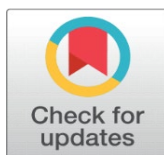


A CRITICAL REVIEW OF CONSUMER PROTECTION ACT, 2019 AND ITS APPLICABILITY TO E-COMMERCE

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ABSTRACT

The evolution of technology and contemporary consumer behaviour has replaced traditional buying and selling practices with online shopping, allowing customers to conveniently buy the items from the comfort of their own residence while placing orders online, which are then delivered to their chosen addresses. However, this technology-driven shopping experience has also introduced several challenges, including online fraud, counterfeit products, subpar items, credit and debit card hacking, lack of guarantees and warranties on products, jurisdictional complications, and unclear product return policies. To safeguard consumer interests, there was a recognized need to establish a mechanism for resolving grievances and addressing consumer issues. Consequently, CPA of 2019 was passed on April 1, 2020, following the formulation of Consumer Protection Rules, 2020 by the Government to ensure the effective implementation of the act. This research aims to shed light on the issues that remain unaddressed in the revised Consumer Protection Act of 2019.

Keywords: Online Commerce, E-Consumerism, Consumer Rights, Consumer Protection Act of 2019

1. INTRODUCTION

E-commerce has surpassed traditional physical marketplaces, where consumers would typically enter a shop or stores to buy goods or services. Nowadays, all forms of buying and selling can occur online over the internet, requiring merely a single click of a mouse or a tap on a mobile device, all from the comfort of one's own space, eliminating the need to venture out or stand in line to make purchases. This shift is made possible through technological advancements and evolving consumer behavior and needs. With internet access, consumers can now take advantage of a wide array of online services, including purchasing products, hiring professional services, and even participating in e-tender processes, among others. The recently broadened area of ecommerce offers consumers considerable ease by conserving their precious time and effort, in addition to presenting products and services at very competitive prices that are frequently impossible to find in traditional brick-and-mortar stores. The digital shopping experience enables customers to explore various related products at the same time, evaluate prices, and then make a well-informed choice to either opt for the most beneficial option or choose not to make a purchase. In this scenario, the consumer assumes the dominant role, having the ability to find any vendor they choose from anywhere in the world at their convenience. Ecommerce has become not just a necessity but also a fundamental aspect of consumers' daily lives. This research aims to analyze the

ecommerce industry in India and the behavior of consumers in making online purchases, the challenges faced by consumers during digital shopping, the various legal protections in India that safeguard rights and interest of consumers, and the different stakeholders involved in India's ecommerce industry. Furthermore, this research paper aims to explore the shortcomings of Consumer Protection Act of 1986, which led the Union Government to repeal it and introduce the Consumer Protection Act of 2019. Lastly, this research aims to evaluate the various provisions contained in this new Act and their significance for ecommerce.

2. RESEARCH OBJECTIVES

- 1) To examine the applicability and implementation of the Consumer Protection Act, 2019 in electronic commerce transactions.
- 2) To analyze the legal and practical effect of the Act on e-commerce platforms and online consumers.
- 3) To evaluate how effectively this the Act safeguarding rights of consumer in the digital marketplace.

3. RESEARCH QUESTIONS

- 1) How does the Consumer Protection Act of 2019 overcome legal challenges unique to online commerce consumer transactions?
- 2) What are the compliance, liability, and consumer protection obligations imposed on e-commerce platforms under the Act?

4. RESEARCH METHODOLOGY

The researcher employed a methodology that combines both descriptive and analytical approaches. The information has primarily been gathered from books and legislative acts and through various sources, including online articles, data stored in different e-repositories. All the collected information and data have been analysed systematically and thoroughly, enabling the researcher to formulate and address the research hypothesis in accordance with established research methodology principles.

5. DEFINING E-COMMERCE

"E-commerce" denotes the activity of carrying out business dealings related to commodities and services via digital platforms. "It involves engaging in commerce online by selling both physical products that are delivered offline and digital items, such as software, that are provided online." This method of purchasing and selling on the web is termed "electronic commerce" (EC) or "ecommerce."

