**Consumer Protection in India: Legal Framework and Challenges**

**Abstract**

Consumer Protection is a crucial aspect of a fair and transparent market economy. Consumer laws protect consumers of goods and services. This research paper examines the legal framework governing consumer rights and duties in India, with a focus on the Consumer Protection Act, of 2019[[1]](#footnote-1). It examines the legal framework governing consumer protection in India, with a primary focus on the Consumer Protection Act, of 2019. It analyses the key provisions, rights, and duties of the consumers, the background behind the Consumer Protection Act, and the role of the consumer forums in addressing grievances. Additionally, the study explores constitutional provisions and various laws such as the Indian Contract Act, of 1872[[2]](#footnote-2), the Sale of Goods Act, of 1930[[3]](#footnote-3), and the Information Technology Act, of 2000[[4]](#footnote-4) Which contributes to consumer welfare.

Despite the legal safeguards in place, consumers in India continue to face numerous challenges. The study also explores contemporary challenges, such as e-commerce fraud, misleading advertisements, and product liability, while suggesting improvements for stronger consumer protection. To enhance consumer protection, the research suggests several improvements, including stricter e-commerce regulations, mandatory verification of online sellers, faster dispute resolution mechanisms, and stronger penalties for false advertising.

By addressing these challenges and implementing reforms, India can create a more consumer-friendly legal framework that effectively balances business interests with consumer rights, fostering trust and confidence in the marketplace.

**Keywords**

Consumer Protection Act 2019[[5]](#footnote-5) (COPRA), consumer rights and duties, consumer forums, product liability, e-commerce fraud, misleading advertisements, quasi-judicial, deficient services, defective goods, E-filing, adulteration, digital transaction, grievance redressal, online dispute resolution (ODR)[[6]](#footnote-6), ethical marketing, standardization, and consumer literacy.

**Introduction**

The concept of the Consumer Protection Act spread in the 1970s and the guidelines were made by the UN General Assembly.[[7]](#footnote-7). Those guidelines for consumers spread all over the world and started informing people about their consumer rights and socio-economic development systems. Because of increased industrialization and globalization consumer laws become a shield for consumers and provide an escape from exploitation by companies and rich people. Manufacturers and sellers are likely to get more benefits from consumers. There was a need to protect consumers from exploitation promote standardization of goods and services and safeguard them from adulterated or sub-standard goods and deficient services.[[8]](#footnote-8) India provides a strong foundation for consumer protection. In India, The Consumer Protection Act was enacted in 1986[[9]](#footnote-9) for effective setup to deal with violations of consumer laws. The main objective of the Act is to provide speedy and simple redressal to consumer disputes. In 2002[[10]](#footnote-10) The Consumer Protection Act was amended and expanded its scope to include the sale of unsafe goods and services. In 2019 major changes were brought to The Consumer Protection Act and new guidelines were published in the country. The changes include e-filing of the cases, product liability, penalties, and the establishment of independent statutory authority bodies at the state and central levels. Now, it is known as the Consumer Protection Act, of 2019[[11]](#footnote-11)In India, the Consumer Protection Act of 2019 administers consumer rights. Consumer laws protect consumers of goods and services. Consumer Protection is a fundamental aspect of a well–regulated market economy. It protects consumers' rights against unfair trade practices and defective products. It provides an efficient grievance redressal mechanism through consumer courts. It introduces product liability provisions to hold manufacturers and service providers accountable.

This Act introduced provisions such as product liability, e-filing of complaints, penalties for misleading advertisements, and the establishment of consumer dispute redressal commissions at district, state, and national levels. Despite the strong legal framework, challenges such as consumer unawareness, digital fraud, misleading advertisements, and delays in justice continue to affect consumer rights. This paper explores the existing consumer protection laws, challenges faced by consumers, and potential improvements needed to create a stronger, more consumer-friendly legal system.

**Research Methodology**

This research adopts a doctrinal research approach, primarily relying on secondary data sources to analyze the legal framework, challenges, and developments in consumer protection in India. The methodology includes a detailed examination of statutes, case laws, judicial interpretations, and government policies related to consumer rights. The study follows a qualitative legal research design, focusing on the analysis of legislative frameworks, policy documents, and judicial decisions to understand the scope and impact of consumer protection laws. It explores the evolution of consumer rights, key legal provisions, and their enforcement mechanisms. The research is based on secondary data sources, including Statutory laws and legal documents: Consumer Protection Act, 2019[[12]](#footnote-12); Indian Contract Act, 1872[[13]](#footnote-13); Sale of Goods Act, 1930[[14]](#footnote-14); Information Technology Act, 2000[[15]](#footnote-15); and Competition Act, 2002[[16]](#footnote-16)Judicial precedents, such as case laws from the Supreme Court and various consumer dispute redressal commissions. Government reports and publications, such as Reports from the Ministry of Consumer Affairs, UN Guidelines on Consumer Protection, and Reserve Bank of India (RBI) guidelines on consumer rights. The research focuses on Indian consumer protection laws and does not extensively compare them with international consumer protection frameworks. It does not include empirical research or direct consumer surveys but relies on available literature and case analysis.

