

An Analysis of Legislative Protection Provided to Consumer Trust by Product Safety and Product Liability And a Brief Analysis of Consumer Protection Act 2019

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Abstract:- Trust is a basic essential element of every human interaction. In every passing moment we enter into a new transaction or interaction. Some of these interactions are of an extremely personal nature. In every such interaction taking place between a consumer and a supplier, there is a need for existence of consumer trust. In such transactions consumer in the vulnerable class whose trust if breached will be most prone to exploitation of its vulnerability. This consumer trust is directly proportionate to the product safety and product liability legislations of any country. Despite there being a number of legislations protecting consumer rights, these legislation are still very weak due to which a breach of consumer trust can be witnessed every now and then. This article attempts to evaluate the concept of consumer trust and its relation with consumer commitment and consumer satisfaction. This article will also try to understand how closely related, the consumer trust and product safety are to each other and wherever product safety is discussed product liability cannot be dismissed. It also seeks to establish, how consumer satisfaction is antecedent to consumer trust and how consumer commitment is precedent to consumer trust. This article also focuses upon how the consumer trust is being protected by Indian legislation in the form of protection of certain basic consumer rights and protection of product safety by imposing product liability.

Keywords:- Consumer Trust, Consumer Commitment, Consumer Satisfaction, Product Liability, Product Safety, United Nations Guidelines For Consumer Protection, Consumer Protection Act 1986, Consumer Protection Act 2019.

I. INTRODUCTION

Trust plays an important role in every human interaction. Every human interaction and relation depends upon trust that a person possesses upon the other, be it a family relation, or a relation between an employer and employee or that of a producer (supplier) and a consumer. But none is aware of the severe consequences that breach of any such “trust” would lead to. According to the Cambridge English dictionary, “trust is a belief that

someone will not harm you or something is reliable”. Here our emphasis is upon “consumers trust” which is often known as customer trust. Usually trust is understood as an expression of security of interaction between two partners when making any transaction. But in the sector of marketing, trust is understood as a different perspective. In any transaction there are two classes- a negotiator class and a vulnerable class. In marketing sector, producer (supplier) is the partner in negotiator and consumer is considered to be the vulnerable class. This “consumer vulnerability” is sometimes exploited at different levels. This exploitation is done by compromising in quality, quantity, popularity, etc. Not only that, number of marketing interactions include providing data to the companies or the producer (supplier) where there is always a threat of data misappropriation, data breach or data theft knowingly or unknowingly by the producer (supplier) to the consumer. Consumer data may be understood as an information held on file about customers by a store or other business usually including names, contact details, and buying habits. In such scenario it is the “consumer trust” that plays a key factor in establishing any such kind of human interaction. F. Robert Dwyer, Paul H. Schurr and Sejo Oh (1987) defined “consumer trust as a belief that a partner in negotiator will not exploit or take advantage of the other’s vulnerability”.¹ Consumer trust is descendent to satisfaction. Once a consumer is contended with the belief that the producer (supplier) is diligent enough to have custody of its data, and is qualified enough to fulfill the criteria of quality, quantity and utility, he invests his trust in the producer (supplier) and a human interaction is said to be established.

Today we enter into a number of interactions in every passing minute of our life through retail interactions, social-media, e-commerce, etc. Consumer- producer (supplier) relationship does not only refer to a buyer- seller relationship. Consumer trust exists in every producer (supplier) – consumer relationship i.e. to say it does not exist only in the marketing sector which further elevates the risk of threats existing upon their data if breached. Also

¹ A Meta-Analysis of Satisfaction in Marketing Channel Relationships Inge Geyskens - <https://www.jstor.org/stable/3152095> accessed on 15 December 2019, 18:42

with the development of digital interactions with such a fast pace, its ambit has further increased. To understand the extent of consumer trust, it is necessary to understand who all are actual consumers in different sectors of services and interactions. Producer (supplier)-consumer relationship does not exist only in marketing sector. It exists in other sectors too such as the banking sector, public sector, governmental sector, telecommunication sectors, e-commerce and digitalization of services. Although in all of these sectors a threat of breach or manipulation or misappropriation of data always pertains but banking sector, telecommunication sector and digital sectors prove to be the most crucial among all. Consumers face such breaches at the legal stage due to lack of data protection legislations and provisions as well as at ground stage due to lack of knowledge of their rights.

