



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 “consumer” 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 an 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 any other person, personal information given in confidence by the customer unless such disclosure is made in accordance with the provisions of the law
 <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 of 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.

Query	Response
 <p>What is a misleading advertisement?</p>	<ul style="list-style-type: none"> ▪ "Misleading Advertisement" in relation to any product or service, means an advertisement, which <ul style="list-style-type: none"> - falsely describes the product or service; or - gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of the product or service; or - 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 - deliberately conceals important information. ▪ 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>What are the key conditions for a non-misleading and valid advertisement under the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 (Guidelines)?</p>	<p>While the Consumer Protection Act, 2019 contains a definition of "misleading advertisement", these Guidelines clarify the concept further and lay down an indicative list of elements which possibly constitutes a valid advertisement.</p> <p>A valid advertisement:</p> <ul style="list-style-type: none"> ▪ Includes truthful and honest representations; ▪ Does not mislead consumers by exaggerating the accuracy, scientific validity or practical usefulness or capability or performance or service of the goods or product; ▪ Does not provide/offer as a distinctive feature any rights conferred on consumers by any law; ▪ Does not suggest any false claims about the advertisement being universally acceptable if there is a significant division of informed or scientific opinion pertaining to such claims; ▪ Does not mislead the consumer about the risk to its personal security or that of their family in case they fail to purchase the advertised goods/product/service; ▪ Complies with the provisions contained in any other sector specific law and the rules and regulations made thereunder.
 <p>What are the key stipulations on disclaimer as given under Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022?</p>	<p>The disclaimers shown in an advertisement shall not contradict the material claim made in the advertisement or the main message conveyed by the advertiser. It should not attempt to hide or conceal a material information - which if provided - is likely to make the advertisement deceptive or conceal its commercial intent. The Guidelines also mention certain requirements to be fulfilled by a disclaimer such as the following:</p> <ul style="list-style-type: none"> ▪ The font used in a disclaimer shall be the same as that used in the claim; ▪ The disclaimer shall be at a prominent and visible place on the packaging; ▪ In case the claim is presented as voice over, the disclaimer shall be displayed in sync with the voice over and at the same speed as that of original claim made in the advertisement.

Query	Response
 <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 goods or service along with the breakup price for the goods or service, showing all the compulsory and voluntary charges as well as 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(s):

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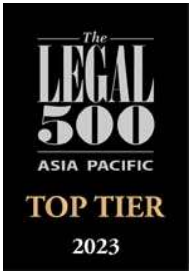



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AWARDS & ACHIEVEMENTS

 <p>Top 10 Law Firm 2019 Economic Laws Practice</p>		 <p>Highly Recommended for Competition/Antitrust: GCR100 2023 Edition</p>	
<p>IBJ</p>  <p>INDIA BUSINESS LAW JOURNAL AWARD WINNING LAW FIRM 2022 LAW ASIA</p> <p>Law Firm of the Year for:</p> <ul style="list-style-type: none"> ▪ Taxation ▪ International Trade ▪ Policy & Regulation  <p>INDIA BUSINESS LAW JOURNAL — Deals of the Year 2016 — DEALMAKER</p> <p>Mergers & Acquisition Deal of the Year for India leg of global joint venture between, Johnson Controls Inc., Hitachi, Ltd. and Hitachi Appliances, Inc., for air conditioning business</p>	<p>IFRL 1000</p>  <p>IFLR1000 Asia-Pacific 32nd Edition</p> <p>2022 RANKINGS</p> <p>Highly Recommended for:</p> <ul style="list-style-type: none"> ▪ Banking & Finance ▪ Capital Markets ▪ Corporate & M&A <ul style="list-style-type: none"> ▪ Energy ▪ Infrastructure ▪ Private Equity ▪ Project Finance ▪ Restructuring & Insolvency ▪ Telecommunications <ul style="list-style-type: none"> ▪ Transport 	<p>Chambers Asia-Pacific</p>  <p>Chambers TOP RANKED Global 2023 Economic Laws Practice</p> <p>Top Tier Firm in India for:</p> <ul style="list-style-type: none"> ▪ Tax ▪ WTO/ International Trade <p>Ranked for:</p> <ul style="list-style-type: none"> ▪ Banking & Finance ▪ Competition & Antitrust ▪ Dispute Resolution <ul style="list-style-type: none"> ▪ Projects, Infrastructure & Energy <ul style="list-style-type: none"> ▪ Private Equity ▪ Corporate & M&A <p>Spotlight Table: International Cross Border Capabilities</p>	<p>The Legal500 Asia Pacific</p>  <p>The LEGAL 500 ASIA PACIFIC TOP TIER 2023</p> <p>Top Tier Firm in India for:</p> <ul style="list-style-type: none"> ▪ Dispute Resolution ▪ Projects and Energy <ul style="list-style-type: none"> ▪ Tax ▪ WTO/ International Trade ▪ Antitrust & Competition ▪ Corporate and M&A <p>Highly Recommended for:</p> <ul style="list-style-type: none"> ▪ Banking and Finance <ul style="list-style-type: none"> ▪ Capital Markets ▪ Investment Funds ▪ Real Estate and Construction <ul style="list-style-type: none"> ▪ TMT
<p>GAR100</p>  <p>One of the world's top specialist arbitration firms, and amongst the only two firms in India that have been recognized and recommended for arbitration expertise.</p> <p>Asian Legal Business</p>  <p>Tier 1 Firm for M&A in India</p>	<p>Asialaw Client Service Guide</p>  <p>Ranked as the Best Banking & Finance Team in India</p> <p>Top Law Firm in India by Forbes Legal Powerlist</p>  	<p>Asialaw Profiles</p> <p>ASIALAW PROFILE RANKINGS 2022</p> 	
		<p>Outstanding Firm for Tax</p> <p>Highly Recommended for:</p> <ul style="list-style-type: none"> ▪ Banking & Finance ▪ Competition & Antitrust ▪ Dispute Resolution ▪ Energy & Natural Resources ▪ Projects & Infrastructure ▪ Regulatory ▪ Restructuring & Insolvency 	<p>Recommended for:</p> <ul style="list-style-type: none"> ▪ Capital Markets ▪ Construction ▪ Corporate/M&A ▪ Private Equity <p>Recognized for:</p> <ul style="list-style-type: none"> ▪ Real Estate
			<p>Notable for:</p> <ul style="list-style-type: none"> ▪ Investment Funds ▪ Financial Services ▪ Technology & Telecommunications



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