**Legal Framework for Consumer Protection in India other than COPRA -**

1. Constitutional Provisions of India[[17]](#footnote-17) –

• Article 14 [[18]](#footnote-18)– Right to Equality

It protects consumers from discriminatory trade practices and ensures fair treatment in the marketplace.

• Article 19(1)(g) [[19]](#footnote-19)– Right to Practice any profession or trade

It ensures that businesses operate freely but within reasonable restrictions to protect consumers from unfair trade practices.

• Article 21[[20]](#footnote-20) – Right to Life and Personal Liberty

It includes the right to health, a safe environment, and protection from hazardous goods.

1. Indian Contract Act, 1872[[21]](#footnote-21)

This Act ensures that contracts between consumers and businesses are legally valid. Ensures validity of contracts and protects consumers from fraudulent agreements, misrepresentation, and undue influence, ensuring fairness in agreements related to goods and services.

1. Sale of Goods Act, 1930[[22]](#footnote-22)

This Act defines the rights and responsibilities of buyers and sellers in a contract. It ensures that goods sold meet quality standards, and consumers can claim damages for defective, adulterated, or substandard products. Provides rights to consumers regarding quality, delivery, and warranties of goods purchased.

1. Competition Act, 2002[[23]](#footnote-23)

This Act prevents monopolistic practices and unfair trade practices. Prevents anti-competitive practices, abuse of dominant position, and unfair trade practices, ensuring fair market competition. It ensures that businesses do not exploit consumers through price fixing, abuse of dominant position, or deceptive marketing strategies.

1. Drugs and Cosmetics Act, 1940[[24]](#footnote-24)

This Act regulates the manufacture, sale, and distribution of medicines, drugs, and cosmetics to protect consumer health. It ensures that only safe and approved products reach consumers, preventing adulterated or substandard drugs from being sold.

1. Essential Commodities Act, 1955[[25]](#footnote-25)

This Act allows the government to regulate prices and prevent hoardings of essential goods like food, medicines, and fuel. It ensures fair pricing and availability of essential commodities to consumers. It controls hoarding, black marketing, and unfair pricing of essential goods.

1. Legal Metrology Act, 2009[[26]](#footnote-26)

This Act ensures the accuracy of weights and measurements in trade transactions. It prevents businesses from cheating consumers through false measurement of goods.

1. Food Safety and Standards Act, 2006[[27]](#footnote-27)

This Act regulates food quality and safety standards and penalizes food adulteration and misbranding. It sets food standards, ensures hygiene in food production, and prevents adulteration to protect consumers from unsafe food products.

1. Information Technology Act, 2000[[28]](#footnote-28)

With the rise of e-commerce and digital transactions, this Act protects consumers from online fraud, cybercrime, and data breaches. It ensures the security of personal information and penalizes digital fraud.

1. Bureau of Indian Standards (BIS) Act, 2016[[29]](#footnote-29)

This Act establishes quality and safety standards for various products and ensures that only certified goods are sold in the market. It protects consumers from low-quality or hazardous products.

1. Banking Regulation Act, 1949 & RBI Guidelines[[30]](#footnote-30)

This Act and Reserve Bank of India (RBI) guidelines regulate banking practices, ensuring consumers are protected from fraudulent banking practices, unfair loan policies, and unauthorized transactions in the financial sector.

**Key Provisions of the Consumer Protection Act**

It is enacted for better protection of the interests of consumers. It applies to all kinds of goods and services. This act does not limit and reduce the scope of any other act. There is a provision for the central and state governments to set up consumer councils. In India, Central and State governments have passed various legislations regarding consumer protection. This act provides effective protection to the consumer from different types of exploitations, adulteration, under-weight, excessive price, and unfair trade practices. All suppliers of goods and services belonging to private, public, and cooperative sectors come under this act. It is enacted to establish authorities for the timely and effective administration and settlement of consumer disputes. In the globalization era, the COPRA[[31]](#footnote-31) Protects consumers against the evil effect of competition. It focuses on the quantity and quality of the products. COPRA also ensures that consumers are charged a fair price and an uninterrupted supply of goods. COPRA also safeguards consumers against misleading and untrue messages communicated through advertisements. Provide legal aid to the consumers of their rights and duties. Ensuring a better standard of living for consumers by providing them with quantity products at fair prices. COPRA also explains the rules and regulations of the consumer's court. The Act strengthens the consumer court system at district, state, and national levels, increasing their jurisdiction and allowing e-filing of complaints for faster grievance redressal.