6. CONSUMER

The definition of consumer has been expanded by the Act. As per Section 2(7), an individual or a group of individuals qualifies as "consumers" when they purchase products or use services for own use in exchange of a consideration. However, those who acquire products or services for resale or business reasons do not qualify as consumers. This definition includes different forms of transactions conducted through both online and offline channels, such as direct selling, teleshopping, and multi-level marketing.

7. CONSUMERS RIGHTS

These rights form the basis for protecting consumer interests worldwide and can be outlined as follows:

- **Right to basic needs:** Consumers should have access to necessities like nutritious diets, proper apparel, safe dwelling, healthcare, Learning, and sanitation services.
- **Right to a safe environment:** Individuals are entitled to dwell and fulfill work obligations in surroundings that are secure and do not endanger the health or well-being of present or future generations.

- **Right to safety:** Consumers should be safeguarded against products, services, and manufacturing processes that may endanger their health or life.
- **Right to be heard:** Buyers should have their concerns and interests considered during the development of policies and in the creation of commodities and services.
- **Right to seek redress:** Consumers are entitled to fair handling of valid complaints, including compensation for faulty products, deceptive practices, or poor services.
- **Right to information:** Customers are entitled to transparent and accurate details to make well-informed decisions and to be shielded from deceptive or false advertisements and labelling.
- **Right to consumer education:** Consumers must be aware about their rights and obligations and endow with the requisite knowledge and skills to make informed decisions.
- **Right to choose:** Consumers must be provided with access to a diverse selection of quality commodities and services offered at fair and reasonable prices.

Consumer rights in India have roots tracing back to the Vedic era; however, the organized consumer movement started with after the introduction of the Consumer Protection Act in 1986, by introducing a mechanism for protecting consumer interests. This legislation established Councils of Consumer and forums to resolve consumer complaints, raising awareness and empowering consumers to defend their rights against unfair trade practices, substandard services, and counterfeit goods. Due to technological progress and the digitalization efforts of the Government of India, the online commerce sector has experienced significant expansion, particularly over the last ten years. However, this surge in online transactions also brought numerous consumer challenges such as cyber fraud, sale of spurious products, data breaches, and low digital literacy, further exacerbated by aggressive marketing tactics by Online retail platform such as Amazon, Flipkart, and Snapdeal.

The 1986 Act, while advanced for its era, fell short in dealing with the intricacies of online transactions. Jurisdictional ambiguities arose as e-commerce platforms often operated without physical storefronts, resulting in impediments for consumers and adjudicatory bodies to ascertain the appropriate jurisdiction for the cause of action. This led to confusion and an increase in pending cases, overburdening consumer courts. Moreover, the Act's focus was primarily on defects in products or services and unfair trade practices, overlooking problems such as late deliveries or breaches of data privacy. Additionally, there were existing legal loopholes in other statutes, including Indian Penal Code, the Indian Contract Act, 1872, the Information Technology Act, 2000, Indian Evidence Act, which failed to acknowledge electronic communications or transactions as legitimate contracts or acceptable evidence due to their antiquated provisions.

Recognizing the growing inadequacies of the legal framework in safeguarding consumers in the electronic era, the India government introduced the Consumer Protection Bill of 2019. This legislation aimed to repeal and replace the outdated 1986 Act and effectively regulate modern consumer issues, particularly those arising from e-commerce, digital marketing, telemarketing, and multi-level marketing. While earlier amendments to related laws had attempted to address these gaps by introducing provisions for electronic records, e-contracts, and data security, they remained insufficient. The new Act, enacted by Parliament in July 2019 and approved by the President on August 9, 2019, represents a thorough reform aimed at safeguarding consumers rights in the fast-changing online landscape.

8. IMPORTANCE OF THE CONSUMER PROTECTION ACT OF 2019.

This Act was established by the government of India to address issues concerning infringement of rights of consumers, misleading advertisements and unethical trade practices. Given the growth of e-commerce fueled by technological advancement, the 2019 Act aims to protect online consumers. The Parliament's goal in enacting this law is to establish Consumer Protection Councils for dispute resolution and to ensure that consumers obtained their compensation when their rights are infringed.

The Act focuses on providing enhanced safeguards for consumer rights and interests. It creates Consumer Protection Councils to handle disputes and guarantees that consumers obtain just compensation when their rights are infringed upon. The legislation emphasizes the necessity of a quick and efficient arbitration of consumer grievances via ADR mechanism. In addition, it encourages consumer education to inform them about their rights and duties, enabling them to effectively manage their complaints.

