



COMPETITION ACT

# Dark Patterns in Ed-Tech: CCPA Imposes Penalty on PhysicsWallah

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## Background and Context

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In a significant regulatory development, India's Central Consumer Protection Authority (CCPA) has issued an order imposing a penalty of Rs. 5,00,000 on PhysicsWallah Limited (PW), one of India's largest ed-tech platforms, for deploying manipulative interface designs on its official platform, pw.live, and mobile application. The case, initiated suo-motu by the CCPA under Case No. CCPA-2/94/2025-CCPA, centres on three categories of dark patterns identified during the checkout process and at the point of access to courses promoted as free.

The CCPA, constituted under Section 10 of the Consumer Protection Act, 2019 (the Act), is mandated to regulate unfair trade practices and misleading advertisements prejudicial to consumer interests. Following the notification of the Guidelines for Prevention and Regulation of Dark Patterns on 30 November 2023, the CCPA has progressively enforced compliance across digital platforms. This order represents a detailed application of that framework to the ed-tech sector.

PhysicsWallah Limited operates a prominent platform catering predominantly to students preparing for competitive examinations, including IIT-JEE and NEET, serving millions of learners, many of them minors, from tier-II and tier-III cities across India.

Table of contents

- [Background and Context](#)
- [The Three Alleged Violations](#)
  - [Basket Sneaking](#)
  - [Confirm Shaming](#)
  - [Forced Action and Interface Interference](#)
- [Chronology of Proceedings](#)
- [The CCPA's Legal Analysis](#)
- [The Order](#)
- [Practical Implications](#)
- [Concluding Observations](#)

## The Three Alleged Violations

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### Basket Sneaking

The CCPA observed that the PW platform deployed a **pre-selected donation checkbox** labelled 'Donate for PW Foundation' during the checkout process. This checkbox automatically appended Rs. 10 to the total payable amount unless the consumer consciously deselected the option.

This mechanism was active across multiple courses and price points, as documented in the annexures to the order. The CCPA held this constitutes **Basket Sneaking** within the meaning of the Dark Patterns Guidelines, defined as the inclusion of additional items such as payments to charity or donations at checkout without user consent, resulting in a payable amount exceeding the price of the product or service chosen.

### Confirm Shaming

When users clicked the 'Know More' link adjacent to the donation prompt, they were presented with content under the PW Foundation banner. This content described the foundation's work in supporting marriages of needy individuals, advancing children's education, and promoting healthcare in underserved communities.

The CCPA found that this messaging, deployed simultaneously with a pre-selected donation option during a commercial transaction, invoked **moral pressure and emotional obligation**. It nudged consumers to retain the donation amount rather than exercising a free and neutral choice.

The Dark Patterns Guidelines define **Confirm Shaming** as using any means to create a sense of fear, shame, ridicule, or guilt so as to nudge a user into a commercial decision that benefits the platform by subverting consumer choice.

## Forced Action and Interface Interference

Courses promoted as free on the PW platform required users to mandatorily furnish personal information — specifically a **mobile number and email address** — before access was granted. The CCPA found this constitutes Forced Action under the Guidelines, which prohibits compelling a user to share personal information in order to access the product or service originally intended.

The CCPA independently accessed the free courses through multiple test accounts and observed that the content was identical across accounts. There was no evidence of personalisation or customised learning linked to the registration details collected, directly contradicting PW's submission that **data collection was indispensable** to delivering personalised educational services.

## Chronology of Proceedings

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The CCPA issued a **formal notice** to PW on 4 December 2025. PW filed its initial reply on 18 December 2025, asserting that the donation feature was transparent and optional, that the messaging was factual rather than emotionally manipulative, and that data collection served legitimate operational and educational purposes.

The CCPA observed on 22 December 2025 that, despite these assurances, the pre-selected donation mechanism remained active on the platform.

The matter was referred on 29 December 2025 to the **Director General (Investigation)** under Section 19(1) of the Act for a detailed investigation. The DG (Investigation) submitted its report on 23 March 2026 confirming the presence of all three dark patterns.

PW submitted further comments on 4 May 2026 and appeared through counsel at the oral hearing on 6 May 2026. At that stage, PW acknowledged that the pre-selected donation feature had operated from **14 February 2024 to 24 December 2025** and that approximately Rs. 2.47 crore had been collected from over 21,36,962 users during this period.

