

## White Paper on Consumer Grievance Redressal 2.0

### Background and Context

The e-commerce industry in India has advanced exponentially, especially since the global pandemic. This has also significantly impacted consumer behaviour. With increased traffic on e-commerce platforms, enhancing user experience is imperative. Platforms need to address issues such as transparency, privacy, consumer safety, and effective and consumer friendly consumer grievance redressal. All these are necessary to engender consumer trust in the digital economy.

A recent primary study to present a eConsumer Welfare Index, 'Consumer Grievance Redressal' got the lowest score inferring significant scope for its improvement. The study discovered that customers' expectations for improved grievance redressal were relatively high, and that an increase in its score would further raise overall consumer welfare. The importance of consumer grievance redressal has also been recognised by platforms and governments, which are bestowing high priority to this. There is a need, therefore, to evaluate the efficacy of the existing grievance redressal mechanisms, including recently introduced changes. There is also a need for presenting the contours of a futuristic new age grievance redressal mechanism building upon such evaluation.

The current e-commerce platforms are governed by the Consumer Protection Act, 2019 and the rules framed there under, including the Consumer Protection (ECommerce) Rules, 2020. There is a National Consumer Helpline (NCH), where consumers can lodge complaints via phone, SMS or applications. Reportedly, about 48 percent of the complaints filed on the National Consumer Helpline during January-August 2022 were against e-commerce entities in comparison to a mere 8 percent in 2019. This indicates a six fold increase in three years.

Recently, The Ministry of Consumer Affairs has launched a new chatbot in collaboration with the chat company WhatsApp and the messaging platform Gupshup. The new chatbot aims to simplify the process of filing consumer complaints and is part of the government's commitment to safeguarding consumer rights and needs. The new chatbot eliminates the hassle of calling up the NCH, visiting the NCH app, or logging in to the consumer helpline portal to register a complaint. With WhatsApp, filing a complaint has become faster and easier. Moreover, the Department of Consumer Affairs has launched a portal called the Integrated Grievance Redressal Mechanism (INGRAM), which brings all stakeholders together on a single platform to resolve consumer complaints and serve as a central registry for filing consumer complaints. However, the efficacy of these initiatives, forming the current consumer grievance redressal mechanism, need to be assessed.

Hence, the first leg of the problem is to study and examine the existing state of affairs in India's consumer grievance redressal mechanism, with a special focus on the online component, including a gap analysis. This would be followed by an analysis of the international best practices with respect to online dispute resolution of consumer grievances. The second leg of the problem is to clarify the roles and responsibilities of various stakeholders such as platforms, business suppliers, government agencies/regulators, and also consumers with respect to consumer grievance redressal. On these lines, a whitepaper will be released that will provide contours of a new age grievance redressal mechanism – Consumer Grievance Redressal 2.0 – that will be beneficial to today's e-consumers.

### Objectives

With this background, CUTS International is implementing this project with the following objectives:

- Enrich the discourse on new age consumer grievance redressal mechanism, by adopting a multi-stakeholder perspective on best practices and principles on the subject,
- Enhance ease of dispute settlement for e-consumers, and
- Enable better informed and capacitated e-consumers

## Methodology

The project will use the following methodology to achieve above mentioned objectives:

- **Desk Research:** Comprehensive literature review will be conducted on the subject. This shall include the analysis of existing literature on consumer grievance redressal in the Indian and international context, relevant laws and regulations such as international consumer law.
- **Primary Research:** Qualitative analysis of data gathered from stakeholder consultations. A questionnaire targeted at different stakeholders would be prepared. To administer

this questionnaire, virtual consultations will be undertaken with different stakeholders such as: Government officials, regulators, consumer organisations and activists, domain experts, e-commerce platforms, business suppliers on platforms.

## Project Outputs and Duration

The following outputs are expected to be prepared as a part of the project.

- 1) A whitepaper on Consumer Grievance Redressal 2.0 containing the findings of the research agenda
- 2) A panel discussion with key experts to disseminate the whitepaper
- 3) A presentation highlighting the main findings and recommendations from the whitepaper
- 4) An op-ed based on the research findings and recommendations from the whitepaper

The project duration is three months.

