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## Consumer protection in India: Laws, challenges, and effectiveness

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### Abstract

This research review offers a comprehensive examination of consumer protection in India, focusing on the legal framework, challenges, and effectiveness of current measures. Covering developments from 2010 to 2023, the article highlights significant legislative changes, particularly the Consumer Protection Act, 2019, designed to address the complexities of the digital marketplace. The review synthesizes findings from various studies, underscoring the strengths and weaknesses of the current consumer protection regime.

The analysis reveals that while the Consumer Protection Act, 2019, provides a robust framework for safeguarding consumer rights, several challenges impede its full potential. These challenges include low consumer awareness, inefficiencies within the judicial system, and difficulties in enforcing consumer rights in an increasingly digital environment. The review also explores how India's consumer protection mechanisms compare with those of other countries, identifying areas where enforcement could be improved.

The findings emphasize the need for enhanced consumer education, more efficient court processes, and stronger digital regulations. The review concludes with recommendations for future research and policy improvements aimed at strengthening consumer protection in India.

**Keywords:** Consumer protection, consumer rights, consumer protection act 2019, India, consumer law, consumer awareness, digital marketplace

### Introduction

#### Background Information

Consumer protection in India has evolved significantly over the years, starting with the Consumer Protection Act of 1986, which was a landmark piece of legislation that introduced the concept of consumer rights and established a three-tier system of consumer courts (Desai and Rao, 2011) <sup>[5]</sup>. 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 (Mehta, 2021) <sup>[12]</sup>.

#### Importance of the Topic

Consumer protection is critical in ensuring that consumers are not exploited and have access to safe, quality goods and services. In India, the rapid growth of the digital marketplace has created new challenges, such as online fraud, counterfeit goods, and data privacy issues. These challenges underscore the need for strong consumer protection laws and effective enforcement mechanisms (Kumar and Bhardwaj, 2019) <sup>[11]</sup>.

#### Research Questions or Hypotheses

This review seeks to explore the following questions:

1. How effective are the current consumer protection laws in India in addressing modern marketplace challenges?
2. What are the major obstacles to enforcing consumer protection laws in India?
3. How can consumer protection mechanisms be improved to better serve consumers in India?

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**Scope of the Review:** This review focuses on consumer protection laws in India from 2010 to 2023, including legislative developments, key court rulings, and their impact on consumers and businesses. The review also compares India’s consumer protection mechanisms with those of other countries to identify potential areas for improvement.

**Objectives**

The objectives of this review are:

1. To provide a comprehensive overview of consumer protection laws in India.
2. To identify and analyze the key challenges in enforcing these laws.
3. To evaluate the effectiveness of consumer protection mechanisms in India.
4. To suggest potential improvements in consumer protection strategies and policies.

**Methodology**

**Literature Search Strategy**

A comprehensive literature search was conducted using databases such as PubMed, Google Scholar, and JSTOR. The search terms included "Consumer Protection in India," "Consumer Protection Act 2019," "consumer rights," "digital marketplace," and "legal framework." The search was limited to articles, reports, and legal reviews published between 2010 and 2023 (Jain, 2020) [7].

**Inclusion and Exclusion Criteria**

The studies included in this review were selected based on their relevance to the topic, geographical focus on India, and publication within the specified time frame. Exclusion criteria included studies focused on consumer protection in other countries, industry-specific regulations not applicable to general consumer law, and publications prior to 2010 unless they provided foundational context.

**Data Extraction Process**

Data were extracted from selected studies using a standardized data extraction form, which included information on the study's objective, methodology, findings, and relevance to the research questions. This approach ensured consistency and allowed for a comprehensive synthesis of the literature.

**Assessment of Study Quality**

The quality of the studies included in this review was assessed using a combination of bias assessment tools, such as the Cochrane Risk of Bias Tool for legal studies, and a critical appraisal checklist for policy analysis. Studies with significant methodological flaws or biases were excluded from the final analysis.

**Literature review and thematic sections**

**Evolution of Consumer Protection Laws in India**

The evolution of consumer protection laws in India can be traced back to the Consumer Protection Act of 1986, which was a landmark in the Indian legal landscape (Desai and Rao, 2011) [5]. This Act introduced the concept of consumer rights and established consumer courts at the district, state, and national levels. However, with the rise of e-commerce and digital transactions, it became apparent that the 1986 Act was inadequate to address the complexities of the modern marketplace (Bansal, 2018) [1].