Any interaction in the banking sector involves trust as a basic essential ingredient as interactions in this sector involves business of extremely personal nature with every vital detail of the consumer stored within it. Here the principle of consumer privacy comes into action. Principle of consumer privacy derives its idea from the concept of personal privacy. It refers to the handling and protection of consumer data that the customer provides during the course of a transaction. Once the consumer privacy is infringed, it hampers the consumer's trust and the consequences are severe. In banking sector, the fear that our debit card information is compromised or any other information shared with the bank in any of the interpersonal information involved between bank and consumer, is horrifying enough to shatter consumer trust. One such example was seen Few years back in 2016 when the biggest financial data breach incident was recorded in India where the State Bank of India (SBI) re-issued about six- lakh debit cards to its customers which is also known as the biggest card replacement occurrence ever.²

This concept of consumer trust takes an interesting turn once we try to understand it from a different -aspect. Consumer-producer (supplier) relationship also exists between any democratic government and its citizens. For example, the collection of data through the form of a census or any information released by the government, is done because the government steps into the shoes of the producer(supplier), any data or censuses or information released by the democratic government, is done as government stepping itself into the shoes of producer (supplier). Further once such data is released in the public domain, it is appropriated by its citizens i.e. it is consumed by its consumer as a right against payment of taxes where taxes are paid in the form of consideration. Here consumer trust is antecedent as it is the trust of its citizens (herein

referred as consumer) based on which, the government gets an authority to act. Undoubtedly it can be said that the release of any manipulated data by the government results in the breach of its citizens trust i.e. it's consumer's trust.

With the development of technology and the emergence of e-commerce and social media, it has a great impact on consumer trust. However, the uncertainty of the internet in terms of e-commerce and personal information provides challenges to long term preservation of customer's trust. Broken trust does not only have adverse monetary consequences, it can undermine brand value and damage employee morale. In this digital era, while surfing on various websites, we come across pop-up messages stating terms and privacy policies which more than half of the consumers do not even read. Of the few consumers that actually read these policies they are left in conflict because of the stringent and complex language of these policies. This also leads to an increased risk of breach of consumer trust. Also it should be noted, that by just stating these policies it does not release a producer from the liability of such policies.

➤ *Consumer Commitment*

Consumer trust leads to consumer commitment. It means that a lasting intention or consumers obligation to remain in the long-term relationship with the producer (supplier). Consumer trust has a direct positive impact on consumer commitment. Trust can even be called an essential antecedent of commitment: If a supplier is not perceived to be benevolent, honest or competent enough to show useful behavior regarding the relationship in question, the customer cannot rely on the supplier and thus will show no commitment towards the relationship³.

Consumer commitment is classified under five categories: -

- **Affective commitment:** This form of commitment depends upon the positive feeling of the consumer. Such form of commitment is formed when the consumer has positive feeling relating to some product or service.
- **Normative commitment:** As the name suggests this form of commitment is formed when the norms of the consumer and the producer (supplier) coincide. It means when the consumer believes that producer (supplier) shares the same belief as that of consumer.
- **Economic commitment:** Every consumer while making any transaction has a perceived investment in a company or with the producer (supplier). Such perceived investment leads to commitment by the consumer to the producer (supplier).
- **Forced commitment:** This form of commitment cannot be classified as positive commitment. This form of

² Iyer S, 'Security Breach: SBI Blocks Over 6 Lakh Debit Cards' (The Economic Times, 2016) accessed 30 September 2019, 23:14 <<https://economictimes.indiatimes.com/industry/banking/finance/banking/security-breach-sbi-blocks-over-6-lakh-debit-cards/articleshow/54933861.cms>>

³Morgan, R. and Hunt, S. (1994). The Commitment-Trust Theory of Relationship Marketing. *Journal of Marketing*, [online] 58(3), pp.20-38, 30 Mar. 2019, <http://www.jstore.org>

commitment happens when customers don't recognize an alternative to sticking with a company.

