



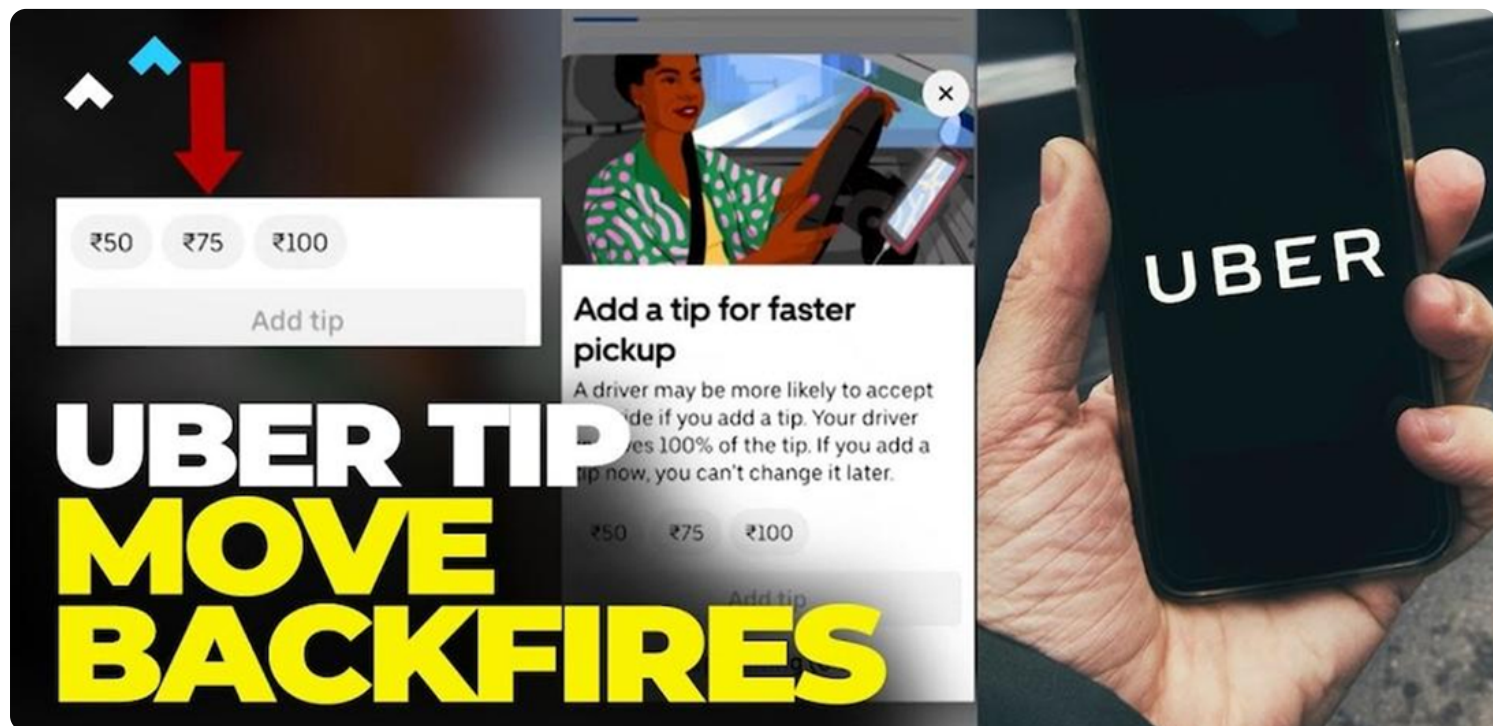
KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalaivar Kamarajar"

Uber tip move backfires

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Context

- The Central Consumer Protection Authority, under the Department of Consumer Affairs, is sending notices to Rapido, Ola and Uber, over the ride-hailing apps' practice of seeking "**advance tips**" to hasten a trip booking's confirmation, Union Minister Pralhad Joshi said on X on Thursday. Mr. Joshi had previously on Wednesday announced a notice had been sent to Uber.
- The three apps have in recent months pushed riders to tip more to hail a ride, giving drivers an opportunity to earn more money from a fare, which is otherwise subject to a commission to the firms running the apps.
- Tipping on ride hailing apps has historically been after rides, but in recent months, apps have started offering the feature while the booking of a trip is in progress, inciting customers to add to their fare to get a guaranteed ride.



Central Consumer Protection Authority (CCPA)

- CCPA is the regulatory body established under Section 10 of the **Consumer Protection Act (CPA), 2019**, it regulates matters related to consumer rights violations and unfair trade practices.
- The act empowers the CCPA to **prevent false or misleading advertisements and ensure consumer rights are protected.**
- It operates under the **Ministry of Consumer Affairs, Food and Public Distribution.**

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- Powers of the - Section 21 of CPA, 2019 grants the CCPA the power to **issue directions and penalties against false or misleading advertisements.**
- Penalties - imprisonment of **up to 2 years and a fine of up to Rs. 10 lakh.**