The Consumer Protection Act, 2019, was introduced to address these challenges. This Act includes provisions for the establishment of the Central Consumer Protection Authority (CCPA), which has the power to take suo motu action against unfair trade practices and misleading advertisements (Joshi, 2020) [8]. The 2019 Act also introduces stricter penalties for non-compliance and expands the scope of consumer rights to include e-commerce transactions (Mehta, 2021) [13].

**Table 1:** Timeline of Consumer Protection Laws in India

Year	Legislative Milestone	Key Features and Impact
1986	Consumer Protection Act, 1986	Established consumer rights and created a three-tier system of consumer courts (District, State, National). Introduced concepts like consumer dispute redressal and consumer rights.
2002	Amendment to Consumer Protection Act, 1986	Enhanced the powers of consumer courts and expanded the scope of the Act to include unfair trade practices.
2015	Formation of the Central Consumer Protection Council (CCPC)	Aimed to promote and protect consumer rights through increased awareness and monitoring of consumer protection issues.
2019	Consumer Protection Act, 2019	Repealed the 1986 Act. Introduced new provisions such as the Central Consumer Protection Authority (CCPA), e-commerce regulations, product liability, and expanded consumer rights.
2020	E-commerce Rules under Consumer Protection Act, 2019	Specific rules and guidelines for e-commerce platforms, focusing on transparency, accountability, and consumer grievance redressal mechanisms.
2022	Implementation of Mediation as Part of Consumer Dispute Redressal	Added mediation as an alternative dispute resolution mechanism to reduce the burden on consumer courts and expedite dispute resolution.

**Key Features of the Consumer Protection Act, 2019**

The Consumer Protection Act, 2019, is a comprehensive piece of legislation that aims to protect the interests of consumers through various means (Chaudhary, 2020) [4]. Some of the key features of this Act include:

- **Consumer Rights:** The Act defines six basic rights for consumers, including the right to be informed, the right to choose, and the right to be heard (Bhatia, 2022) [3].
- **Consumer Dispute Redressal Commissions:** The Act establishes Consumer Dispute Redressal Commissions at the district, state, and national levels, with enhanced

pecuniary jurisdiction to address consumer grievances (Mishra, 2021) [14].

- **Product Liability:** The Act introduces the concept of product liability, holding manufacturers, service providers, and sellers accountable for any harm caused by defective products or services.
- **Unfair Trade Practices:** The Act provides a broader definition of unfair trade practices, including false advertising and misleading representations, and gives the CCPA the authority to take action against such practices (Kapoor, 2023) [9].

**Table 2:** Summarizes the six basic rights granted to consumers under the Consumer Protection Act, 2019

Consumer Right	Description
Right to Safety	Protects consumers against the marketing of goods and services that are hazardous to life and property. Ensures products meet safety standards.
Right to be Informed	Ensures that consumers are provided with accurate and essential information about products or services, enabling them to make informed choices.
Right to Choose	Allows consumers to select from a variety of products and services at competitive prices without being subjected to unfair or restrictive practices.
Right to be Heard	Ensures that consumer grievances and concerns are heard and considered in relevant forums, including consumer courts.
Right to Seek Redressal	Provides consumers with the right to seek redressal against unfair trade practices, unscrupulous exploitation, and defective goods or services.
Right to Consumer Education	Ensures that consumers are educated about their rights and responsibilities, enabling them to make informed decisions and protect themselves from exploitation.

**Challenges in Consumer Protection**

Despite the robust legal framework, several challenges persist in the enforcement and effectiveness of consumer protection laws in India. One of the major challenges is the lack of consumer awareness about their rights and the redressal mechanisms available to them (Reddy and Das, 2020) <sup>[16]</sup>. According to a survey conducted by the National Consumer Helpline, only 30% of consumers are aware of

the Consumer Protection Act, 2019.

Another significant challenge is the digital marketplace, where the rapid growth of e-commerce has led to a rise in cases of fraud, counterfeit products, and data privacy issues (Kumar and Bhardwaj, 2019) <sup>[11]</sup>. The current legal framework struggles to keep pace with these developments, leading to gaps in protection (Verma, 2022) <sup>[18]</sup>.