- Habitual commitment: This form of commitment is based on repetitive transactions between the same producer (supplier) and consumer⁴.

Among the above discussed five forms of commitment, forced commitment has the tendency of imposing great negative impact upon the consumer commitment.⁵ No one wants to be forced to do anything or no person wants to invest his trust forcefully on any producer (supplier). Any such trust if invested is bound to hamper the commitment i.e. existence of any long term relationship. Forced commitment exist only when the consumer has no other alternative then to stick to the only producer (supplier). In such a form of commitment there is an absence of satisfaction of consumer and consumer is always out in search for an alternative.

➤ *Consumer satisfaction*

As mentioned earlier, consumer satisfaction is antecedent to consumer trust. Satisfaction from the perspective of consumer may be defined as "the attitude of the consumer formed, based on the past interactions and transactions with the producer (supplier)". It is undeniable that although trust is an essential element of any commitment, but this "trust" is derived from the satisfaction from the outcome of past interactions between the consumer and the producer (supplier). It is a well-established hypothesis that the more satisfied the customer has been in the past with the producer (supplier), the more it invests its trust.

➤ *Factors affecting consumer trust*

There are number of factors that affect consumer's trust such as benevolence, competency and integrity. These factors are also said to be the dimensions of trust. One such dimension is benevolence. Dictionary meaning of benevolence is "the quality of being thoughtful, consideration."

- Benevolence of the producer (supplier) depends upon whether or not the producer (supplier) responds to the needs, concerns and demands of the consumer or, whether the producer (supplier) is acting in the good faith of the consumer. It is the ability of manufacturer or producer to hold consumer interest or consumer needs over their own interest and rather for the welfare of the consumer. Such behavior should be genuine as to result in a long-lasting relationship. Benevolence is greatly

associated with the performance of relationship between the seller and buyer.

- Second dimension is the competency of the producer (supplier). Competency may be defined as the quality to crack consumer problems and fulfill their need. It is the duty of producer or marketer to prove themselves as a competent one to the producer. Utilization of brand is a means to establish oneself as a competent producer in the eyes of consumer which ultimately results in consumer trust.⁶ Generally, competency affects the trust of consumers in an online transaction. It is a well-known fact that although online transactions have increased with a great pace, the maximum number of users still find it hard to invest their trust in such transactions. Consumers in such transactions invest their trust only in those producers or suppliers whom they feel competent enough to carry on such business.
- Lastly Integrity, by this we mean that the producer (supplier) will act in accordance with the norms and in consumer interest without breaching the trust of the consumer.

➤ *Product safety as basis of consumer trust:*

Consumer trust experiences a major threshold once it is hit by unsafe products. Product safety is the basis upon which consumer trust relies. Product safety not only affects consumer trust, it also adversely affects the brand value. Product safety can be defined as the standard or policies ensured by the manufacturer, supplier or the government which standardizes the use of product. In India, The Consumer Protection Act 2019 provides that every consumer has the right to be protected against the marketing of goods and services which are hazardous to life and property.⁷

Consumers have a right to assume products sold to them are safe and fit for the requirements mentioned, but substandard and defective products – as an outcome of deprived design, counterfeiting or the use of insufficient supplies aggravated by a lack of directions for utilization, can lead to consumer detriment such as monetary loss, grave damage or even death. It is difficult to measure consumer loss, as there is no constant universal approach to accident and injury data collection.

