



Ministry of Consumer Affairs, Food & Public Distribution

Central Consumer Protection Authority Issues Guidelines for “Prevention of Misleading Advertisement in Coaching Sector”

Guidelines prevent coaching centers from making false or misleading claims/advertisements promoting sale of goods or service and engage in deceptive/unfair practices

CCPA takes suo moto action against 45 coaching centers; imposes penalty of Rs. 54,60,000 on 18 coaching institutes for misleading advertisements

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In a significant move to protect the rights of consumers and maintain transparency in the coaching sector, the Central Consumer Protection Authority (CCPA) has issued comprehensive guidelines to address the issue of misleading advertisements in the coaching sector.

‘Guidelines for Prevention of Misleading Advertisement in Coaching Sector, 2024,’ aim to safeguard students and the public from deceptive marketing practices commonly employed by coaching centers, shared Smt. Nidhi Khare, Chief Commissioner CCPA and Secretary, Department of Consumer Affairs, Government of India while interacting with media on the subject here today.



A committee was chaired by the then Chief Commissioner CCPA was constituted on *Guidelines for Prevention of Misleading Advertisement in Coaching Sector* and included the representative from the organizations namely Central Consumer Protection Authority, Department of Personnel & Training, Ministry of Education, Lal Bahadur Shastri National Academy of Administration (as a special invitee), National Law University (NLU) Delhi, Law firm and Industry stakeholders.

There was general consensus among committee members that CCPA should come with Guidelines for prevention of misleading advertisement in coaching sector. After adequate deliberations the committee submitted its suggestions. Based on the suggestion of the committee the CCPA placed the Draft Guidelines for public comments on 16th February 2024. Public suggestions were received from 28 various stakeholders including Ministry of Education, Bureau of Indian Standards (BIS), ALLEN Career Institute Private Ltd., India Tech Consortium and Internet & Mobile Association of India (IAMAI), FIITJEE, Career360 coaching platform, Chirravuri Research Foundation for Human and Global Reforms, Civic Innovation Foundation, Wadhvani Foundation and Consumer Education & Research Centre (CERC)



Some of the important definition in the Guidelines are as follows:-

- i. "Coaching" includes academic support, imparting education, guidance, instructions, study programme or tuition or any other activity of similar nature but does not include counselling, sports, dance, theatre and other creative activities;
- ii. "Coaching Center" includes a center, established, run, or administered by any person(s) for providing coaching to more than fifty students;
- iii. "Endorser" shall have the same meaning as provided under clause 2(f) of the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022;

These guidelines are drafted in the wake of growing concerns about false/misleading claims, exaggerated success rates, and unfair contracts that coaching institutes often impose on students. Such practices have been found to mislead students, influencing their decisions by concealing important information, giving false guarantee etc.

The guidelines will apply to every person engaged in coaching, meaning not just the coaching centers, but also any endorsers or public figures promoting their services through advertisements. Endorsers, who lend their name or reputation to coaching centers, will now be responsible for ensuring that the claims they endorse are accurate and truthful. Endorsers who endorse coaching institutes must verify the claims they are promoting. If they support false success rates or misleading guarantees, they will be held accountable alongside the coaching centres.

Some of the Key Highlights of the Guidelines:

- i. **Regulation of Advertisements:** The guidelines explicitly prohibit coaching institutes from making false claims related to:
 - a. The courses offered, their duration, faculty qualifications, fees, and refund policies.
 - b. Selection rates, success stories, exam rankings, and job security promises.
 - c. Assured admissions, high exam scores, guaranteed selections or promotions.



