer Protection Act, 2019, which aimed to provide a more comprehensive and robust legal framework for consumer protection. In order to serve the interests of the consumer in a better way and to settle their disputes amicably, Consumer Council and other legitimate mechanisms are also being established.²

This paper studies the effectiveness of redressal mechanism established under the Consumer Protection Act, 2019 and various aspects and perspectives of the current level of consumer protection

¹ Verma, S., & Wani, M. (n.d.), *A Treatise on Consumer Protection Laws*, Indian Law Institute

² Mehta A. (2021), *Product liability under the Consumer Protection Act 2019*. *Indian Bus Law J.*;14(3):66- 78.

in India while analyzing need of the consumers. This paper also provides some remedial or suggestive measures which will be helpful for the promotion and protection of consumer rights. This paper critically analyzes the working of redressal mechanism whether it would be proved successful in obtaining its goal of speedy and low-cost remedy to the consumer.

RESEARCH METHODOLOGY:

In pursuing the present study, the researcher has followed a doctrinal method of research. It involves the collection of data from primary and secondary sources; primary sources like statutes, reports of the commissions and committees and secondary sources like books written by eminent authors and articles found in the journals and websites. Use of online resources also became very relevant to find out the most updated, relevant and pertinent information which helped the researcher in exploring the subject from various dimensions. Inductive methodology i.e. getting general results from specific points by analysis of literature studied has also been used. The researcher would be conducting a critical and analytic enquiry into the history, growth, challenges and future of consumer protection in India.

Further, the researcher has also procured information on the functioning of Consumer Forum and its intervention in various cases regarding consumer protection. Opinions and views expressed by experts, academia, research scholars, consumer activists, policy analysts, etc., have also gathered for information. Research journals and print media are used as inputs to this work for making pragmatic suggestions and recommendations. Important decided cases reported in various legal journals and articles were also helpful for understanding the interpretation of the letter and tenor of the legal provisions.

Concept of Consumer Protection:

Consumer protection refers to the set of laws, regulations, institutions, and mechanisms designed to safeguard the rights and interests of consumers against unfair trade practices, defective goods, and deficient services. It ensures that consumers are treated fairly and are provided with adequate information, safe products, and avenues for redressal when their rights are violated. Consumer rights are basic rights recognized under consumer protection laws which include protection against hazardous goods and services, complete information about the product or service, access to a variety of products at competitive prices, representation in policy-making and grievances, legal remedies against unfair practices and awareness of rights and responsibilities.

Adjudication Mechanisms under the CPA, 2019:

Adjudicating bodies play a key role in the consumer protection system, ensuring that market practices observed legal standards and that consumer grievances are addressed effectively. In India, the primary regulatory bodies responsible for consumer protection are the Central Consumer Protection Authority (CCPA), the State Consumer Disputes Redressal Commissions (SCDRCs), and the District Consumer Disputes Redressal Forums (DCDRFs). Each of these bodies operates at different levels of jurisdiction, with specific roles and responsibilities designed to safeguard consumer interests and enforce consumer rights³.

The Central Consumer Protection Authority (CCPA) was established under the Consumer Protection Act of 2019 to administer the enforcement of consumer rights at a national level. The CCPA's mandate includes investigating complaints of unfair trade practices, promoting consumer rights awareness, and taking action against entities that violate consumer protection laws. It is empowered to issue orders to prevent or rectify violations, and it can also impose penalties on errant businesses. The Central Consumer Protection Authority (CCPA) serves as the apex body for consumer protection in India, setting the standards and policies for effective enforcement across the country. Its role in

³ The Consumer Protection Act of 2019

addressing national-level issues and providing guidance to state and district bodies is crucial for maintaining a uniform approach to consumer protection⁴.

At the state level, the State Consumer Disputes Redressal Commissions (SCDRCs) are tasked with handling consumer complaints that exceed the jurisdiction of district forums. These commissions are responsible for adjudicating cases where the claim amount is significant, and they also oversee the functioning of the district forums within their jurisdiction. The State Consumer Disputes Redressal Commissions (SCDRCs) have the authority to review the decisions made by district forums, ensuring consistency and fairness in the resolution of consumer disputes. They play a critical role in addressing more complex and high-value consumer grievances, providing a higher level of scrutiny and resolution⁵.

