

Central Consumer Protection Authority
Room No. 545, Krishi Bhawan, New Delhi – 110001

Case No: Z-10/1/2025-O/0 US(CCPA)

In the matter of: Case against Zepto Marketplace Pvt. Ltd. regarding alleged violation of consumer rights, and unfair trade practices.

CORAM:

Smt. Nidhi Khare, Chief Commissioner

Shri. Anupam Mishra, Commissioner

Appearance on behalf of Zepto Marketplace Pvt. Ltd.:

Ashutosh Shekhar Parcha, Head of Litigation, Zepto

Date: 04.12.2025

ORDER

1. The Central Consumer Protection Authority (hereinafter referred to as 'CCPA') has been established under section 10 of the Consumer Protection Act 2019 to regulate matters relating to violation of rights of consumer, unfair trade practices, false and misleading advertisement which are prejudicial to the interest of public and consumers and to promote, protect and enforce the rights of consumer as a class. The CCPA has been empowered under section 19(1) of the Consumer Protection Act, 2019 (hereinafter referred to as the 'Act') to conduct or cause to be conducted a preliminary inquiry to ascertain whether a *prima facie* case exists as regards violation of consumer rights or any unfair trade practice or any false or misleading advertisement, on receipt of any information or complaint or directions from the Central Government or of its own motion.

2. The CCPA had taken suo motu cognizance of the matter against Zepto Marketplace Pvt. Ltd. (hereinafter referred to as 'Zepto') based on its routine analysis and examination of various e-commerce platforms regarding

prevalence of dark patterns resembling unfair trade practices under the Consumer Protection Act, 2019. During the examination of the platform CCPA noticed that the platform 'Zepto' showed a lower initial price at the time of selection of items, however the prices were higher when the cart page was accessed. However, when a consumer proceeded to the final page, an increased price was displayed by addition of a Handling Charge and the Zepto Pass Membership fee. The additional charges and fee was not disclosed at the initial stage of selection of items. The platform feature appears to be a dark pattern practice in the form of "Drip Pricing". Further, It appeared that the inclusion of the Zepto Pass Membership fee in the cart without the consumer's consent was also identified as a dark pattern, namely, "Basket Sneaking".

3. While browsing and attempting a purchase from Zepto app on 02.01.2025, it was observed that an item, "Colossal Kajal" was offered for Rs. 170/- including all taxes. But when the item was added in the cart and the user opens the cart, the final price of the product was shown as INR 177.4/- including handling charge and Zepto Pass Membership fee. This appeared to be misleading and unfair trade practice by deploying dark pattern practices of "**Drip Pricing**" to lure consumers into the product by displaying lower price. Further, Zepto Pass Membership fee of Re. 1/- was added without the consent of the user, even though the delivery fee was waived off on addition of Zepto Pass Membership fee. This was also done without the consent of the consumer as the option of Zepto Pass was pre-ticked. Such practices are identified as the dark pattern practice of "**Basket Sneaking**". Thus, the platform Zepto appeared to be engaged in the dark pattern practices of drip pricing and basket sneaking which is a form of unfair trade practice under the Act and required further examination.
4. Accordingly, the CCPA initiated a preliminary Inquiry and the findings in the preliminary inquiry are as follows:
 - a. Dark Patterns that were employed by Zepto were identified as :-

- i. Drip Pricing: Misleading consumers by showing a lower price upfront and increasing it at checkout.
 - ii. Basket Sneaking: Adding paid services (e.g., Zepto Pass Membership fee) without consumer consent.
- b. Not revealing the prices upfront and luring the consumer to buy a product with lower price and later increasing the price at the checkout page by adding a paid service, without the consent of consumer through adoption of above dark patterns is a violation of CCPA Guidelines for Prevention and Regulation of Dark Patterns, 2023, issued under Section 18(2)(1) of the Act which define such deceptive designs and list them as unfair trade practices.
- c. These practices constitute unfair trade practices under Section 2(47) of the Consumer Protection Act, 2019, and are prejudicial to consumer rights.