9. OBJECTIVES OF THE CONSUMER PROTECTION ACT OF 2019

The main aim of the Consumer Protection Act 2019 is to protect rights of consumer and establish a robust framework for resolving disputes.

The aims of the Act include:

- Protecting against the promotion and sale of dangerous goods that could endanger lives and property.
- Ensuring that consumers are aware about the quantity, quality, performance, standards and pricing of products to safeguard them from deceptive business practices.
- Forming Councils to promote and safeguard the consumers rights.
- Promoting access to authorities to support competitive pricing for goods whenever feasible.
- Providing means to address prevent unethical exploitation of consumers and unfair trade practices of business.
- Designating officials to facilitate the speedy and efficient resolution of consumer grievances to safeguard their rights.
- Imposing sanctions for breaches of the Act.
- Ensuring that consumer interest is taken into account in appropriate courts or councils during consumer disputes or issues.
- Offering education to consumers to enhance awareness of their rights.

10. MAIN HIGHLIGHTS OF THE CONSUMER PROTECTION ACT 2019

10.1. UNFAIR TRADE PRACTICES

Unfair Trade Practices – Sec. 2(47).

includes:

- Manufacturing counterfeit products or offering services that are flawed.
- Not providing cash receipts or cash memos for purchased products or services rendered.
- Refusing to the return or cancellation of faulty products or services and not reimbursing the amount paid by the consumer.
- Unauthorized sharing of the consumer's private information.

In the cases of Rounak Sinha v. KFC and Rounak Sinha v. Pizza Hut, the Hon'ble Rajkot District Consumer Forum determined that "KFC and Pizza Hut are responsible for the costs of packaging and cannot charge the Complainant for these expenses. Therefore, in this context, imposing a separate 'Restaurant Packaging Charge' is classified as an unfair trade practice that is deemed misleading and unlawful."

10.2. CONSUMER PROTECTION COUNCILS

The Act creates a comprehensive framework for protection of consumers, with protection councils operating at national, state, and district levels to uphold consumer rights.

1) Central Consumer Protection Council:

As per Section 3, the Central Government is obligated to constituted the Central Council, which acts as an advisory entity led by the Union Minister of Department of Consumer Affairs and includes a number of official members and non-official members, as deemed appropriate to represent the diverse interests outlined in the Act. The Council must meet at

least once annually, although it can hold additional meetings as necessary, to provide guidance on issues related to consumer welfare.

2) State Consumer Protection Council:

According to Section 6, every State Government must set up a State Consumer Protection Council (State Council) to operate within its area of authority. The state minister responsible for Consumer Affairs oversees the Council, which can consist of both official members and non-official members as stipulated by the Act. Furthermore, the Government has the authority to designate at least ten members to the Council and is obligated to hold a minimum of two meetings every year.

3) District Consumer Protection Council:

As per Section 8, State Government is is obliged to set up District Consumer Protection Council (District Council) in each district. The Council is chaired by the District Collector, which can include additional members reflecting relevant interests as specified in the Act. The aim of the District Council is to offer advice on consumer protection matters within the local community.

10.3. CENTRAL CONSUMER PROTECTION AUTHORITY

According to Section 10, the Union Government is required to set up Central Consumer Protection Authority referred as the Central Authority. This body is responsible for dealing with issues concerning infringement of consumers rights, deceptive business practices, and misleading advertisements that negatively impact consumers and the public at large. Its primary role is to safeguard the rights of consumers.

The Chief Commissioner leads the Central Authority, supported by Additional Commissioners as needed, all of whom are appointed by the Government in compliances with the provisions of the Act.

In addition, according to Section 15, the Central Authority is required to establish an Investigative Wing tasked with conducting inquiries and investigations into consumer-related violations. This wing consists of personnel including the Director-General, Additional Director-Generals, Directors, Joint, Assistant and Deputy Directors all of whom required to have the necessary qualifications and relevant experience to perform the duties delegated under the Act.