The Consumer Protection Act, 2019 [[32]](#footnote-32)(COPRA) was enacted to enhance consumer rights and establish a more efficient grievance redressal mechanism. It replaces the Consumer Protection Act, of 1986[[33]](#footnote-33), introducing several new provisions to address challenges posed by e-commerce, misleading advertisements, and unfair trade practices. By modernizing consumer laws and incorporating digital commerce regulations, the Consumer Protection Act, of 2019, aims to safeguard consumer rights in an evolving market environment.

**Consumer Dispute Redressal Commissions (CDRCs)[[34]](#footnote-34) –**

The Act sets up three levels of consumer courts, each with its jurisdiction based on the value of the goods or services in question.

(i) District Consumer Disputes Redressal Commission (DCDRC)

This is the first level of consumer courts, where complaints involving goods or services valued up to ₹1 crore can be filed. If a consumer is dissatisfied with the decision given by the District Commission, they can appeal to the State Consumer Disputes Redressal Commission within 45 days.

(ii) State Consumer Disputes Redressal Commission (SCDRC) –

This commission deals with cases where the claim value ranges from ₹1 crore to ₹10 crore. Additionally, it hears appeals from the District Commission. If a consumer is not satisfied with its ruling, they have the right to appeal before the National Consumer Disputes Redressal Commission within 30 days.

(iii) National Consumer Disputes Redressal Commission (NCDRC)[[35]](#footnote-35) –

The highest consumer dispute resolution body, the NCDRC, handles cases where the claim value exceeds ₹10 crores. It also serves as an appellate body for decisions given by State Commissions. Any party dissatisfied with the NCDRC’s decision can challenge it before the Supreme Court of India within 30 days.

**Rights of Consumers Under the Consumer Protection Act[[36]](#footnote-36)**

1. **Right to safety** – the product must be standardized, such as ICSI (Institute of Company Secretaries Of India), the sign of hallmark.
2. **Right to information** – Consumers have the right to get information about the quality, price, purity, and quantity of the products.
3. **Right to choice** – The consumer can buy any item according to his will.
4. **Right to be heard** – The consumer can file a case under any consumer court.
5. **Right to seek redressal** – The consumer has the right to get compensation and relief.
6. **Right to consumer education** – It is the duty of the court to aware consumers of their rights and provide them with legal aid.

**Challenges in Consumer Protection in India[[37]](#footnote-37)**

1. Lack of Consumer Awareness –

A significant number of consumers do not know their rights or the legal remedies available under the Consumer Protection Act.[[38]](#footnote-38). This makes them vulnerable to exploitation by businesses engaging in false advertising, substandard products, or hidden charges.

• Solutions:

* Conducting nationwide awareness programs using social media, schools, and government campaigns.
* Introducing consumer rights education as part of academic curriculums.

1. Rise in E-commerce and Digital Frauds -

With the expansion of online shopping, issues like fake products, misleading advertisements, delayed deliveries, and fraudulent sellers have increased. Many e-commerce platforms lack clear grievance redressal mechanisms, making it difficult for consumers to resolve disputes.

• Solutions:

* Implementing stronger e-commerce regulations with penalties for fraudulent sellers.
* Requiring online marketplaces to verify seller credentials before allowing them to list products.
* Establishing consumer-friendly return and refund policies.

3. Overburdened Consumer Courts and Delayed Justice -

The Consumer Dispute Redressal Commissions (CDRCs) often face backlogs of cases, leading to years of delay in resolving disputes. The limited number of consumer courts further worsens this issue.

• Solutions:

* Increasing the number of consumer courts and appointing more judges.
* Promoting online dispute resolution (ODR) and mediation centers to provide quick relief.
* Setting strict timelines for case resolution to avoid unnecessary delays.

4. Misleading Advertisements and False Claims -

Many companies exaggerate product benefits or make false claims in advertisements to attract consumers. Celebrities and influencers often promote such products without verifying their authenticity, leading to consumer deception.

• Solutions:

* Strict penalties for false advertising under the Consumer Protection Act, 2019[[39]](#footnote-39).
* Making celebrities and influencers legally accountable for endorsing misleading products.
* Strengthening the Advertising Standards Council of India (ASCI)[[40]](#footnote-40) To regulate unethical marketing.