At the grassroots level, the District Consumer Disputes Redressal Forums (DCDRFs) serve as the primary mechanism for resolving consumer disputes at the local level. Each district in India has its own DCDRF, which is accountable for handling complaints where the claim amount is relatively smaller, typically up to a specified limit. The DCDRFs are the primary point for consumers to seek redressal, and they handle a large volume of cases. These forums are designed to provide a quick and accessible means for consumers to seek resolution without resorting to lengthy and costly legal processes. The effectiveness of DCDRFs is crucial for ensuring that consumer protection laws are accessible and actionable for the average consumer⁶.

The interplay between these regulatory bodies ensures a comprehensive approach to consumer protection. While the CCPA sets the overarching policy framework and addresses large-scale issues, the SCDRCs and DCDRFs handle the practical implementation of consumer protection laws at the state and district levels, respectively. Effective coordination among these bodies is essential for addressing consumer grievances efficiently and ensuring that consumer rights are upheld across various levels of jurisdiction.

The regulatory bodies responsible for consumer protection in India—namely the CCPA, SCDRCs, and DCDRFs—each play a unique and important role in safeguarding consumer interests. The collective efforts of these institutions contribute to a structured and multi-tiered system designed to address a wide range of consumer issues, from local disputes to national-level concerns. Ensuring the effective functioning and coordination of these bodies is vital for achieving the goals of consumer protection legislation and fostering a fair and transparent marketplace⁷.

Practical Implications and Effectiveness:

The Consumer Protection Act, 2019, introduces significant reforms in safeguarding consumer rights and adapting to the challenges of a modern economy. While the Act is praised for its progressive provisions, its practical implications and effectiveness are determined by how well it addresses consumer grievances, protects against unfair practices, and ensures compliance in a rapidly evolving marketplace. This section evaluates the Act's real-world impact, focusing on its grievance redressal mechanisms, regulation of e-commerce, product liability provisions, and challenges in enforcement.

- 1 **Consumer Grievance Redressal Mechanisms-** The Act aims to simplify and expedite dispute resolution by introducing a three-tiered Consumer Dispute Redressal Commission system, with District, State, and National Commissions. A key innovation is the inclusion of mediation, providing consumers with an alternative to litigation. Mediation has proven effective in resolving disputes amicably, reducing the burden on Consumer Commissions and offering faster resolutions.⁸ However, the practical implementation of these mechanisms faces challenges. Many Consumer Commissions across India are plagued by infrastructural deficiencies, lack of staffing, and significant backlogs of cases. While the introduction of e-filing for complaints is a commendable step, its impact

⁴ Section 10, The Consumer Protection Act of 2019

⁵ Section 42, The Consumer Protection Act of 2019

⁶ Section 28, The Consumer Protection Act of 2019

⁷ Rani Adgulwar, Consumer Protection and E-Commerce in India, 18(10) PJAE (2021)

⁸ Sections 74 to 81, The Consumer Protection Act, 2019

is limited by the digital divide, particularly in rural and semi-urban areas. Additionally, the absence of mandatory timelines for resolving disputes in Consumer Commissions often leads to delays, undermining the goal of swift justice⁹.

- 2 **Regulation of E-commerce and Digital Transactions-** The regulation of e-commerce entities under the Act has significant implications for India's growing digital economy. By mandating e-commerce platforms to disclose detailed information about products, terms of sale, and refund policies, the Act enhances transparency and accountability. The requirement for platforms to appoint grievance redressal officers ensures that consumers have direct access to dispute resolution mechanisms. However, enforcement remains a challenge¹⁰. With the surge in online transactions, monitoring compliance among thousands of e-commerce entities becomes difficult. Cross-border ecommerce transactions further complicate the enforcement of the Act, as jurisdictional issues arise when disputes involve foreign sellers. The lack of a robust digital monitoring system weakens the practical impact of these provisions, leaving many consumers vulnerable to exploitation in the online marketplace.
- 3 **Product Liability and Manufacturer Accountability-** The introduction of product liability provisions (Sections 82-87) marks a paradigm shift by holding manufacturers, sellers, and service providers accountable for harm caused by defective goods or services. In practice, this provision encourages higher safety standards and due diligence across the supply chain. It also empowers consumers to seek compensation without the need for prolonged litigation. Despite its potential, the effectiveness of the product liability provisions is hindered by low consumer awareness and the high cost of pursuing claims in some cases. Many consumers, particularly in rural areas, are unaware of their rights under these provisions or lack the resources to pursue legal action. Moreover, the onus of proving that harm resulted from a defective product can be burdensome for consumers, especially when facing well-resourced manufacturers and sellers¹¹.
- 4 **Penalties for Unfair Trade Practices and Misleading Advertisements-** The stricter penalties for unfair trade practices and misleading advertisements under Sections 10, 21, and 89 have the potential to deter unethical practices. The establishment of the Central Consumer Protection Authority (CCPA) has added a layer of oversight, with the power to investigate and penalize businesses engaging in false advertising or unfair practices. In practice, however, enforcement has been inconsistent. While high-profile cases involving celebrities and large corporations have brought attention to the issue, smaller businesses often evade scrutiny. Furthermore, the effectiveness of these penalties depends on robust monitoring and timely action by regulatory authorities, which is often lacking due to resource constraints¹².
- 5 **Accessibility and Awareness-** One of the most significant barriers to the Act's effectiveness is the limited awareness among consumers about their rights and the remedies available under the law. Despite efforts to promote consumer education, a large section of the population remains unaware of the provisions of the Consumer Protection Act, 2019. This lack of awareness is more pronounced in rural and semi-urban areas, where consumers are more vulnerable to exploitation. Additionally, while the Act's provisions for e-filing and digital grievance redressal are commendable, they remain