5. In view of the above findings, a Show Cause Notice dated 30.01.2025 was issued to the opposite party under the provisions of the Consumer Protection Act, 2019. The notice sought an explanation regarding the observed practices on the Zepto platform, i.e. "Drip Pricing", and "Basket Sneaking". The opposite party was directed to submit a detailed reply along with supporting documents substantiating their response within 15 days. However, no reply was submitted by the stipulated date. Instead, on 06.03.2025, an email was received from Zepto seeking an extension of 15 days to file their response to the notice. Even after the extended period, no reply was received from the opposite party up to 07.04.2025, following which a reminder was issued on the same date. Subsequently, Zepto's response was finally received on 03.06.2025.

6. In its response dated 03.06.2025, the opposite party contended that:

- i. Zepto respects the CCPA's mandate under the Consumer Protection Act, 2019 to safeguard consumer rights and ensure fair trade practices.
- ii. The Zepto Pass feature, while at times pre-selected during promotional campaigns, is not imposed on the user in a deceptive manner. The

selection of Zepto Pass is fully visible and a user can easily deselect the option with a single click “Remove”. This Zepto Pass is a transparent and beneficial feature designed to reduce delivery fees for consumers, and many users opt for it voluntarily due to the genuine savings it offers.

- iii. Any operational fees, such as handling charges, are transparently displayed to the customer prior to the point of order placement. At no point are any fees concealed or revealed only after the user has committed to a purchase. These operational charges reflect genuine business costs borne by sellers (inventory, logistics, etc.) and are common across the industry. These charges are charged by our Sellers are also referenced in the Terms and Conditions accepted by users prior to ordering, ensuring full legal disclosure.
- iv. Zepto states that its interface is built around user control and the company does not use coercive designs to extract consent or payment. The company's practices do not constitute an unfair trade practice or dark pattern under Section 2(47) of the Consumer Protection Act, 2019.
- v. Zepto requests the Authority to reconsider its *prima facie* findings, emphasizing that the platform operates transparently, lawfully, and remains open to further dialogue or clarification.
- vi. Zepto highlights that it is a young company (about 3 years in operation) still improving its user interface. It reiterates its commitment to ethical, sustainable, and consumer-friendly digital commerce practices.

7. The reply of the opposite part was examined. However it was found that the opposite party could not satisfy the CCPA that the twin features identified on its platform do not come under the scope of the definitions of drip pricing and basket sneaking. The CCPA was satisfied that a *prima facie* case existed with respect to violation of various provisions especially unfair trade practice under the Act, that impacted consumers as a class. As per sub-section (1) of Section

19 of the Act, "The Central Authority may, after receiving any information or complaint or directions from the Central Government or of its own motion, conduct or cause to be conducted a preliminary inquiry as to whether there exists a *prima facie* case of violation of consumer rights or any unfair trade practice or any false or misleading advertisement, by any person, which is prejudicial to the public interest or to the interests of consumers and if it is satisfied that there exists a *prima facie* case, it shall cause investigation to be made by the Director General or by the District Collector". Hence, the matter was referred to DG investigation for detailed investigation.

8. The Director General (Investigation) in its investigation report dated 13.08.2025 submitted the following:

I. Unfair Contract Terms — Section 2(46)(vi)

- (i) Even though the company states that the sole intention behind the auto-addition of the nominal ₹1 Zepto Pass Membership fee was to benefit the consumer by waiving a substantially higher delivery charge that would otherwise have been levied, the ₹1 still represents the consumer's own monetary asset, paid voluntarily for goods that were later returned or canceled. By restricting its usability to a fixed period (e.g., one year), the company imposes an arbitrary temporal limitation on funds that are not its own, thereby undermining the consumer's autonomy over their usage.
- (ii) Even though the company states unequivocally that the selling price, which may be lower or equivalent to the (**Drip Pricing**) Maximum Retail Price ("MRP") of any product displayed on the Zepto Marketplace platform remains wholly unchanged from the time the item is selected through browsing, added to the cart, and ultimately paid for at checkout. However, the M/s Zepto Marketplace advertises a low initial price but adds hidden charges (e.g., handling fees) and delivery charges at checkout payment while executing the contract.