11. POWERS AND FUNCTIONS OF THE CENTRAL CONSUMER PROTECTION AUTHORITY

As per Section 18 of the Consumer Protection Act, 2019, the authority is vested with the following powers and duties:

- To safeguard and advance the collective interests and rights while preventing their violation.
- To prevent and regulate unfair trade practices.
- To avoid the dissemination of misleading advertisements related to goods and services.
- To prohibit the endorsement or publication of such misleading advertisements by individuals or entities.
- To initiate inquiries or investigations in cases involving Infringements of rights of consumer and engagement in unfair business practices.
- To submit complaints to the National, State and District Consumer Disputes Redressal Commissions, as appropriate.
- To examine matters that hinder the complete delectation of rights of consumer.
- To recommend the implementation of international conventions and globally recognized best practices in the area of consumer protection.
- To enhance the awareness of consumer about their rights.
- To provide guidelines for preventing unfair trading practices and promoting consumer welfare.
- Moreover, the CCPA has the authority to start investigations either on its own initiative, after On receipt of a complaint, or upon the direction of the Central Government, concerning breaches of rights of consumer or unfair trade practices. Upon determining that a violation has occurred, the Authority is vested with powers to:
- Initiate the withdrawn of products or services that may endanger to consumer safety.

- Direct reimbursement to affected consumers for the cost of such products or services.
- Require the cessation of activities that are detrimental or biased against consumer interests.

According to Section 21, the Authority has power to issue directives against deceptive or misleading advertisements, with penalties reaching up to ₹10 lakh. When assessing the liability, the CCPA must evaluate various factors, such as the degree of consumer harm, its frequency and the profits generated from the sale of the relevant goods or service.

Additionally, the Authority is empowered to carry out search and seizure operations, following the guidelines established under the CrPC, 1973.

12. CONSUMER DISPUTES REDRESSAL COMMISSIONS

The Act sets up a three-level framework of Disputes Redressal Commissions to address consumer grievances at the district level, State level and National level.

- At the District level, as outlined in Sections 28 to 41, each District Commission consists of a President and at least two members, with the exact number of members determined in consultation with the Central Government. Under Section 34, the District Commission has jurisdiction over consumer disputes involving claims up to ₹1 crore. Complaints may be filed by individual consumers, recognized consumer associations, the Central or State Government, as well as the Central Consumer Protection Authority (CCPA). According to Section 36, the proceedings must be conducted by the President along with at least one member of the Commission.
- As specified in Section 42, the State Consumer Disputes Redressal Commission (SCDRC) is composed of a President and at least 4 members, with the specific number established in coordination with the Central Government. According to Section 47, it is responsible for claims that are more than ₹1 crore but less than or equal to ₹10 crores. Additionally, it reviews appeals from the rulings of District Commissions and resolves cases that fall within its financial jurisdiction.
- At the top is the National Consumer Disputes Redressal Commission formed under Section 54, that encompasses a President and at least four members, with the possibility of adding more members as required. According to Section 58, The National Commission has jurisdiction over disputes that exceed ₹10 crores, considers appeals against decisions made by the State Commissions and the Central Authority, and handles issues that fall within its financial limits.

The three tiers of Commissions collectively form the fundamental framework for addressing consumer complaints in India, providing organized and efficient legal solutions to protect consumer rights.

13. MEDIATION

As per Section 74 the CG is required to set up Mediation Cells at National level, while respective State Governments must do so at the state level. Mediators are obligated to carry out mediation proceedings in a timely manner and in compliance with regulations. Section 75 addresses the process of empanelling mediators, detailing their qualifications, service terms, appointment methods, and applicable fees.

Mediators are required to disclose personal, financial or other interests that may affect the dispute resolution process, thereby ensuring transparency, impartiality, and the safeguarding of consumer rights.

14. PRODUCT LIABILITY

As per Section 83 the Act a complainant has the right to initiate a product liability claim against manufacturer of products or service provider or supplier in the event that harm results from a defective product or substandard service.

1) Responsibility of Manufacturer

A manufacturer of a product could be held responsible in these situations:

- When the product has manufacturing flaws.
- When the product is determined to be defective.
- When it deviates from the specified standards.

- When it does not meet the explicit warranty.
- When it is missing sufficient instructions or warnings for safe usage.