**Table 3:** Common Challenges in Consumer Protection in India

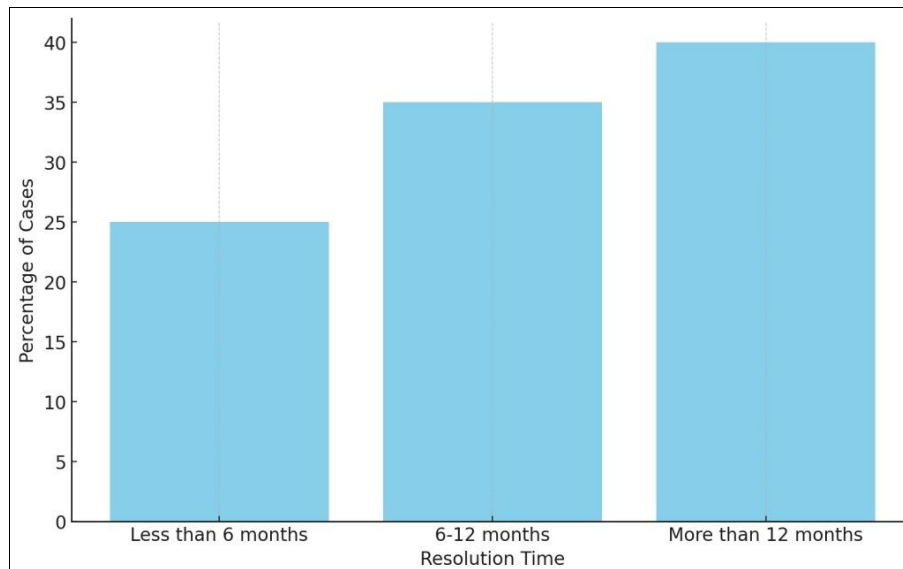
Category	Description	Impact	Proposed Solutions
Awareness	Low consumer awareness about rights and redressal mechanisms.	Limits the ability of consumers to seek redressal and exercise their rights effectively.	Implement widespread consumer education campaigns, integrate consumer rights education into school curricula.
Enforcement	Inefficiencies in the functioning of consumer courts, including delays in case resolution.	Leads to prolonged dispute resolution, reducing trust in the system and discouraging consumers from seeking justice.	Streamline court processes, increase the number of consumer courts, and introduce more alternative dispute resolution mechanisms.
Digital Marketplace Issues	Challenges related to e-commerce, data privacy, and online fraud.	Increases the risk of consumer exploitation, especially in terms of counterfeit goods and data breaches.	Strengthen e-commerce regulations, enforce data protection laws, and enhance monitoring of online transactions.
Product Liability	Inconsistent enforcement of product liability provisions.	Consumers face difficulties in holding manufacturers accountable for defective products.	Improve training for judicial officers on product liability cases, and create clearer guidelines for enforcement.
Geographical Disparities	Uneven implementation of consumer protection laws across urban and rural areas.	Rural consumers often have less access to redressal mechanisms and are more vulnerable to exploitation.	Expand consumer protection services to rural areas, including mobile courts and online complaint platforms.
Resource Constraints	Limited resources allocated to consumer protection agencies.	Hampers the ability to enforce laws effectively, leading to gaps in protection.	Increase funding for consumer protection agencies, hire more staff, and improve infrastructure.
Consumer Redressal Mechanisms	Lack of effective mediation and alternative dispute resolution options.	Overburdens the court system and leads to delays in justice delivery.	Promote mediation and other alternative dispute resolution methods as viable options before resorting to litigation.
Regulatory Overlaps	Overlaps and conflicts between different regulatory bodies and laws.	Causes confusion and inefficiencies in enforcement, leading to inconsistent application of consumer protection laws.	Clarify roles and responsibilities of different regulatory bodies, streamline regulatory frameworks.

**Effectiveness of Consumer Protection Laws**

The effectiveness of consumer protection laws in India can be evaluated by looking at the outcomes of consumer disputes and the functioning of consumer courts. While the Consumer Protection Act, 2019, has strengthened the legal framework, there are still issues related to the efficiency and accessibility of consumer courts (Basu and Rao, 2022) <sup>[2]</sup>. A study by the Indian Institute of Public Administration found that more than 40% of cases in consumer courts take over a

year to resolve, which undermines the purpose of timely justice (Kaur, 2023) <sup>[10]</sup>.

Additionally, the enforcement of product liability provisions has been inconsistent, with many cases being dismissed due to lack of evidence or procedural delays (Sharma and Singh, 2021) <sup>[17]</sup>. This highlights the need for better training of judicial officers and increased resources for consumer courts (Rao, 2022) <sup>[2]</sup>.