Most of the consumers are unaware of the lurking danger even in the products they consume that fulfill each and every need, from toys to perfumes, from food to detergents, from cosmetics to clothes. Such products are known as common consumer products. Each and every product we consume must qualify some standards to be eligible for being consumable. Generally, we as common consumers are not aware of such standards, these standards are set by the government or the standardizing authorities established under any statute over the subject. To maximize

⁴Michele McGovern, 'The 5 Levels of Customer Commitment — And What Really Drives Loyalty' (Customerexperienceinsight.com, 2019), 31 March 2019, 3:25 PM

<<http://www.customerexperienceinsight.com/levels-of-customer-commitment-drive-loyalty/>>

⁵Keiningham, Timothy & Frennea, Carly & Aksoy, Lerzan & Buoye, Alexander & Mittal, Vikas. (2015). A Five-Component Customer Commitment Model. Journal of Service Research. 18. 10.1177/1094670515578823.

⁶Sirdeshmukh, Deepak & Singh, Jagdip & Sabol, Barry. (2002). Consumer Trust, Value, and Loyalty in Relational Exchanges. The Journal of Marketing. 66. 15-37. 10.1509/jmkg.66.1.15.18449.

⁷Section 2 (9)(ii)

consumer protection, and minimize risk, it is essential to increase efforts to ensure that products are safe before they reach consumers.

This could be achieved by strengthening product safety legislation and by creating clear guidance for manufacturers about how to develop safe products. There is also a need to ensure that adequate testing and controls are in place before products get to the market and that clear labelling and instructions exist to help consumers understand how to use products safely, and the associated risks of not doing so.⁸

If we talk about the international scenario, the Council of Europe Consumer Protection Charter, appended to resolution 543 (1973)⁹, also addressed “protection against physical damage due to unsafe products”, establishing that “national legislation shall include general requirements for the safety of food, other products and services” and that “minimum standards shall be set and enforced, in order to eliminate or reduce, as far as possible, any risk of danger in the content of goods and the containers thereof, their handling and use”.¹⁰ For effective protection against hazards to consumer health and safety, “goods and services offered to consumers must be such that, under normal or foreseeable conditions of use, they present no risk to the health or safety of consumers. There should be quick and simple procedures for withdrawing them from the market in the event of presentation of such risks. In general, consumers should be informed in an appropriate manner of any risk liable to result from a foreseeable use of goods and services”.¹¹ (United Nations Guidelines for Consumer Protection)¹² states that States should adopt or encourage the adoption of appropriate measures, including legal systems, safety regulations, national or international standards, voluntary standards and the maintenance of safety records to ensure that products are safe for either intended or normally foreseeable use.¹³ Appropriate policies should ensure that if manufacturers or distributors become aware of unforeseen hazards after products are placed on the market, they should notify the relevant authorities and, as appropriate, the public without delay. Member States should also consider ways of ensuring that consumers are properly informed of such hazards¹⁴. The

other main treatment of safety is dealt with in guidelines 33 to 35. It states that Member States should, as appropriate, formulate or promote the elaboration and implementation of standards, voluntary and others, at the national and international levels for the safety and quality of goods and services and give them appropriate publicity¹⁵. National standards and regulations for product safety and quality should be reviewed from time to time in order to ensure that they conform, wherever possible, to generally accepted international standards.¹⁶

Now coming to scenario of our own nation, India, being the fourth largest consumer in the world, including China, the US and Germany, has suffered the largest number of product safety incidents especially food products and children’s products. In India, common law tortious liabilities are still available to protect the consumers. The foundation of such tortious remedy can be traced back to the case of *Donoghue v. Stevenson*¹⁷ which laid down the principle that a manufacturer owes a duty of care to every possible consumer of his product. In India, the Food Safety and Standards Authority of India (FSSAI), is responsible for standardizing norms for food. It is an autonomous body established under the Food Safety and Standards Act 2006 which frames regulations to lay down food safety standards, provides scientific knowledge and technical support to the central government. It contributes to the development of international technical standards in food. Before the Food Safety and Standards Act, 2006, there were many other foods related laws such as

- Prevention of Food Adulteration Act, 1954
- Fruit Products Order, 1955
- Meat Food Products Order, 1973
- Vegetable Oil Products (Control) Order, 1947
- Edible Oils Packaging (Regulation) Order 1988
- Solvent Extracted Oil, De- Oiled Meal and Edible Flour (Control) Order, 1967,
- Milk and Milk Products Order, 1992 etc.