## The CCPA's Legal Analysis

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The CCPA's reasoning rests on several interlocking **legal propositions**.

- Affirmative consent under Rule 4(9):** Rule 4(9) of the Consumer Protection (E-Commerce) Rules, 2020 imposes a clear obligation to obtain explicit and affirmative consent before recording any purchase-related decision. A pre-ticked checkbox does not satisfy this standard. The argument that the donation amount was visible and could be deselected does not discharge the legal burden, which lies on the platform to obtain affirmative consent rather than on the consumer to actively remove an added charge.
- Confirm Shaming through emotional appeal:** The use of emotionally persuasive messaging in connection with a pre-selected monetary commitment during checkout falls squarely within the prohibition on Confirm Shaming. The combination of pre-selection and emotional appeal is, in the CCPA's assessment, more harmful than either element in isolation.
- Misleading advertisement through forced data collection:** Mandatory data collection as a condition for accessing services advertised as free, without adequate disclosure, creates a misleading impression of unrestricted availability. This renders the promotional representation a misleading advertisement within Section 2(28) of the Act, which covers any advertisement that deliberately conceals important information.
- Rejection of post-facto corrective action:** The CCPA rejected the post-facto corrective action argument. PW's removal of the pre-ticked feature after receipt of the CCPA notice does not absolve it of liability for violations already committed. Corrective action taken only after the commencement of regulatory proceedings cannot dilute the gravity of the violations established on record.

The CCPA further emphasised the **vulnerability of the consumer class** involved. The platform caters extensively to students, including minors, who may lack the maturity and bargaining capacity to identify and resist manipulative interface designs in digital environments.

## The Order

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Exercising powers under Sections 20 and 21 read with Sections 10 and 18 of the Consumer Protection Act, 2019, the CCPA issued **three directions**:

1. PW is required to ensure that **no dark patterns** are employed on its platform, website, application, or any other digital interface.
2. A financial penalty of **Rs. 5,00,000** is imposed on the company.
3. PW must submit a **compliance report within 15 days** of receipt of the order.

## Practical Implications

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For digital platforms and ed-tech entities, this order confirms that charitable or donation components embedded in transactional flows must be structured as genuine **opt-in features** requiring affirmative user action. They may not be presented as pre-selected defaults.

Descriptions of content as free must accurately reflect all conditions of access, including mandatory data disclosures. Those conditions must be communicated at the **point of promotion** rather than disclosed only at the enrolment stage.

For in-house legal and compliance teams, the order underscores the importance of auditing checkout and enrolment flows against the **13 dark patterns** enumerated in the 2023 Guidelines and against the requirements of Rule 4(9) of the E-Commerce Rules.

It is worth noting that the CCPA's advisory of 5 June 2025 had already directed all digital platforms to undertake **self-audits** for the identification and removal of dark patterns. Persistence of non-compliant interface designs following that advisory, the Guidelines, and publicised enforcement actions will significantly aggravate regulatory exposure.

The scale of consumers affected — **over 21 lakh users** — rather than the absolute financial quantum, was a material factor in the CCPA's penalty assessment. Platforms should treat this as a signal that systemic interface practices, even those generating individually small amounts, carry significant regulatory risk when deployed at scale.

## Concluding Observations

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The CCPA's order in CCPA-2/94/2025-CCPA is among the most analytically detailed regulatory assessments of dark pattern practices issued to date by an Indian authority. It establishes that violations are assessed by reference to the **cumulative effect of interface design choices** on consumer autonomy, not merely the financial harm caused, and that the legal standard under Rule 4(9) is affirmative, informed consent — not mere transparency.

The order also draws a considered line on **charitable solicitation in commercial contexts**: it is not per se impermissible, but must be structured as a genuine opt-in that does not exploit the emotional vulnerability of consumers or the transactional momentum of a purchase flow. Entities operating consumer-facing digital platforms across all industries should treat this order as a substantive compliance benchmark.

*Source: Central Consumer Protection Authority, Order dated 1 June 2026, Case No. CCPA-2/94/2025-CCPA, Krishi Bhawan, New Delhi.*

## Related Practice Areas

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Competition Policy & Regulatory Affairs