⁹ Section 35, The Consumer Protection Act, 2019

¹⁰ Shivani Dutta, The Legal Compliances of E-Commerce Entities Under the Consumer Protection Act, 2019, 7(1) RGNUL STUDENT RESEARCH REVIEW (2021), https://www.rsrr.in/_files/ugd/286c9c_0ca78d97344940aeb83319f8082609e3.pdf

¹¹ *Ibid*

¹² Manoranjan Ayilyath, Consumer Protection in E-Commerce Transactions in India – Need Reforms, SSRN ELECTRONIC https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3571069 JOURNAL. (2020),

inaccessible to those without internet connectivity or digital literacy. Bridging this gap is essential for the Act to achieve its intended goals¹³.

- 6 **Challenges in Enforcement-** The practical implementation of the Consumer Protection Act, 2019, is hindered by several enforcement challenges. First, the limited capacity of Consumer Commissions to handle the growing volume of cases creates delays and inefficiencies. Second, the lack of coordination between regulatory bodies, such as the CCPA and other enforcement agencies, weakens the Act's overall impact. Third, jurisdictional complexities in cross-border e-commerce transactions pose significant challenges in holding foreign sellers accountable. Moreover, while the Act imposes strict penalties for violations, the low probability of detection and enforcement reduces its deterrent effect. To overcome these challenges, greater investment in infrastructure, technology, and human resources is needed¹⁴.

CHALLENGES IN IMPLEMENTATION:

The Consumer Protection Act, 2019, while progressive and comprehensive, faces several challenges in its implementation. These challenges undermine its effectiveness and highlight the need for strategic improvements to realize the Act's objectives fully. Key issues include infrastructural deficits, consumer awareness, enforcement hurdles, and adaptation to the digital economy. This section explores these challenges in detail.

1. **Infrastructural Deficiencies in Consumer Commissions-** The Act envisions a robust grievance redressal system through District, State, and National Consumer Dispute Redressal Commissions. However, the infrastructure of these forums often falls short of expectations. Many Consumer Commissions face a shortage of staff, including judges, support personnel, and technical resources, leading to significant delays in resolving disputes.¹⁵ A substantial backlog of cases has accumulated over time, with disputes often taking years to reach a conclusion. This delays justice for consumers and undermines the very purpose of the Act, which aims to provide expeditious relief. Furthermore, in several regions, especially rural and semi-urban areas, the lack of physical accessibility to Consumer Commissions discourages consumers from filing complaints¹⁶.
2. **Low Awareness among Consumers-** A fundamental challenge to the Act's implementation is the limited awareness among consumers about their rights and the remedies available under the 2019 framework. Many consumers, particularly in rural and economically weaker sections, remain unaware of key provisions such as e-commerce regulation, product liability, and mediation.¹⁷ This lack of awareness diminishes the Act's utility and allows businesses to continue engaging in unfair practices without fear of legal repercussions. Additionally, there is a need for targeted consumer education campaigns to familiarize the public with digital grievance filing processes and alternative dispute resolution mechanisms. Without such efforts, the progressive features of the Act risk being underutilized.¹⁸
3. **Challenges in Regulating E-commerce and Digital Transactions-** The rise of e-commerce and digital transactions present unique challenges that the Act attempts to address, but enforcement in this domain is fraught with difficulties. Monitoring compliance among thousands of e-commerce platforms and sellers, both domestic and international, is a daunting task. Cross-border

¹³ J. Mekala Devi, Dr. Ramesh Sirohi, A Study on the Emergence of Consumer Protection Act of 2019, 9(5) INTERNATIONAL JOURNAL OF SALES & MARKETING MANAGEMENT (2021), <https://oaji.net/articles/2021/1881-1641644071.pdf>.