5. Weak Product Liability Enforcement –

Although the Consumer Protection Act, of 2019[[41]](#footnote-41), includes product liability provisions, proving that a product caused harm remains difficult. Cases involving faulty electronics, pharmaceuticals, and food safety often require technical evidence, making compensation claims complicated.

• Solutions:

* Strengthening product testing and certification standards before market release.
* Making manufacturers legally liable for defective goods and requiring them to compensate consumers.
* Setting up fast-track product recall systems for unsafe products.

6. Limited Protection for the Services Sector -

While laws exist to protect consumers from defective products, protection for deficient services (like banking, telecom, healthcare, and education) is weaker. Issues like hidden charges, poor after-sales service, and data breaches often go unaddressed.

• Solutions:

* Expanding consumer protection laws to cover all service industries effectively.
* Establishing stronger regulatory authorities for sectors like banking and healthcare.
* Enforcing strict penalties for service providers failing to meet quality standards.

7. Data Privacy and Consumer Rights in the Digital Age -

Consumers today frequently share personal data on e-commerce platforms, banking apps, and social media. Unauthorized data collection, data breaches, and identity theft are increasing concerns.

• Solutions:

* Implementing the Digital Personal Data Protection Act, 2023[[42]](#footnote-42) To safeguard consumer data.
* Making it mandatory for companies to seek user consent before collecting personal information.
* Imposing heavy fines on companies that misuse or sell consumer data without permission.

8. Cross-Border Consumer Disputes -

Many consumers purchase products from international e-commerce platforms. When disputes arise, it becomes difficult to resolve them due to jurisdictional conflicts and the absence of international consumer protection agreements.

• Solutions:

* Strengthening bilateral trade agreements to include consumer protection clauses.
* Establishing an international consumer dispute resolution forum.
* Making it mandatory for foreign e-commerce platforms to follow Indian consumer laws before selling in India.

9. Counterfeit and Substandard Products –

The Indian market is flooded with counterfeit medicines, fake electronics, and low-quality consumer goods. These products often violate safety and health regulations, putting consumers at risk.

• Solutions:

* Strengthening anti-counterfeit laws and increasing market surveillance.
* Mandating QR codes or holograms for genuine products to differentiate them from fakes.
* Encouraging public reporting mechanisms for counterfeit products.

10. High Cost of Legal Action for Consumers –

Even though consumer courts exist, many consumers hesitate to file complaints due to legal costs, time consumption, and lack of legal knowledge. This allows businesses to continue unfair practices without consequences.

• Solutions:

* Making consumer dispute resolution more affordable and accessible.
* Encouraging legal aid programs for low-income consumers.
* Promoting group litigation (class action suits) where multiple consumers can file complaints together.

**Conclusion**

Consumer protection is an essential pillar of a fair and efficient marketplace, ensuring that individuals are safeguarded against exploitation, fraud, and unfair trade practices. Over the years, India has made significant progress in strengthening consumer rights through various legal frameworks, particularly the Consumer Protection Act, of 2019[[43]](#footnote-43). This Act has brought crucial reforms such as the e-filing of complaints, stricter penalties, product liability provisions, and the establishment of consumer redressal forums at multiple levels. These measures aim to provide a faster and more efficient grievance resolution system, enhancing consumer confidence and trust in the market.

Despite these advancements, challenges persist. A major issue is the lack of consumer awareness, as many individuals remain uninformed about their rights and legal remedies. Additionally, the increasing reliance on digital transactions and e-commerce platforms has led to rising cases of online fraud, misleading advertisements, and counterfeit products. The slow functioning of consumer courts due to case backlogs further adds to the frustration of aggrieved consumers, making justice inaccessible for many. Furthermore, weak enforcement of product liability and inadequate protection in the service sector, including healthcare and banking, continue to pose significant hurdles.

To strengthen consumer protection, there is a need for proactive legal enforcement, stronger penalties for misleading advertisements, and stricter e-commerce regulations. A consumer-centric approach, supported by strict regulatory measures, technological advancements, and public awareness, will create a more robust and trustworthy marketplace. The integration of technology in consumer courts, such as online dispute resolution mechanisms, can help reduce case backlogs and provide faster relief. Moreover, educational initiatives and nationwide awareness campaigns should be promoted to empower consumers with knowledge about their rights and available legal recourse.

In conclusion, while the existing legal framework in India provides a strong foundation for consumer protection, further improvements are necessary to ensure its effective implementation. A consumer-centric approach, supported by strict regulatory measures, technological advancements, and public awareness, will create a more robust and trustworthy marketplace.

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*Date: 21 March 2025*

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4. *Information Technology Act, 2000 (Act No. 21 of 2000)* [↑](#footnote-ref-4)
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