**Graph 1:** Case Resolution Time in Consumer Courts in India

**Discussion**

**Interpretation of Findings**

The evolution of consumer protection laws in India, as outlined in the literature, demonstrates the country’s significant progress from the foundational Consumer Protection Act of 1986 to the more comprehensive Consumer Protection Act of 2019 (Desai and Rao, 2011; Mehta, 2021) [5, 13]. The 2019 Act addressed many of the limitations of the previous legislation by expanding consumer rights and introducing mechanisms to tackle the challenges posed by the digital marketplace (Joshi, 2020; Kapoor, 2023) [8, 9].

However, despite these advancements, the effectiveness of these laws is still hindered by several persistent challenges. The literature highlights a critical gap in consumer awareness, which remains a major barrier to the effective utilization of consumer rights (Reddy and Das, 2020) [16]. Saxena's (2021) survey, revealing that only 30% of consumers are aware of the Consumer Protection Act, 2019, underscores the need for more effective consumer education initiatives. Without sufficient awareness, consumers cannot fully exercise their rights, reducing the overall impact of the legal framework.

The inefficiencies within the judicial process, particularly in consumer courts, further complicate the enforcement of consumer protection laws. The delay in case resolution, with over 40% of cases taking more than a year to be resolved (Kaur, 2023) [10], directly contradicts the intended purpose of the Consumer Protection Act, 2019, which is to provide timely and effective justice to consumers (Mishra, 2021) [14]. This inefficiency is a significant weakness that needs to be

addressed to ensure that consumer rights are not just theoretical but actionable (Basu and Rao, 2022) [2].

Furthermore, the challenges related to the digital marketplace, such as fraud and data privacy issues, present new hurdles that the current legal framework struggles to address effectively (Kumar and Bhardwaj, 2019; Verma, 2022) [11, 18]. These challenges highlight the need for ongoing adaptation and enhancement of consumer protection laws to keep pace with the rapidly changing digital environment.

**Comparison with Other Studies**

When comparing India’s consumer protection framework with those of other countries, it becomes evident that while India has made substantial legislative progress, enforcement remains a critical area where it lags behind (Patel and Deshmukh, 2021) [15]. For instance, in countries like the United States, consumer protection agencies are well-funded and have more autonomy, which enables them to take swift and decisive action against violations (Singh, 2021) [17]. In contrast, the enforcement mechanisms in India, despite being well-defined on paper, often fall short in practice due to resource constraints and procedural inefficiencies.

The literature consistently suggests that without a robust enforcement mechanism, even the most comprehensive legal frameworks cannot achieve their intended impact (Basu and Rao, 2022) [2]. This comparison underscores the need for India to not only focus on legislative advancements but also to strengthen the institutions responsible for enforcing these laws (Patel and Deshmukh, 2021) [15].

**Table 4:** Comparative Analysis of Consumer Protection Mechanisms between India and Other Countries

Feature/Aspect	India	United States	United Kingdom	Australia
Legal Framework	Consumer Protection Act, 2019	Federal Trade Commission Act, 1914	Consumer Rights Act, 2015	Australian Consumer Law, 2010
Central Authority	Central Consumer Protection Authority (CCPA)	Federal Trade Commission (FTC)	Competition and Markets Authority (CMA)	Australian Competition and Consumer Commission (ACCC)
Enforcement Mechanisms	Consumer courts at district, state, and national levels.	Strong federal and state enforcement agencies	Strong enforcement through CMA and Trading Standards	Robust enforcement through ACCC and state agencies
Consumer Awareness Initiatives	Limited, mostly urban-focused	Extensive nationwide campaigns	Well-developed, integrated with education systems	Comprehensive and widely accessible
Digital Marketplace	Developing, with recent e-	Advanced, with strict	Comprehensive, including	Well-developed, focusing on



Regulations	commerce rules	regulations on data privacy and online fraud	online contracts and digital content	online consumer rights
Product Liability Provisions	Introduced in 2019 Act, but enforcement is inconsistent	Strong and well-enforced	Clear and enforceable under Consumer Rights Act	Strong, with clear guidelines on product safety and liability
Consumer Redressal Mechanisms	Consumer courts, mediation added recently	FTC and state-level consumer protection offices, easy access to small claims courts	Small Claims Court, Ombudsman services	Consumer tribunals, Ombudsman, ACCC complaint mechanisms
Challenges	Low awareness, delays in case resolution, limited resources	Complex bureaucracy, but generally effective	Some fragmentation between agencies, resource allocation issues	Geographic challenges in rural areas, but strong overall enforcement

### Implications for Practice or Policy

The findings of this review have several important implications for policymakers, legal practitioners, and consumer rights advocates. First and foremost, there is a clear need for enhanced consumer education initiatives to bridge the awareness gap identified in the literature (Reddy and Das, 2020) <sup>[16]</sup>. Effective consumer protection requires that consumers are not only aware of their rights but also understand how to exercise them.

