

# **Guidelines to Curb Unfair Advertisements**

For Prelims: Consumer Protection Act, 2019, Initiatives for Consumer Protection

For Mains: New Guidelines to Curb Unfair Advertisements and Significance, CCPA

### Why in News?

The **Central Consumer Protection Authority (CCPA)** recently issued guidelines to prevent false or misleading advertisements.

## What is Central Consumer Protection Authority?

- About:
  - CCPA is a regulatory body established in 2020 based on the provisions of the <u>Consumer Protection Act, 2019.</u>
  - CCPA works under the administrative control of the Ministry of Consumer Affairs.
- Objective:
  - To promote, protect and enforce the rights of consumers as a class.
  - To conduct investigations into violation of consumer rights and institute complaints/prosecution.
  - To order the recall of unsafe goods and services, discontinuation of unfair trade practices and misleading advertisements.
  - To impose penalties on manufacturers/endorsers/publishers of misleading advertisements.

### What are the Guidelines?

- Non-misleading and valid Advertisements.
  - An advertisement can be considered non-misleading if it contains true and honest representation of goods and does not exaggerate the accuracy, scientific validity or practical usefulness or capability.
  - In case of unintentional lapse, the advertisement may still be considered as valid if the advertiser has taken prompt action in letting the consumer know the deficiency.
- Surrogate Advertisements:
  - Surrogate advertisement" refers to the advertisement of goods in the shadow of other goods.
    - For example, the advertisement of tobacco in the garb of pan masala.
  - No surrogate advertisement or indirect advertisement shall be made for goods or services whose advertising is otherwise prohibited or restricted by law.
  - No circumventing of such prohibition or restriction and portraying it to be an advertisement for other goods or services shall be allowed.
- Advertisements Targeting Children:

- Advertisements that condone, encourage, inspire or unreasonably emulate behaviour that could be dangerous for children or take advantage of children's inexperience, credulity or sense of loyalty etc. have been prohibited.
- It goes without saying that advertisements tend to influence children's buying behaviour and encourage them to consume unhealthy goods, or develop negative feelings toward healthy goods.

#### Disclaimers in Advertisements:

- The guidelines have also introduced the need to have "disclaimers in advertisements" to clarify a claim made in such advertisement or make qualifications or resolve ambiguities therein in order to explain such claim in further detail.
- Moreover, the advertiser must not "attempt to hide material information with respect to any claim made in such advertisement, the omission or absence of which is likely to make the advertisement deceptive or conceal its commercial intent".

#### • Duties:

- The guidelines also impose duties on the manufacturers, service providers and advertising agency to not claim and make comparisons in an advertisement which relate to matters of objectively ascertainable facts.
- Moreover, the advertisement must be framed to gain the trust of the consumers and not to "abuse the trust of consumers or exploit their lack of experience or knowledge".

### What is the Significance of the Guidelines?

- The guidelines are pathbreaking because they fill significant consumer protection gaps while explicitly outlining advertiser duties.
- The guidelines also try to discourage the promotion of illogical consumerism aimed at children.
- The problem of misleading, bait, surrogate and children-targeted advertisement has festered without respite for far too long.
- The guidelines perform an essential function in bringing the Indian regulatory framework at par with international norms and standards.
- The guidelines are momentous in empowering customers against mischievous advertisers.
- The guidelines mention the conditions for defining a "non-misleading and valid" advertisement instead of defining what constitutes a misleading or invalid advertisement. This reduces the scope for exploitation of loopholes.
- The challenges in the enforcement of existing advertisement regulations have also been addressed by the guidelines through the imposition of stringent penalties.

## What are the Initiatives for Consumer Protection?

- Consumer Welfare Fund
- Central Consumer Protection Council
- Consumer Protection Rules, 2021
- Consumer Protection (E-Commerce) Rules, 2020
- National Consumer Day

**Source: TH**