

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
DEPARTMENT OF CONSUMER AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION No. 2439
TO BE ANSWERED ON 17.12.2024

MISLEADING AND FALSE CLAIMS BY MANUFACTURERS

2439. SHRI ASHOKRAO SHANKARRAO CHAVAN

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether manufacturers, traders, service providers and advertising agencies are selling their goods or providing services on the disguise of misleading and false claims like 100 per cent pure, eco friendly, green, natural, organic etc;
- (b) if so, the details thereof;
- (c) whether Government has issued any directives to such manufacturers or service providers to provide information about such claims;
- (d) if so, the details thereof;
- (e) whether Central Consumer Protection Authority(CCPA) has issued any directives to them to prevent misleading and false claims particularly issues related to green washing and environment; and
- (f) the other measures taken by Government to protect consumers from these false and misleading claims?

ANSWER

THE MINISTER OF STATE, CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L VERMA)

(a) to (f) : With a view to modernize the framework governing the consumer protection in the new era of globalization, technologies, e-commerce markets etc. Consumer Protection Act, 1986 was repealed and Consumer Protection Act, 2019 was enacted.

Section 2(28) of the Consumer Protection Act, 2019 defines “misleading advertisement” in relation to any product or service, as an advertisement, which— (i) falsely describes such product or service; or (ii) gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or (iii) conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or (iv) deliberately conceals important information.

Under the provisions of the Consumer Protection Act, 2019, the Central Consumer Protection Authority (CCPA), an executive agency, came into existence on 24.07.2020. It is designed to intervene, to prevent consumer detriment arising from unfair trade practices and to initiate class action(s), including the enforcement of recalls, refunds and return of products. Its core mandate is to prevent and regulate false or misleading advertisements which are prejudicial to the public interest.

The CCPA has notified the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 on 9th June, 2022. These guidelines inter-alia provide for; (a) conditions for an advertisement to be non-misleading and valid; (b) certain stipulations in respect of bait advertisements and free claim advertisements; and, (c) duties of manufacturer, service provider, advertiser and advertising agency. According to these Guidelines, endorser includes an individual or a group or an institution making endorsement of any goods, product or service in an advertisement whose opinion, belief, finding or experience being the message which such advertisement appears to reflect. These Guidelines states that due diligence is required for endorsement of advertisements such that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive. It clarifies that where, Indian professionals, whether resident in India or otherwise, are barred under any law for the time being in force from making endorsement in any advertisement pertaining to any profession, then, foreigner professionals of such profession shall also be not permitted to make endorsement in such advertisement.

The CCPA has published “Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024” on 15th October 2024 to prevent greenwashing and misleading environmental claims, ensuring transparency and accuracy in advertisements related to environmental sustainability. The primary goal of these guidelines is to shield consumers from misleading information while promoting genuine environmental responsibility within the business community.

Further to strengthen consumer protection, the CCPA issued the “Guidelines for Prevention and Regulation of Dark Patterns, 2023” on 30th November 2023. These guidelines address and regulate 13 specific dark patterns identified in the e-commerce sector, aiming to prevent deceptive practices that mislead consumers.

Also, CCPA has issued Guidelines for Prevention of Misleading Advertisement in Coaching Sector, 2024 on 13th November, 2024 in order to prevent coaching centers from making false or misleading claims/advertisements to promote the sale of goods or service and engage in deceptive or unfair practices.

As per Section 21(2) of the Consumer Protection Act, 2019, in case of false or misleading advertisement, the CCPA may impose penalty on manufacturer or endorser upto Rs. 10 lakhs and Rs 50 lakhs in case of repeated violations.

Bureau of Indian Standards (BIS) introduced the framework on ‘Online Consumer Reviews — Principles and Requirements for their Collection, Moderation, and Publication’ on 23rd November 2022. This framework safeguards consumer interests by addressing fake and deceptive reviews in e-commerce. While the standards are voluntary, they apply to all online platforms that publish consumer reviews and are guided by principles such as integrity, accuracy, privacy, security, transparency, accessibility, and responsiveness.
