



CIVIL

No More False Promises: CCPA's Crackdown on Misleading Coaching Ads

AUTHOR Rahul Sundaram, Asav Rajan Arora

PUBLISHED 23 April 2025

Introduction

In a significant move to protect student interests, the Central Consumer Protection Authority (CCPA) has issued strict advisories to coaching institutes across India, directing them to adhere to the Consumer Protection Act, 2019 and the newly introduced Guidelines for the Prevention of Misleading Advertisements in the Coaching Sector, 2024.

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New Regulatory Framework

The CCPA's directive comes amid growing concerns about misleading claims made by coaching centers regarding success rates, faculty qualifications, and guaranteed results. The 2024 Guidelines specifically target deceptive marketing practices that have become prevalent in the competitive coaching industry.

Coaching centers must ensure transparency in all their advertisements and promotional materials.

Key Provisions of the Guidelines

The Guidelines for the Prevention of Misleading Advertisements in the Coaching Sector, 2024, are designed to enhance accountability and ethical standards in the coaching industry. Key provisions include:

- Prohibition of Guaranteed Success Claims:** Coaching centres are barred from making false claims about success rates or exaggerating the number of successful candidates, promising guaranteed ranks, selections, or placements in competitive examinations such as JEE, NEET, or UPSC.
- Using selective testimonials:** Coaching centres must not use testimonials that do not represent typical outcomes. Advertisements should reflect a fair and balanced representation of student experiences.
- Misrepresenting faculty qualifications or experience:** Coaching centres must not hide or omit essential details that could mislead students and parents. Essential details about faculty members must be accurate and not misleading.
- Fair Trade Practices:** Centres are required to provide all promised services and ensure timely refunds in case of cancellations or service deficiencies. Using misleading comparisons with competitor institutes.
- Making false claims about infrastructure or facilities:** Coaching centres must not make false claims about their infrastructure or facilities. All information provided must be accurate and verifiable.
- Prominent Disclaimers:** All disclaimers must be displayed in the same font size and prominence as other important information.

Recent Enforcement Actions

The CCPA has already begun taking action against non-compliant coaching centers. Several prominent institutes received notices for violations related to misleading advertisements that claimed unrealistic success rates and featured toppers without proper authentication.

In one case, a major coaching center was directed to withdraw advertisements claiming a "100% success rate" when their actual placement records showed significantly lower figures. Another institute faced scrutiny for featuring images of toppers who had never enrolled in their programs.

These practices are seen as violations of various provisions of the Act, including Section 2(28) and 2(47) of the Consumer Protection Act, 2019.

Importance of the Guidelines

The guidelines represent a vital step toward preventing the exploitation of students and ensuring that they are not misled by false promises or compelled into unfair contracts. By enhancing transparency and fairness in the sector, these guidelines help students and their families make informed decisions based on accurate and truthful information.

Implications for Students and Parents

These regulatory measures are expected to benefit students and parents by providing more accurate information when selecting coaching programs. The guidelines mandate that all advertisements must include disclaimers about the typical performance expectations and clearly state any conditions attached to promises made. As Parents invest substantial amounts in coaching, often based on misleading information, these guidelines will help the consumer of such services to make more informed decisions based on factual data rather than exaggerated marketing claims.

The coaching industry has shown mixed reactions to the new guidelines. While established institutes have generally welcomed the move toward greater transparency, some centers express concerns about implementation challenges.

Way Forward

The CCPA's advisory is a clear warning to coaching centres to adhere to the established guidelines and protect the interests of consumers. As the authority continues to monitor and enforce compliance, it reaffirms its commitment to ensuring a fair and transparent coaching sector in India.

Non-compliance could result in penalties under the Consumer Protection Act, 2019, including fines and prohibition orders. The CCPA has emphasized that these measures aim not to restrict business operations but to ensure fair practices that protect consumer interests.

As the coaching sector adjusts to this regulatory framework, students and parents as a consumer can expect greater transparency and accountabilitykey factors in making informed decisions about educational investments. For more details, write to us at: contact@indialaw.in