











ECONOMIC
LAWS
PRACTICE
ADVOCATES & SOLICITORS



CONSUMER LAWS & THE HOSPITALITY SECTOR

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Query	Response
 <p>Who is a “consumer” for the purposes of a hotel/ hospitality services? Who is excluded from such scope?</p>	<ul style="list-style-type: none"> ▪ Any person who hires or avails any service for consideration would be understood as a consumer. ▪ Consumer also includes any beneficiary of such a service - when the service is used with the approval of the person. For e.g. even if the guests have not paid for the services themselves, they will still qualify as a “consumers” of such a service. ▪ However, a person who avails goods or services for commercial purpose (other than self-employment) is excluded.
 <p>What are the key obligations for a hotel under the Consumer Protection Act, 2019?</p>	<p>The hotel should not:</p> <ul style="list-style-type: none"> ▪ Engage in unfair trade practices ▪ Be deficient in providing their service ▪ Publish false and misleading advertisements regarding the services provided by them. ▪ Have unfair terms and conditions/contracts which cause significant change in the rights of such a consumer
 <p>What are some of the instances which can be considered as unfair trade practice on part of the hotel?</p>	<p>Some instances include:</p> <ul style="list-style-type: none"> ▪ Falsely representing that the services are of a particular standard, quality, or grade ▪ Offering gifts, prizes, or other items with the intention of not providing them as offered/ creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged, in the transaction as a whole ▪ Not issuing a bill or cash memo or receipt for the services rendered in such a manner as may be prescribed ▪ Disclosing to other person any personal information given in confidence by the costumer unless such disclosure is made in accordance with the provisions of any law for the time being in force
 <p>What are some of the instances of deficiency of service by hotels?</p>	<ul style="list-style-type: none"> ▪ Unilateral cancellation of rooms ▪ Changing of tour packages at the last minute ▪ Breach of duty of care in relation to providing swimming pool facilities by not assigning necessary lifeguard on duty ▪ Injury/ loss caused while obtaining certain services within the hotel premises
 <p>Whether a consumer action can lie against deficiency in case of complimentary services provided by the hotel, like valet parking, etc.?</p>	<ul style="list-style-type: none"> ▪ Yes, an action may lie against deficiency in providing complimentary services by a hotel if such liability arises out of the negligence of the hotel ▪ As an illustration - in case complimentary valet parking services - the hotel must take additional steps to guard against situations which may result in wrongful loss or damage to the car, failing which, the hotel may be held responsible for deficiency in services.
 <p>What is a misleading advertisement?</p>	<ul style="list-style-type: none"> ▪ Any advertisement or promotion through television, radio, or any other electronic media or newspapers etc. to falsely describe the nature, characteristics, qualities or geographic

	<p>origin of goods, services, or commercial activities so as to mislead the consumer could be broadly defined as a misleading advertisement. E.g. a claim that the Hotel is the best hotel in the country without the backing of any such accreditation from an established rating agency would constitute as a misleading advertisement.</p>
 <p>What constitutes an unfair contract between a customer and a hotel?</p>	<ul style="list-style-type: none"> ▪ Any contract which causes significant imbalance between the hotel and the rights of the consumer to the detriment of the consumer ▪ Some examples of terms which can be seen to cause significant change in the rights of such consumer include: <ul style="list-style-type: none"> - Requiring excessive security deposits from the customer for the performance of a contract - Unilateral termination of a contract without reasonable cause - Imposition of excessive and disproportionate charges/penalties on the customer
 <p>In case the hotel has a website allowing online booking, what are the key details which are required to be disclosed on the website?</p>	<p>The website should disclose in clear and accessible terms and prominently display to customers:</p> <ul style="list-style-type: none"> ▪ Accurate information related to return, refund and mode of payments ▪ A grievance redressal mechanism ▪ Information on available payment methods, the security of those payment methods, the procedure to cancel regular payments under those methods, any fees or charges payable by customers, charge back options, if any, and the contact information of the relevant payment service provider ▪ All contractual information required to be disclosed by law ▪ Total price in single figure of any good or service along with the breakup price for the good or service, showing all the compulsory and voluntary charges, such as delivery charges, postage and handling charges, conveyance charges and the applicable tax ▪ A ticket number for each complaint lodged, through which the consumer can track the status of their complaint ▪ Any other similar information which may be required by customers to make informed decisions.

We hope you have found the information helpful. For further details please reach out to the author:

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