¹⁴ United Nations Conference on Trade and Development (UNCTAD), Manual on Consumer Protection 2021 (2021).

¹⁵ Prof. (Dr.) Ashok R. Patil, Landmark Judgements On Consumer Law and Practice 2008-2020, Publisher: Ministry of consumer affair, food & distribution Government of India New Delhi, ISBN No.: 978-81-948677-9-1

¹⁶ *Ibid*

¹⁷ *Ibid*

¹⁸ *Ibid*

transactions, in particular, complicate enforcement due to jurisdictional issues and the absence of global regulatory alignment¹⁹. Further, the requirement for e-commerce platforms to appoint grievance officers and disclose information about terms of sale, refund policies, and complaint mechanisms has seen partial compliance. Smaller platforms often lack the resources or inclination to comply fully, leaving consumers vulnerable. Additionally, the rapid evolution of digital technologies often outpaces the regulatory frameworks in place, requiring constant updates to the law.²⁰

4. **Enforcement Challenges and Resource Constraints-** The effectiveness of the Consumer Protection Act, 2019, hinges on strong enforcement mechanisms, yet significant resource constraints weaken its impact. The Central Consumer Protection Authority (CCPA), established under the Act, is tasked with investigating violations and imposing penalties. However, the CCPA itself faces limitations in terms of manpower, funding, and technical expertise, which hampers its ability to act swiftly and effectively²¹. Moreover, the process of identifying and penalizing misleading advertisements or unfair trade practices is resource-intensive. While high-profile cases involving celebrities or major corporations often draw attention, numerous smaller violations go unchecked, diluting the overall deterrent effect of the Act²².
5. **Delays in Dispute Resolution-** Despite the introduction of mediation as an alternative dispute resolution mechanism, delays in resolving consumer disputes remain a pressing issue. The mediation process, though faster than traditional litigation, is underutilized due to a lack of awareness and insufficient mediation cells in many regions²³. The absence of mandatory timelines for resolving cases in Consumer Commissions further exacerbates delays. These delays not only frustrate consumers but also erode their confidence in the legal system. Expediting the resolution process is critical to ensuring that the Act achieves its goal of providing timely relief.²⁴
6. **Lack of Coordination-** Among Regulatory Authorities the Act assigns various responsibilities to multiple stakeholders, including Consumer Commissions, the CCPA, and grievance officers in e-commerce entities. However, the lack of effective coordination among these entities creates gaps in enforcement. For instance, while the CCPA investigates unfair trade practices, Consumer Commissions handle individual complaints, often resulting in overlapping jurisdiction and confusion. Streamlined coordination is essential for cohesive implementation of the Act²⁵.
7. **Bridging the Digital Divide-** The Act's provisions for e-filing complaints and digital grievance redressal are innovative but pose challenges for consumers without access to the internet or digital literacy. This digital divide disproportionately affects rural and underprivileged consumers, excluding them from the benefits of the Act's modern features. Bridging this gap requires significant investment in infrastructure and public awareness campaigns to ensure equitable access²⁶. The Consumer Protection Act, 2019, is a landmark reform in India's consumer law framework, but its success depends on overcoming the challenges in implementation. Addressing infrastructural deficiencies, raising consumer awareness, strengthening enforcement mechanisms, and ensuring

¹⁹ Dr. Sheeba S. Dhar, Consumer Protection Act 2019-Critical Analysis, The National University of advanced Legal Studies Kochi.

²⁰ <https://www.manupatrafast.com>

²¹ Mehta, Swati, Consumer Protection in India: The Path Covered and the Journey Forward.SSRN Electronic Journal. 10.2139/ssrn.1565522(2010).

²² Supra note 19

²³ Upadhyay, Vatsala and Dr. Agarwal, Bejender Kumar, Assessing Consumer Protection Mechanisms in India: Insights from Agra City, International Journal of Professional Studies, Vol. No. 4, Jul-Dec.2017, e-ISSN: 2455-6270; p-ISSN: 2455-7455

²⁴ *Ibid*

²⁵ Avon Beej Company V. Anoop Singh, 2020 SCC Online NCDRC 212.

