

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, ERNAKULAM**

Dated this the 30th day of May 2024.

Filed On: 02.12.2022

**PRESENT**

Shri. D.B. Binu - President  
Shri. V. Ramachandran - Member  
Smt. Sreevidhia T.N - Member

**CC No.547/2022****COMPLAINANT:**

Anil Kumar T S, S/O Salimkumar T P, Thoppil H), Near North Village Office,  
AIMS P O Ponekkara, Edappally, Ernakulam-682014, Mob: 3020088249,

V/s

**OPPOSITE PARTY:**

Myntra Designs Private Limited, Buildings Alyssa, Begonia and Clover,  
Situating in Embassy Tech Village, Vathur Hobli, Bengaluru-560103

(Adv.K.S.Arundas #35, DD Oceana Ma'll, Near Taj Gate Way Hotel, Marine Drive,  
Ernakulam-682 031)

**FINAL ORDER****D.B. Binu, President:**

1) A brief statement of facts of this complaint is as stated below:

The complaint was filed under Section 35 of the Consumer Protection Act, 2019. The complainant credited Rs. 5000 to Myntra Credit for a purchase which was subsequently cancelled due to a technical issue. Upon contacting Myntra's customer care, the complainant was informed that their account was suspended, and a complaint was registered on November 22, 2022. Myntra assured that the issue would be resolved by November 24, 2022, but it remains unresolved as of November 29, 2022. The complainant also requested to transfer the credited amount to a friend's Myntra account or to their own bank account, both of which were denied on the grounds that Myntra credit is non-transferable. This situation has caused the complainant to waste significant time and energy over the past week, leading to mental distress as

the order was necessary for work-related purposes and was required by December 1, 2022. Although an alternative order was placed from a different site, it will not arrive until December 2, 2022. The complainant is seeking a refund of the Rs. 5000 credited to Myntra Credit.

2) Notice:

The Commission sent notice to the opposite party, who subsequently appeared and submitted their version.

3) The Version of the Opposite Party:

The Opposite Party denies all allegations made by the complainant. Myntra asserts that the complaint is baseless, lacks merit, and should be dismissed. Myntra operates as an online marketplace, facilitating transactions between independent buyers and sellers, and cannot be held liable for the acts of sellers on its platform. The Opposite Party stated that it is an intermediary under Section 2(1)(w) of the Information Technology Act, 2000, and is protected by Section 79 of the same act, which exempts intermediaries from liability for third-party information or transactions provided they observe due diligence. The Opposite Party also cites compliance with the Consumer Protection (E-commerce) Rules, 2020, which further supports its exemption from liability. The complainant's account was suspended as per Myntra's terms and conditions, which state that Myntra credits earned through goodwill, loyalty programs, or gift cards are non-transferable and can be forfeited if an account is terminated. The Opposite Party claims it has escalated the complainant's grievance to its finance team and attempted to resolve it, but maintains that the credits were purchased from a third-party source (B2B eGift Card), and thus, Myntra is not responsible for the refund. The Opposite Party contends that it has always complied with the relevant laws and regulations and that any contracts of sale on its platform are between the buyer and the seller, not involving Myntra directly. The complaint, according to Myntra, is an attempt to gain undue enrichment and lacks substantial evidence of any deficiency in service by Myntra. Therefore, Myntra requests the commission to dismiss the complaint with exemplary costs awarded to Myntra.

#### 4) Evidence:

The complainant filed a proof affidavit and two documents and one M.O. that were marked as Exhibits A1 to A3(M.O).

Exhibit A1: Printout of screenshots from the mobile phone regarding payment, etc.

Exhibit A2: Printout of screenshots from the mobile phone.

Exhibit A3(M.O): Video screen recording submitted via pen drive.

The Opposite Party filed two documents that were marked as Exhibits B1 and B2.

Exhibit B1: Copy of the resolution passed by the Board of Directors

Exhibit B2: Copy of the contents posted on the platform

#### 5) The main points to be analyzed in this case are as follows:

- i) Whether the complaint is maintainable or not?
- ii) Whether there is any deficiency in service or unfair trade practice from the side of the opposite party to the complainant?
- iii) If so, whether the complainant is entitled to get any relief from the side of the opposite party?
- iv) Costs of the proceedings, if any?

#### 6) The issues mentioned above are considered together and answered as follows:

In the present case in hand, as per Section 2(7) of the Consumer Protection Act, 2019, a consumer is a person who buys any goods or hires or avails of any services for a consideration that has been paid or promised or partly paid and partly promised, or under any system of deferred payment. Print out of screen shots from mobile phone regarding payment etc (Exhibit A1). Hence, the complainant is consumer as defined under the Consumer Protection Act, 2019 (Point No. i) goes against the opposite party.

The complainant filed a complaint after crediting Rs. 5000 to Myntra Credit for a purchase that was cancelled due to a technical issue. Despite contacting Myntra's customer care and being assured resolution by November 24, 2022, the issue remains unresolved. Requests to transfer the credited amount to another Myntra account or to a bank account were denied, causing the complainant mental distress and inconvenience. The complainant seeks a refund of the Rs. 5000 credited to Myntra Credit.

#### Summary of Arguments Submitted by the Complainant

The complainant presents the case of an aggrieved consumer who suffered due to the negligent actions of the respondent, Myntra. The consumer purchased gift cards from GYFTR with the intention of using them on the Myntra platform. However, despite their genuine efforts to engage in a transaction, they encountered several insurmountable obstacles. The funds were credited to the Myntra credit wallet, but attempts to use these funds were thwarted by recurring technical issues on the Myntra platform. Despite multiple attempts, the consumer's orders were consistently cancelled due to purported technical glitches.