2) Liability of Service Provider

A service provider is liable in the following situations:

- The services rendered is deficient or defective.
- There is negligence in providing the services.
- The service provider fails to give adequate instructions or notifications about the service.
- There is a breach of express warranty or contractual obligations.

3) Liability of Product Supplier

A product seller could be held responsible under these conditions:

- When the seller alters or modifies the product in a harmful way.
- When the supplier fails to exercise reasonable care in product handling (e.g., assembly, inspection, maintenance).
- If the seller has significant command over the product, resulting in harm to consumers.

4) Exceptions to Product Liability (Section 87)

Liability is limited under certain circumstances, including:

- When the consumer has modified, misused or altered the product improperly.
- If the manufacturer of products provided adequate instructions and warnings, but the consumer failed to follow them.
- If the risks associated with the product are generally recognized by the public.

15. MAJOR REFORMS BROUGHT IN BY THE CONSUMER PROTECTION ACT OF 2019

The CPA, 2019 retains several provision from the 1986 legislation but introduces significant reforms to enhance the consumers rights and adapt to modern commercial practices. Notable changes include:

1) Expanded Definition of 'Consumer'

As defined in Section 2(7), the term 'consumer' includes individuals who purchase goods or avail services through both in-person and digital method, such as telemarketing, door-to-door sales, and network marketing. However, this definition excludes purchases made for resale or commercial purposes. Notably, the 1986 Act did not cover online transactions.

2) Enhanced Territorial Jurisdiction

Consumers are now able to submit their grievances at their place of residence or employment, which offers added convenience. Previously, complaints could only be filed in the location where the opposing party conducted business or lived.

3) Revised Pecuniary Jurisdiction:

Jurisdictional limits have been updated as follows:

- District Commission: Not exceeding 1 crore (Section 34)
- State Commission: 1 to 10 crore (Section 47)
- National Commission: above 10 crore (Section 58)

4) Introduction of Alternative Dispute Resolution (ADR).

To ensure faster resolution, the Act introduces mediation as a mechanism (Section 37), with Consumer Mediation Cells constituted at the district level, state level and national levels (Section 74).

5) Insertion of E-Commerce

This Act officially defines 'E-Commerce' and 'electronic service provider', thereby extending consumer protections to transactions conducted online. The Central Government is authorized to create regulations to address deceptive trade practices in the digital marketplace.

6) Facility for E-Complaints and Virtual Hearings

Consumers may file complaints electronically (Sections 17 & 35), and proceedings may be conducted via video conferencing, thus promoting accessibility and reducing procedural burdens.

16. CONSUMER PROTECTION IN ELECTRONIC COMMERCE INDIA

The protection of consumer within digital Commerce has become a crucial part of India's regulatory framework. With the rapid increase in online transactions and the rising reliance on digital platforms for buying products and services, safeguarding consumers rights in the electronic commerce has gained considerable importance. The legal framework, including CPA, 2019 and Consumer Protection (E-Commerce) Rules, 2020, represents a focused effort to tackle the specific issues arising from e-commerce. These regulations seek to provide clear guidelines, promote transparency, and establish effective grievance redressal mechanisms, thereby creating a safe trustworthy environment for consumers engaging in E-Commerce.

- 1) E-Commerce:** According to Section 2(16), E-Commerce encompasses the purchasing and selling of commodities and services, including virtual products, that take place via digital or electronic platforms.
- 2) E-Commerce Entity:** An "E-Commerce Entity" refers to any entity that possesses, runs, or oversees a virtual or digital platform that enables online commerce. Nevertheless, this definition does not include sellers who merely present their products or services for sale on a commercial platform, according to the Consumer Protection (E-Commerce) Rules, 2020. For example, a person who runs an online platform hosting multiple sellers is considered an E-Commerce entity, while an individual seller using such a platform is not.
- 3) Consumer Protection (E-Commerce) Rules, 2020:** The Ministry of Consumer Affairs implemented these regulations in conjunction with the Consumer Protection Act, 2019 to oversee digital platforms and protect rights of consumer in online transactions. The purpose of these regulations is to enhance transparency, foster fair business practices, and establish processes for resolving consumer complaints in the online commerce industry.

