

Faulty pressure cooker - Amazon to pay penalty of Rs 1 lakh

By TIOL News Service

NEW DELHI, AUG 04, 2022: CCPA

is continuously monitoring the consumer protection landscape in the country. Recently, CCPA issued advisory to all e-commerce platforms with regard to sale of Ayurvedic, Siddha and Unani drugs containing ingredients as listed in Schedule E(1) of Drugs and Cosmetics Rules highlighting that sale or facilitation of sale of such drugs shall be done only after a valid prescription of a registered medical practitioner is uploaded by the user on the platform.

CCPA has also recently issued Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements. The guidelines include conditions for valid and non-misleading advertisements, due diligence required for endorsement of advertisements and considerations for advertisements targeted at children.Â Â

CCPA has also issued Safety Notices under Section 18(2)(j) of the Act to alert and caution consumers against buying goods which do not hold valid ISI Mark and violate compulsory BIS standards. While the first Safety Notice was issued with regard to Helmets, Pressure Cookers and Cooking gas cylinders, the second Safety Notice was issued with regard to household goods including electric immersion water heaters, sewing machines, microwave ovens, domestic gas stoves with LPG etc.

The Central Consumer Protection Authority, headed by Chief Commissioner Mrs. Nidhi Khare, recently passed order against violation of consumer rights by Amazon e-commerce platform for allowing sale of domestic pressure cookers in violation to mandatory standards prescribed by the on its e-commerce platform.

It may be mentioned that CCPA had initiate suo-moto action against e-commerce platforms for sale of domestic pressure cookers in violation to compulsory standards on its e-commerce platforms. CCPA had issued notices to major e-commerce platforms including Amazon, Flipkart, Paytm Mall, Shopclues and Snapdeal as well as to the sellers registered on these platforms.

After examination of the response submitted by the company, it was observed that total 2,265 pressure cookers not conforming to mandatory standards were sold through Amazon after notification of the QCO. The total fee earned by the Amazon on sale of such pressure cookers through its platform was Rs.6,14,825.41.

Amazon admitted that it earned 'sales commission' fee for the pressure cookers sold on its platform. It was observed by CCPA that when Amazon earns commercially from each sale of the product listed on its e-commerce platform, it can not disassociate itself in case of issues arising from sale of products through its platform.Â

In the order, CCPA directed Amazon to notify all consumers of the 2,265 pressure cookers sold on its platform, recall the pressure cookers and reimburse their prices to the consumers and submit a compliance report of the same within 45 days. The company was also directed to pay a penalty of Rs. 1,00,000 for allowing sale of pressure cookers in violation to the QCO on its platform and violating rights of consumers.

It may be mentioned that CCPA had passed similar order of penalty and recall of defective pressure cookers against Paytm Mall, which has complied with direction passed by CCPA and deposited the penalty of Rs.1,00,000.