But all such laws were overridden by the enactment of the Food Safety and Standards Act, 2006.

Similarly, BIS¹⁸ is the national Standards Body of India working under the aegis of Ministry of Consumer Affairs, Food & Public Distribution, Government of India. It is established by the Bureau of Indian Standards Act, 1986. The BIS hallmark is the certifying authority that certifies the purity of gold as well as silver metal in India. It certifies that a piece of jewelry conforms to a set of standards laid down by the Bureau of Indian Standards. India being the second biggest market for quality gold and its formed jewelry, there is a major need for a national standards body such as BIS. Although, it is not mandatory

⁸ May 18, The challenge of protecting consumers from unsafe products A global picture may 2018, pg 14

⁹ <http://assembly.coe.int/nw/xml/XRef/Xref-XML2HTML-en.asp?fileid=15956&lang=en>

¹⁰ (European Communities, 1975, Preliminary Programme of the European Economic Community for a consumer protection and information policy, Official Journal of the European Communities, Vol. 18. C 92).

¹¹ Vol. 18. C 92, European Communities, 1975, Preliminary Programme of the European Economic Community for a consumer protection and information policy, Official Journal of the European Communities.

¹² Section V B of UNGCP

¹³ United nations guidelines for consumer protection, s.15, (2017)

¹⁴ Id. At 16

¹⁵ Section V D

¹⁶ Id. At 34

¹⁷ ([1932] AC 562 (H.L))

¹⁸ https://bis.gov.in/standardsdata/default_content.html/

to be BIS certified for a jewelry to be sold in India, it is widely considered by consumers.

The state of consumer safety in India has never been encouraging. As evident from the 'State of Indian Consumer Report 2012' prepared by CUTS (with support from the Department of Consumer Affairs, Government of India), it was found that there was a serious lack of consumer awareness about safety standards/certification¹⁹. Only 22 percent of consumers reported that they always assessed products or services in terms of their potential to cause threat/hazard. In fact, 32 percent of consumers never considered the safety aspect of a product before making a purchase. The proportion of such people is more in rural areas as compared to urban areas as most of the rural consumers are often illiterate and/or ignorant of their rights. Consumers cannot be cheated and callously exploited by the seller and the service providers. Quality assurance and safety of products and services are central to preventing consumer detriment. But, Indian safety standards are far behind when compared to countries such as the United Kingdom and America.²⁰

➤ *Product liability in India*

Consumer trust is the outcome of consumer satisfaction and consumer satisfaction is derived from any past interaction between the consumer and producer involving any product or service. It means that consumer satisfaction can never be in existence if a consumer is deceived through faulty or deceiving product. Although there is no statutory definition of product liability, in general words it may be defined as the liability of manufacturer or chain of suppliers responsible for supply of products and such liability arises from any defect or fault of the product consequently causing damage or even death of any consumer. Product liability is concerned with the claims of compensation for damage or loss caused to the consumer by any defective product.

In general, there may be three kinds of liabilities (or remedies available to the consumer) i.e. Contractual liability, Tortious liability or Strict liability.