Furthermore, the consumer was unjustly locked out of their Myntra account with a notification stating, "Your account is deactivated for security reasons, please contact customer care for more information." This action deprived the consumer of access to their account and any remaining funds, exacerbating the injustice.

Despite lodging a complaint with Myntra customer care, seeking resolution and restitution, the response from Myntra was inadequate and unresponsive. The issue remains unresolved, leaving the consumer without recourse.

The complainant seeks restitution of the credited funds to the consumer's bank account, appropriate compensation for the inconvenience, frustration, and distress caused by Myntra's actions, and punitive measures to deter similar misconduct in the future. The complainant urges the court to

adjudicate the matter with due diligence and impartiality, ensuring consumer rights are safeguarded and justice prevails.

Summary of Arguments Submitted by the Counsel for Opposite Party:

The opposite party denies all allegations made by the complainant, asserting that the complaint, which concerns a Rs. 5000 credit vouchers purchased from B2B eGift Card, is baseless and should be dismissed. The complainant's account was blacklisted according to Myntra's terms and conditions, and Myntra, acting as an intermediary, escalated the issue to its Finance team but cannot be held liable for the actions of third-party sellers. Myntra emphasizes its role as an online marketplace and intermediary, protected under Section 79 of the Information Technology Act, 2000, which exempts intermediaries from liability for third-party actions. Several legal precedents support Myntra's position, including rulings from the Supreme Court, Delhi High Court, and Karnataka High Court, which affirm that intermediaries are not liable for vendor actions on their platforms. Myntra argues that the complainant has not provided substantial evidence of any deficiency in service and has filed the complaint with malafide intentions. Consequently, the opposite party requests the dismissal of the complaint with exemplary costs.

We have meticulously considered the detailed submissions of both parties, as well as thoroughly reviewed the entire record of evidence.

SECTION 5 OF THE CONSUMER PROTECTION (E-COMMERCE) RULES, 2020, Liabilities of marketplace e-commerce entities,

“(3) Every marketplace e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users at the appropriate on its platform:

(c) information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, and grievance redressal mechanism, and any other similar

information which may be required by consumers to make informed decisions;

(d) information on available payment methods, the security of those payment methods, any fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider;”

Every marketplace e-commerce entity must clearly and prominently display information on its platform regarding return, refund, exchange, warranty, guarantee, delivery, shipment, modes of payment, and grievance redressal mechanisms. Additionally, they must provide details on available payment methods, security measures for those methods, any applicable fees or charges, procedures to cancel regular payments, charge-back options, and contact information for relevant payment service providers. This ensures consumers have all necessary information to make informed decisions.

#### Legal Reasoning and Analysis:

Under Section 5 of the Consumer Protection (E-commerce) Rules, 2020, every marketplace e-commerce entity must provide clear and accessible information regarding return, refund, exchange, warranty, guarantee, delivery, shipment, modes of payment, and grievance redressal mechanisms. Additionally, they must provide details on available payment methods, security measures, fees or charges, procedures to cancel regular payments, charge-back options, and contact information for relevant payment service providers. Myntra's failure to resolve the issue within the promised timeframe and to provide a clear resolution mechanism constitutes a deficiency in service.

- The Hon'ble Supreme Court in *Ravneet Singh Bagga v. KLM Royal Dutch Airlines* (2000) 1 SCC 66, emphasized that the deficiency in service includes any fault, imperfection, shortcoming, or inadequacy in

the quality, nature, and manner of performance required by a person in pursuance of a contract or otherwise in relation to any service.

The intermediaries are exempt from liability for third-party actions. However, they are not exempt from their own actions or failures to provide due services directly to consumers.

Upon reviewing the evidence and arguments presented by both parties, it is evident that the opposite party failed to resolve the issue within the promised timeframe and did not provide adequate customer service to address the complainant's concerns. The complainant's evidence (Exhibits A1, A2) and Exhibit A3(M.O) support the claim of unresolved issues and the resultant inconvenience and mental distress. Exhibit A3(M.O), a video screen recording submitted via pen drive, was also viewed by the commission.

Liability of the Opposite Party:

Based on the evidence and the applicable legal provisions, it is clear that the opposite party failed to resolve the issue within the promised timeframe, leading to a deficiency in service. The non-transferability of the credits, as per Myntra's terms and conditions, does not absolve the opposite party from ensuring fair resolution and proper communication with the consumer.

We determine that issue numbers (i) to (iv) are resolved in the complainant's favour due to the significant service deficiency and the unfair trade practices on the part of the opposite party. Consequently, the complainant has endured considerable inconvenience, mental distress, hardships, and financial losses as a result of the negligence of the opposite party.

In view of the above facts and circumstances of the case, we are of the opinion that the opposite party is liable to compensate the complainant.

Hence, the prayer is allowed as follows:

- I. The Opposite Party is directed to refund ₹5,000 (Rupees Five Thousand Only) credited to the complainant's Myntra Credit.
- II. The Opposite Party is directed to pay ₹10,000 (Rupees Ten Thousand Only) as compensation for the mental distress and inconvenience caused to the complainant.
- III. The Opposite Party is also directed to pay ₹5,000 (Rupees Five Thousand Only) towards the costs of litigation.

The Opposite Party is liable for the fulfilment of the above orders, which must be executed within 45 days from the date of receiving this order. Should there be a failure to comply within the stipulated period, the amounts detailed in Points I and II will accrue interest at an annual rate of 9% from the date of filing of the case (02.12.2022) till the date of realization.

Pronounced in the Open Commission on this 30<sup>th</sup> day of May 2024.

Sd/-

D.B.Binu, President

Sd/-

V.Ramachandran, Member

Sd/-

Sreevidhia.T.N, Member

Forwarded by Order

Assistant Registrar