²⁶ Supra note 15

equitable access to digital platforms are crucial steps. By tackling these challenges, the Act can fulfill its promise of empowering consumers and fostering a fair and accountable marketplace.²⁷

CONCLUSION:

The Consumer Protection Act, 2019, has modernized the legal framework for consumer protection by incorporating forward-looking provisions such as product liability, mediation, and e-commerce regulation. These features align with the demands of a digital economy and the expectations of a globalized marketplace. The Act also demonstrates a shift toward a more consumer-centric approach by imposing stricter penalties for violations and empowering the Central Consumer Protection Authority (CCPA) to address systemic issues. However, the study reveals that several systemic challenges undermine the Act's potential. Infrastructural limitations in Consumer Commissions and resource constraints in regulatory bodies hinder the timely resolution of disputes and the enforcement of penalties. Additionally, the lack of consumer awareness and the digital divide prevent many consumers from utilizing the Act's provisions effectively. While the regulatory framework for e-commerce is robust on paper, practical enforcement is hampered by jurisdictional issues and inadequate monitoring mechanisms. Addressing these issues is critical for the Act to achieve its overarching goal of creating a fair, transparent, and efficient marketplace.

RECOMMENDATIONS:

1. **Enhancing Consumer Awareness:** Raising awareness about consumer rights and the provisions of the 2019 Act is essential to empowering consumers. Public education campaigns, particularly in rural and semi-urban areas, should be conducted using multiple platforms, including social media, traditional media, and grassroots outreach programs. Educational initiatives should also focus on digital literacy, enabling consumers to access e-filing systems and online grievance mechanisms effectively.
2. **Strengthening Infrastructure of Consumer Commissions:** Addressing the infrastructural deficiencies of Consumer Commissions is paramount. This includes increasing the number of judges, support staff, and technical resources in District, State, and National Commissions. Allocating adequate financial resources to upgrade facilities and establish additional Consumer Commissions in underserved regions can significantly improve accessibility and reduce case backlogs.
3. **Improving Enforcement Mechanisms:** The enforcement of penalties for unfair trade practices and misleading advertisements must be more stringent. The Central Consumer Protection Authority (CCPA) should be equipped with additional manpower, funding, and technical expertise to investigate violations effectively. A dedicated digital monitoring system can enhance oversight of e-commerce platforms and online advertisements, ensuring compliance with the Act's provisions.
4. **Addressing the Digital Divide:** To bridge the digital divide, investments in internet infrastructure and digital literacy programs are essential. The government should collaborate with private stakeholders to ensure affordable and widespread internet access in rural and remote areas. Additionally, offline support mechanisms, such as physical help desks or call centers, can be established to assist consumers who lack access to digital platforms.
5. **Streamlining Coordination among Regulatory Bodies:** Improved coordination between the CCPA, Consumer Commissions, and other regulatory agencies is necessary to ensure cohesive implementation of the Act. Clear delineation of roles and responsibilities, along with regular communication and data sharing among these entities, can minimize overlaps and enhance efficiency.
6. **Periodic Review of the Act's Provisions:** The dynamic nature of commerce and technology necessitates regular reviews of the Act's provisions. Establishing a mechanism for periodic

²⁷ Supra note 15

assessment of the Act's effectiveness, based on consumer feedback, emerging challenges, and international developments, will ensure that the legal framework remains relevant and adaptive.

7. **Fostering Accountability in E-commerce:** The e-commerce regulations under the Act should be enforced more robustly by holding platforms accountable for compliance with disclosure and grievance redressal requirements. Collaborations with international bodies can help address jurisdictional challenges in cross-border transactions. Introducing technology-based solutions such as AI-powered monitoring systems can improve oversight of online activities.

The Consumer Protection Act, 2019, is a progressive step toward creating a consumer-centric economy in India. By addressing longstanding gaps in the legal framework and introducing measures to adapt to the digital age, the Act has the potential to significantly enhance consumer welfare. However, its success hinges on effective implementation and the resolution of the systemic challenges outlined in this paper. With targeted efforts to strengthen infrastructure, raise awareness, and improve enforcement, the Act can become a transformative tool for empowering Indian consumers and fostering a fair and accountable marketplace.