



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

Uber tip move backfires

Published On: 23-05-2025

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.



Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

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.**
- 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.**