17. MAIN FEATURES OF THE REGULATIONS

- **Product Information:** E-retailers are required to give clear, accurate and complete details about products and services, including specifications, pricing and terms and conditions of sale.
- **Transparent Business Practices:** The rules mandate transparency in business operations. E-Commerce entities must disclose information about supplier, such as their contact details, and clearly communicate policies related to returns, refunds, and exchanges.
- **Misleading Advertisements:** Measures are in place to prevent misleading or deceptive advertisements on E-Commerce platforms, protecting consumers from false or exaggerated claims.
- **Grievance Redressal:** E-Commerce platforms must implement strong complaint resolution systems, ensuring timely and effective handling of consumer grievances within a prescribed timeframe.

These regulations work collectively to create a safer and more transparent space for consumers shopping online, bolstering trust and confidence in the digital landscape.

The Consumer Protection (E-Commerce) Rules, 2020 are applicable as outlined in Rule 2, which states that these regulations pertain to:

- All products and services including virtual products, bought and sold via digital or electronic networks.
- Every E-Commerce model, whether marketplace-based or inventory-based.
- Every type of E-retailers, encompassing both multi-channel and single-brand sellers function in one or several ways.
- All misleading business practices across different e-commerce platforms.

However, these rules do not apply to actions undertaken by individuals in their personal capacity, as long as those actions are not part of any regular or organized professional or commercial activity.

18. THE EFFECT OF CONSUMER PROTECTION ACT OF 2019 ON E-COMMERCE

The Consumer Protection Act of 2019, along with the Consumer Protection (E-Commerce) Rules 2020, empowers consumers with vital rights that are essential for protecting their interests in the e-Commerce. These rights help create a fair and secure e-shopping experience by:

- **Transparent Information:** Online Consumers have the right to receive transparent and throughout details about goods and services. This transparency helps them make well-informed decisions and minimizes the chances of being misled.
- **Product Safety and Quality:** Given that consumers cannot physically examine products before purchasing online right to safety and quality guarantees that goods meet recognized safety standards and maintain a satisfactory level of quality, helping to prevent injury or customer dissatisfaction.
- **Grievance Redressal:** The right to heard and seek redress affirm that consumers have a structured process to voice complaints and obtain suitable remedies, thereby enhancing trust in online transactions.
- **Fair Practices:** E-retailers are required to follow fair business practices, protecting consumers from deceptive advertising or fraudulent conduct on digital marketplaces.
- **Education and Awareness:** The right to consumer education fosters awareness of their rights and responsibilities, empowering buyers to make informed decisions, identify potential risks, and participate confidently in online shopping.

Overall, these rights under this Act Safeguard E-Consumers by fostering trust, transparency, and fairness. They establish a regulatory framework that holds online platforms accountable for delivering safe, quality products and services while providing effective channels for complaint handling and resolution.

19. THE EFFECT OF THE CONSUMER PROTECTION ACT 2019 ON E-COMMERCE

1) Duties of Sellers:

The Consumer Protection (E-Commerce) Rules, 2020 impose several duties and obligations on e-retailers and suppliers. According to Rule 6, sellers operating on marketplace platforms are required to fulfil the following duties:

- **Fair Trade Practices:** Sellers must engage in fair trade and avoid unfair activities such as impersonating consumers or posting fake product reviews.
- **Return Policy:** Sellers cannot refuse to accept returns of goods sold through marketplace platforms and must not withdraw or discontinue services that have been agreed upon.
- **Reimbursement Obligation:** Sellers are required to compensate consumers if the goods or services are defective, deficient, delayed (except for unavoidable delays), or do not match the advertised images.
- **Written Agreement:** Suppliers must have a formal written contract with the marketplace platforms before selling or offering any goods or services.
- **Grievance Officer:** Sellers need to appoint a grievance officer responsible for managing consumer disputes, providing acknowledgment within 48 hours, and ensuring resolution within 1 month.
- **Accurate Advertising:** Sellers must ensure that advertisements truthfully represent the characteristics, accessibility, and usage conditions of the goods or services.
- **Transparency:** Sellers are obligated to provide the E-Commerce platform with all necessary legal information, including their registered office address, website, email, customer care contacts, and tax identification details such as GSTIN and PAN, if applicable.
- **Price Transparency:** Sellers must avoid price manipulation and clearly disclose all contractual terms, including total prices and a detailed breakdown of charges like delivery fees and taxes.