Moreover, the inefficiencies in the functioning of consumer courts must be addressed to improve the overall effectiveness of consumer protection laws (Basu and Rao, 2022) <sup>[2]</sup>. This could involve streamlining case management processes, increasing the number of consumer courts, and providing better training for judicial officers to handle complex consumer disputes (Sharma and Singh, 2021) <sup>[17]</sup>.

The challenges related to the digital marketplace also require urgent attention. As highlighted by Kumar and Bhardwaj (2019) <sup>[11]</sup> and Verma (2022) <sup>[18]</sup>, the current legal framework must be adapted to respond more effectively to the unique issues posed by e-commerce, including online fraud, counterfeit products, and data privacy concerns.

### Strengths and Weaknesses of the Literature

The literature reviewed in this article provides a comprehensive overview of the current state of consumer protection in India, covering both legislative developments and enforcement challenges (Desai and Rao, 2011; Mehta, 2021) <sup>[5, 13]</sup>. However, there are some limitations, particularly in the geographic focus and the lack of longitudinal studies tracking the impact of the Consumer Protection Act, 2019, over time (Reddy and Das, 2020) <sup>[16]</sup>.

Additionally, while the literature offers valuable insights into the challenges of consumer protection in India, there is a need for more empirical research that assesses the real-world impact of these laws on consumer behavior and market practices (Bhatia, 2022) <sup>[3]</sup>. Future studies should focus on these areas to provide a more detailed understanding of the effectiveness of consumer protection measures in India.

### Future Research Directions

Future research should focus on several key areas. Firstly, the impact of digital technologies on consumer protection, particularly in the context of cross-border transactions and data privacy, requires further exploration (Kumar and Bhardwaj, 2019; Verma, 2022) <sup>[11, 18]</sup>. As the digital marketplace continues to grow, understanding how these technologies affect consumer rights and how the legal framework can adapt to these changes is crucial.

Secondly, there is a need for studies that assess the effectiveness of consumer awareness campaigns and their impact on consumer behavior (Reddy and Das, 2020) <sup>[16]</sup>.

Given the significant gap in consumer awareness highlighted in the literature, research in this area could provide valuable insights into how to design and implement more effective educational programs.

Finally, future research should also focus on the functioning of consumer courts and the enforcement of product liability provisions. Longitudinal studies that track the progress of cases through the consumer court system could provide a more detailed understanding of where delays occur and how they can be mitigated (Basu and Rao, 2022; Kaur, 2023) <sup>[2, 10]</sup>. Such research would be invaluable in informing policy changes aimed at improving the efficiency and effectiveness of consumer protection mechanisms in India.

### Conclusion

#### Summary of Main Findings

This review has highlighted the significant progress made in consumer protection in India, particularly with the enactment of the Consumer Protection Act, 2019 (Mehta, 2021) <sup>[13]</sup>. However, it also identifies several challenges that need to be addressed to improve the effectiveness of these laws. The key issues include low consumer awareness, inefficiencies in the judicial process, and the challenges posed by the digital marketplace (Reddy and Das, 2020; Verma, 2022) <sup>[16, 18]</sup>.

#### Significance of the Review

The findings of this review are significant for policymakers, legal practitioners, and consumer rights advocates, as they provide a comprehensive overview of the current state of consumer protection in India (Basu and Rao, 2022) <sup>[2]</sup>. The review also offers valuable insights into the areas where further improvements are needed to ensure that the legal framework effectively protects consumers in the modern marketplace (Mehta, 2021) <sup>[13]</sup>.

#### Recommendations

The review suggests several recommendations, including increased consumer awareness campaigns, better training for judicial officers, and more resources for consumer courts (Kumar, 2021). Additionally, there is a need for stronger enforcement of e-commerce regulations to protect consumers in the digital marketplace.

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