- **Contractual liability:** - Parties entering into a contract may have their rights determined by the terms of the contract. Party to the contract suffering loss or damage (consumer) as a result of goods supplied under a contract must prove that the good/product has failed to meet the standards required by the contract.
- **Tortious liability:** - The tort of negligence allows consumers to seek compensation for losses suffered as a result of the supply of unsafe products. The landmark decision of *Donoghue v. Stevenson* resulted to be a revolutionary decision in consumer protection. The

decision of this case gave rise to a new liability where the consumer can directly sue the manufacturer in the absence of contractual relationship. For such liability, Consumer has to prove that it was the duty of the producer owed to the consumer and such duty was breached. But it is to be noted that it is not easy to prove negligence on the ground of duty owed by the producer as to prove so, the claimant (consumer) has to diligently be aware of the full procedure or manufacturing which is complex to know.

- **Strict liability:** - Strict liability refers to liability of all parties including the manufacturing chain instead for the damage caused by the "defect", without being prejudiced only to the responsible parties. Generally, the defendant is liable under strict liability, only if it is proved that
 - ✓ The product was defective
 - ✓ There was a causal link between the defect and the injuries or damage caused
 - ✓ It is irrelevant if the manufacturer exercised due care. Liability arises if loss or injury is caused.

But for product liability to arise, proper understanding of defect needs to be there among the consumer. Generally, a product is defective if it does not appear as per the suitability of the demand of the consumer. Liability arises if the product is supplied to the consumer in a defective condition and results in an injury. These defects may be of different kinds: -

- ✓ Manufacturing defect
 - ✓ Design defect
 - ✓ Warning defect
 - ✓ Instruction defect
 - ✓ Post-marketing defect
- **Criminal liability:** Criminal liability has been imposed upon the producer, intermediaries and distributors in the Consumer Protection Act 2019.

All these defects differ from case to case basis and are determined based upon certain standards such as customer's expectation which means that the element of danger must not extend beyond that which is contemplated by the consumer in ordinary use. Secondly, whether the seller would place the defective product for sale if he had knowledge of the defect. Lastly, unavoidably unsafe product, which means there are certain products which are quite incapable of being made safe for their intended and ordinary use, for example medicine.²¹

In India, there was no statute or laws that deals with product liability. There exist multiple other general and specific laws which govern product liability such as Sale of Goods Act 1986 and the Consumer Protection Act, 1986. The Consumer Protection Amendment Bill which was introduced in 2015 before the Lok Sabha, for the first time

¹⁹ Amarjeet Singh, Consumer safety in India yet to be implemented, Cuts international, 20 July 2019, <https://www.consumer-voice.org/consumer-right-laws/consumer-safety-in-india/>

²⁰ Submission on Consumer Product Safety, Third Intergovernmental Group of Experts on Consumer Protection Law and Policy July 9-10, 2018

²¹ United nations guidelines for consumer protection, (2017),20 july,2019

introduced Product Liability as the liability of manufacturer for physical damage caused or the loss or death. Later the bill was referred to a standing committee which presented its report in 2016. A revised Consumer Protection Bill 2019, including the recommendations of the standing committee, was presented before the Lok Sabha on July 8th, 2019 by Minister of Consumer Affairs, Food and Public distribution and got the accent of President of India on 9th August 2019. This Act include in detail the liability of manufacturers, service providers and sellers separately. The Bill also makes it clear through its clauses when product liability action cannot be brought against the manufacturer, seller or service provider.

Other specific laws that deal with product liability are:

- Sales of Goods Act 1930- This Act governs the buyer-seller relationship of movable goods. It contains a separate chapter for warranties and conditions of sale²² which provides that the product should be free from any defect. In case of contractual breaches of product liability cases apportionment of liability is contractually driven.
- Consumer Protection Act, 1986- includes the principle of product liability as bringing action against the responsible party for the supply of a defective product. However protection under this Act is provided only to those who fall within the definition of consumer in the Act.²³
- Indian Contract Act, - Those aggrieved parties who do not fall within the definition of Consumer under Consumer Protection Act, 1986 may seek for remedies under civil laws or contractual liability.
- Bureau of Indian Standards Act- If any good or product is found not complying with the standards set by the BIS authority, such authority may issue directions to stop supply of such good and recall such non-conforming products.