- **Product Information:** Sellers must share relevant details, including the product's country of origin, grievance officer's contact information, importer details, and guarantees regarding the product's authenticity.

These rules are designed to ensure that sellers conduct business fairly, maintain transparency, and provide consumers with accurate information on electronic commerce platforms.

2) Additionally:

- **Collaboration with National Consumer Helpline:** E-retailers are urged to cooperate actively with the National Consumer Helpline launched by the Union Government.
- **Efficient Refund Process:** Payment systems should handle consumer refund requests promptly, following RBI guidelines or other applicable regulations, ensuring refunds are processed within a reasonable time.
- **Consent Documentation:** E-Commerce platforms must record explicit consumer consent for purchases through clear, affirmative actions; any other forms of consent are considered invalid.

These provisions aim to ensure sellers comply with legal requirements, uphold consumer interests, and promote transparency and trust in the E-Commerce ecosystem.

20. LIABILITIES OF E-RETAILERS AND RESPONSIBILITIES AND OBLIGATIONS OF INVENTORY E-RETAILERS.

As per Rule 5 and 7 of the Consumer Protection (E-Commerce) Rules, 2020, the responsibilities of marketplace and inventory E-retailers include the following:

- **Compliance for Liability Exemption:** To be eligible for exemption from liability under Section 79(1) of the IT Act, 2000, marketplace E-Retailers shall adhere to the provisions of Sections 79(2) and 79(3), along with the guidelines laid out in the IT (Intermediary Guidelines) Rules, 2011.
- **Ensuring Product Accuracy:** Commercial platforms are accountable for verifying that sellers offer authentic products. This includes ensuring that product attributes such as appearance, features, quality, and colour correspond exactly to the items displayed on the platform.
- **Providing Transparent Information:** Marketplace platforms must display crucial information about sellers on their websites. This includes the sellers' business names, registration status, physical addresses, customer care contact details, and consumer ratings or feedback. Additionally, platforms should provide consumers with relevant contact details to reach sellers, especially when requested in writing by consumers.
- **Complaint Tracking and Resolution:** Consumers who lodge complaints must receive a ticket number to monitor their complaint status. The platform must provide complete information on refunds, returns, exchanges, guarantees, warranties, delivery options, payment methods, and grievance redressal, allowing consumers to make informed and confident purchasing decisions.
- **Clear Payment Transparency:** Payment options should be straightforward and clearly explained to consumers, including all charges and the process for payment cancellation. The platform's terms and conditions must also clarify its relationship with the sellers.
- **Product Authenticity Responsibility:** If an E-Commerce platform guarantees or implies the genuineness of any product or service, it assumes liability for the authenticity of that item.

These provisions define the responsibilities of e-retailers and marketplace, ensuring suppliers accurately represent their products, consumers receive transparent information, complaint tracking is facilitated, and platforms take responsibility for product authenticity.

21. CONCLUSION

Electronic commerce has undoubtedly become an important component of contemporary consumer habits. The Government of India's initiative to build a digital infrastructure that connects the entire nation, including rural regions, is a praiseworthy move. In addition to promoting awareness of Information and Communication Technology among the public, this initiative aims to support the country's broader developmental goals.

However, like any advancing technology, e-commerce presents its own set of challenges. The rapid expansion of e-commerce platforms, combined with consumer apprehension about online transactions, has given rise to several technological issues. These problems have often undermined rights of consumers, particularly without a specialized regulatory body prior to the Consumer Protection Act, 2019. Existing consumer forums lacked the legal authority to effectively address grievances related to e-commerce.

Acknowledging this deficiency, it became evident that a stronger legal framework was necessary. This led to the repeal of the previous Consumer Protection Act and the enactment of the Consumer Protection Act, 2019, alongside the Consumer Protection (E-Commerce) Rules, 2020. These revised regulations place considerable focus on safeguarding consumer rights within the digital marketplace. Widely regarded as timely and crucial reforms, they provide a comprehensive legal structure to govern e-commerce activities and ensure effective protection for consumers.

CONFLICT OF INTERESTS

None.

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None.

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