- ii. **Truthful Representation:** Misleading representations about the quality or standard of their services are strictly prohibited. Coaching institutes must accurately represent their infrastructure, resources, and facilities.
- iii. **Students' Success Stories:** In a notable move, the guidelines reportedly will prevent coaching centers from using students' names, photos, or testimonials in advertisements without their written consent—and importantly, this consent must be obtained only after the student's success. This provision is intended to reduce the pressure student's face when enrolling, as they are often pushed into signing such agreements upfront.
- iv. **Transparency and Disclosure:** Coaching centers will need to disclose important information, such as the name, rank, and course details alongside the student's photo in an advertisements. Whether the course was paid for by the student that too must be clearly stated. Additionally, any disclaimers will need to be prominently displayed, with the same font size as other important details, ensuring that consumers are not misled by fine print.
- v. **No Creation of False Urgency:** The guidelines will reportedly target the common tactic used by any person engaged in coaching i.e. creating a false sense of urgency or scarcity, such as implying limited seats or exaggerated demand, to pressure students into making immediate decision.
- vi. **Convergence with National Consumer Helpline:** Every coaching center will be required to partner with the National Consumer Helpline, making it easier for students to raise concerns or complaints regarding misleading advertisements and unfair trade practices.
- vii. **Fair Contracts:** The guidelines are also said to address the issue of unfair contracts that students are often enter into with coaching centers. Coaching institutes will no longer be allowed to use successful candidate's photographs, names, or testimonials without post-selection consent. This provision is intended to eliminate the pressure that many students face when enrolling in coaching centers.
- viii. **Enforcement and Penalties:** Any violation of these guidelines will be treated as a contravention of the Consumer Protection Act, 2019. The Central Authority has the power to take stringent actions against offenders, including imposing penalties, ensuring accountability, and preventing further occurrences of such deceptive practices.



Smt. Khare, emphasized that CCPA seeks to work closely with industry stakeholders, consumer organizations, and regulatory bodies to ensure effective implementation and compliance with the guidelines in the interest of consumers and public. She further stated that misleading advertisement in coaching sector will be governed as per Consumer Protection Act, 2019 and the guidelines will bring clarity to the stakeholders and protect consumer interests. These guidelines are a crucial step in preventing the exploitation of students and ensuring

that they are not misled by false promises or compelled into unfair contracts benefiting both consumers and the broader educational ecosystem. The *Guidelines for Prevention of Misleading Advertisement in Coaching Sector, 2024* are expected to bring much-needed transparency and fairness to the sector, ensuring that students and their families can make informed decisions based on truthful information. These guidelines will be in addition to any existing regulations, enhancing the overall regulatory framework governing advertisements in the coaching sector.

CCPA had taken suo moto action against misleading advertisement by coaching centers. In this regard, CCPA has issued 45 notices to various coaching centers for misleading advertisement. The CCPA has imposed a penalty of 54 lakhs 60 thousands on 18 coaching institutes and directed them to discontinue the misleading advertisements.

Department of Consumer Affairs through the National Consumer Helpline (NCH) has successfully intervened at a pre-litigation stage to ensure justice for students and aspirants who enrolled for the UPSC Civil Services, IIT and other entrance examinations. The total numbers of grievances registered by the students in the year 2021-2022 are 4,815 followed by year 2022-2023 having 5,351 and 2023-2024 are 16,276. This increase reflects growing confidence and trust of students in NCH as an effective grievance redressal mechanism before opting to knock at the door of Consumer Commissions. In 2024, already 6980 students have reached out to NCH for speedy redressal of their grievances at a pre litigation stage.

Following numerous complaints registered in the National Consumer Helpline regarding unfair practices by various coaching centers especially not refunding the enrolment fees of the students/ aspirants, NCH initiated a drive to resolve these grievances on a mission-mode to facilitate a total refund of ₹ 1.15 cr. to affected students (during 1st Sep'23 ~ 31st Aug'24). All these refunds were processed promptly at a pre-litigation stage after the intervention of the department to the affected students from all corners of the country who raised their grievances on NCH.

(The guidelines are available on the Department of Consumer Affairs website <https://consumeraffairs.nic.in/sites/default/files/file-uploads/latestnews/Guidelines%20for%20Prevention%20of%20Misleading%20Advertisement%20in%20Coaching%20Sector%2C%202024.pdf>)

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