➤ *Rights of consumers*

Just by investing trust, it does not avoid the risk of breach of consumer trust and consumer data. Consumers are also subject to certain basic rights irrespective of the nature of interaction of transaction such as the Right to choice, Right to notice, Right to consent, Right to data portability, Right to be forgotten, Right to be informed of decisions.

The Consumer Protection Act, 1986 provides for certain other essential and basic rights of a consumer which are as follows.

- Right against the marketing of goods and services which are hazardous to life and property (Right to safety);
- Right to be informed about the quality, quantity, potency, purity, standard and price of goods or services (Right to information);

²² The Sale of Goods Act, S 12, 1960

²³ The consumer protection act, s 2 (d), (1986)

- Right to choice, wherever possible through access to a variety of goods and services at competitive prices (Right to choose);
- Right to be heard and to be assured that consumers' interests will receive due consideration at appropriate forums (Right to be heard);
- Right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers (Right to seek redressal);
- Right to consumer education (Right to consumer education)
- Right to clean and healthy environment (Right and responsibility).

All the above mentioned rights directly or indirectly are either factors affecting consumer trust or an outcome of consumer trust. All these rights are protected by the Consumer Protection Act 1986. To protect the interest and faith of consumer from any such breach of its right or its "consumer trust", the said Act provides for Consumer Protection Council consisting of minister in charge of consumer affairs in the Central Government, and other official or non-official members representing such interests as may be prescribed²⁴. The objective of the council is to promote and protect all the above mentioned rights of the consumer²⁵. The Act also seeks to establish District Consumer Protection Council by the State government. Such a district council shall consist of a collector of district and such official and non-official members as may be prescribed by the State government²⁶. Furthermore, it also provides for establishment for consumer dispute redressal agencies also known as "district forum"²⁷. It shall be a legal body with a district judge as its president²⁸. It shall have the jurisdiction to entertain complaints where the value of goods and services are in question and compensation claimed does not exceed rupees 20 lakh²⁹.

Remedies available under the Consumer Protection Act, 1986 can be summed up in the following classes of relief:

- Removal of defects from the goods;
- Replacement of the goods;
- Refund of the price paid;
- Award of compensation for the loss or injury suffered;
- Withdrawal of the hazardous goods from being offered for sale³⁰; or
- Award for adequate costs to parties.
- Removal of defects or deficiencies in the services³¹;

²⁴ The consumer protection act, s 4(2),(1986)

²⁵ The consumer protection act, s 6, (1986)

²⁶ The consumer protection act s 8A, (1986)

²⁷ Id. At s.9

²⁸ id. at s.10

²⁹ Id. At s.11

³⁰S.K. Bhatia , Business Ethics and Global Values for Management Courses , 365

³¹ S.k. bhatiya, , Business Ethics and Global Values for Management Courses,366

But the law of limitation is also applicable on the rights and remedies of this act. The District Forum, the State Commission and/or the National Commission shall not admit a complaint unless it is filed within two years from the date on which the cause of action has arisen. However, where the complainant satisfies the Forum/Commission, as the case may be, that he has sufficient cause for not filing the complaint within two years, such a complaint may be entertained by such Forum/Commission after recording the reasons for condoning the delay.

How the Consumer Protection Bill 2019 seeks to strengthen consumer trust and product safety?

With a great pace, trade and commerce have developed, laws governing them also need to keep pace with such changes. Each and every person being a consumer at some moment leaves them to be the vulnerable class. India having the fourth largest number of consumers still lacks behind in efficient consumer protection and product safety as compared to other countries. Consumer Protection Act 2019, meant to replace Consumer Protection Act, 1986 is seen as a sword which would strengthen this vulnerable class in the field of trade and commerce and business.

