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B.Com Honours

Semester I

Calicut University

Consumer Awareness and Protection

Course Code: COM1FM105 (3) • Module 2 Notes

1. The Indian Consumer Protection Law: Evolution and Core Definitions

The legal framework for consumer protection in India has evolved significantly. The original *Consumer Protection Act, 1986* served as the foundational law for over three decades. However, the rise of e-commerce, digital payments, direct selling, and complex multi-channel marketing required a modern update, leading to the enactment of the **Consumer Protection Act, 2019 (CPA 2019)**. This module analyzes the statutory definitions of goods, services, defects, deficiencies, spurious goods, and unfair vs. restrictive trade practices.

Core Updates under CPA 2019

The 2019 Act introduced several major changes: it brought e-commerce platforms under consumer protection rules, established the **Central Consumer Protection Authority (CCPA)** to prevent misleading advertisements, introduced class-action suits, and established product liability (making manufacturers liable for injury caused by defective products).

Defect in Goods vs. Spurious Goods

Defect in Goods

Defined as any fault, imperfection, or shortcoming in the quality, quantity, potency, purity, or standard of goods which is required to be maintained under any law, contract, or express representation. E.g., structural cracks in a pressure cooker or a vehicle engine that stalls repeatedly.

Spurious Goods & Services

Goods and services which are claimed to be genuine but are actually fake, counterfeit, or highly adulterated imitations of original brands. Manufacturing or distributing spurious goods that harm consumers carries severe imprisonment terms and heavy financial fines under the Indian Penal Code and CPA 2019.

Deficiency in Service

Deficiency: Any fault, imperfection, shortcoming, or inadequacy in the quality, nature, or manner of performance of a service. Since services are intangible, deficiency is evaluated against promised performance standards, contract terms, or professional standards of care.

Common Sectors of Deficiency:

- **Banking:** Unauthorized transaction debits, refusing to release collateral after loan repayment, or failing to reverse failed ATM transactions.
- **Healthcare:** Medical negligence, performing incorrect surgical procedures, or using unsterilized equipment.
- **Education:** Collecting fees for unapproved courses or failing to provide promised basic infrastructure.

Unfair Trade Practices (UTP) vs. Restrictive Trade Practices (RTP)

To maintain market integrity, Indian law strictly regulates deceptive and anti-competitive business practices:

Comparative Dimension	Unfair Trade Practice (UTP)	Restrictive Trade Practice (RTP)
Statutory Focus	Deceptive, false, or misleading representations used to sell products or services.	Anti-competitive behaviors that restrict market choice or manipulate prices.
Key Examples	Misleading advertisements (claiming a soap cures skin diseases), fake discount schemes, selling expired goods, or sharing user data without consent.	Hoarding goods to create artificial price hikes, colluding with rivals to set prices (cartels), or enforcing tie-in sales.
Target of Deception	The buyer's mind (tricking them via false information).	The market flow (restricting supply or pricing options).
Regulatory Remedies	Enforced corrective advertisements, product recalls, and user compensation.	Cease-and-desist orders, breaking up cartels, and direct pricing interventions.

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