- ❖ This Act was drafted on the basis of the Consumer Protection Bill, 2015 and the recommendations made by the Standing Committee.
- ❖ Apart from six practices recognized by Consumer Protection Act, 1986, the 2019 bill retains three distinct types of issues such as (1) failure to issue bill or receipt, (2) refusal to acceptance of return of goods within time period mentioned in cash memo. If no time is specified then within 30 days, and (3) disclosure of information given in confidence. As earlier, these issues were not covered under the Consumer Protection Act, 1986 which resulted in consumer's exploitation. By adding such a provision in the Act, no doubt the vulnerable section i.e. the consumer is strengthened.
- ❖ Further, for the first time product liability is dealt as a separate chapter in detail as when and when the manufacturer, seller and service provider is liable and when is not liable. It removes the provision regarding manufacturer's knowledge. Also there is no reference of negligence in the Act. Imposing product liability increases product safety which directly impacts consumer trust, which is the most basic element of any trade and business.
- ❖ While in the 1986 Act, there was no such provision which dealt with unfair trade practices. But the 2019 Act provides a specific definition of 'unfair contracts' under clause 2 (46).
- ❖ Most importantly, earlier there was no regulatory body, the 2019 Act introduces the establishment of a Central Consumer Protection Authority (CCPA) to enforce consumer rights. The CCPA will have power for product recall and misleading advertisement. It can endorse penalties for misleading advertisements. Penalties will be levied if the perpetrator does not

comply with the orders of CCPA. Act also imposes graded penalties for adulterated goods and spurious products.

- ❖ Although, Consumer Protection Councils (CPCs) were established under the Consumer Protection Act, 1986 for protection of consumer rights, the 2019 Act provides that they must be established at district, state and national levels. Establishment of CPCs at district level will strengthen the effective applicability of the Consumer Protection Act.

No doubt, this bill has tried to overcome the lacunae of The Consumer Protection Act, 1986. With the establishment of CCPA and powers given to it, product safety is deemed to increase and most likely the standards set by BIS will be observed more diligently. Also with the inclusion of provision of consumer liability, consumers will feel more protected and strengthened. We can say that the Consumer Protection Act, 2019 result in a revolutionary change in the consumer- buyer relationship.

II. CONCLUSION

For any interpersonal relation of interaction trust is an essential commodity that exists between the two contracting parties especially if such interactions take place in the marketing sector. In any consumer- producer (supplier) relationship trust plays the role of the determining factor for the realization of consumer commitment. Such consumer trust is precedent to consumer satisfaction and antecedent to consumer commitment. But this consumer trust is highly based upon product safety. Where product safety fails, product liability comes in action. It is for the government and authorities to increase product safety as an increase in the safety of the product it increases consumer trust. With consumer trust, comes certain rights in the hands of consumers to avoid any kind of breach of consumer trust. Consumer trust can be breached by any method. It can be done by the manipulation of consumer data, by deceiving the consumer with the quality and quantity of the service promised to the consumer or the action for which a consumer has invested his belief into the producer (supplier). Although India has the fourth largest consumer base and has sufficient number of legislations over the subject protecting consumer rights, still very frequently, we come across many instances of a breach of consumer trust and compromise with consumer safety. Various rights are available to a consumer to avoid such a breach and to protect the consumer from being the vulnerable class are the right to choose, right to notice. Right to consent, etc. All these rights are protected by various legislations. In India these rights are protected under The Consumer Protection Act, 1986. Although these rights of the consumer are protected, with an increase in popularity and transactions of e-commerce in recent few years there still remains a vulnerable class which is left unprotected. With the increase in deceiving instances of such transactions consumer trust is being highly hampered. Without any protection to e-commerce consumers such instances of frauds and deceiving quality are increasing alarmingly. Extension of such protection is the immediate

need of this modern era because injustice to one is injustice to all and even a small section of unprotected vulnerable class needs protection. No doubt, the Consumer Protection Act, 2019 would prove to be a revolutionary step in the right direction it may still lack behind in protecting the consumers being deceived by e-commerce transactions. With every passing day, such transactions will keep on increasing and our concern will be left unaddressed.