II. Invalid Consent – Dark Patterns & Coercion:

- (i) Zepto highlights the Basket sneaking and overcharging (drip pricing) payment option in red, while other payment modes appear in neutral tones. This creates a visual hierarchy that draws consumer attention towards the basket sneaking and overcharging option. There is no clear operational or functional justification for this differential treatment, indicating that colour coding is being employed to influence consumer behaviour rather than to inform.
- (ii) Data evidences a measurable spike in the selection of basket sneaking and overcharging (drip pricing) following the introduction of this colour-coded interface, supporting the conclusion that the design change is driving user decisions. This tactic is consistent with the definition of the dark pattern "**Interface Interference**", wherein interface design is manipulated to steer consumer choices for consumer benefit.
- (iii) At the final checkout stage, a ₹1 "discounted membership" is pre-added to the consumer's basket by default, requiring explicit action of removal if undesired. This practice classified as Basket Sneaking modifies the intended transaction value without obtaining the consumer's proactive consent. Such conduct constitutes a deceptive design strategy aimed at inducing unintended purchases.

Based on the findings, DG (Investigation) concluded that Zepto practices involves:

- i. Unfair contractual terms in violation of Section 2(46)(vi) of the Consumer Protection Act, 2019;
- ii. Unfair trade practices as defined under Section 2(47) of the Act;
- iii. The deployment of dark patterns, specifically Interface Interference and Basket Sneaking, as prohibited under the Guidelines for Prevention and Regulation of Dark Patterns, 2023.

9. The report for the Director General (Investigation) was shared with the opposite party via email dated 26th August, 2025, for their comments within 15 days. However, no

response has been received so far. In the meantime, a hearing had been scheduled on 4th August, 2025. Mr. Ashutosh Shekhar Parcha, Head of Litigation, Zepto, appeared on behalf of the Opposite Party and made the following submissions:

- a. With respect to the issue of "Basket Sneaking," it was submitted that the company had already responded to the notice and clarified that all relevant charges, including the Zepto Membership Pass, are clearly displayed to the consumer prior to payment. It was further stated that such charges can be easily deselected by the consumer before placing the order. The Opposite Party also informed that the pre-selected Zepto Membership Pass feature has been removed, which is reflected in the updated application interface.
- b. Regarding the issue of drip pricing, it was submitted that all applicable fees and charges are transparently shown. A prominently positioned information (quotation) icon provides a detailed breakdown of charges, including GST, which form part of operational fees. Additional operational components were explained as follows:
 - Rain Surcharge: applied only during adverse weather conditions due to increased operational challenges.
 - Small Cart Fee: levied on low-value orders (e.g., ₹10–₹50), which still require dedicated delivery personnel.
- c. It was further submitted that the company has adopted a policy to cap the number of additional charges to a maximum of two per order.

10. During the course of hearing, the Central Authority sought several clarifications from the representative of the opposite party. The Authority inquired when the Company had introduced the ₹1 Zepto Membership Pass feature, the period for which it remained active, and the total amount collected from consumers under this feature till date. The Company was further directed to submit a comprehensive list of all types of charges and fees currently levied on the platform, such as operational fees, rain surcharge, small cart fee, handling charges, or any other similar heads imposed during order placement. The Authority also raised a query regarding the Company's

recent claim of having introduced a policy update restricting additional charges to a maximum of two per order and sought details regarding the date of its implementation and the nature of such charges covered under this policy.

Additionally, the Authority asked the Company to explain the mechanism adopted to inform and make consumers aware of these charges, specifically at what stage of the ordering process consumers are able to view and assess the number and nature of such charges applied to their orders. The Company was also asked to clarify the rationale and policy framework underlying the imposition of these various charges and to elaborate on the basis or criteria used for determining the quantum of each type of charge.

11. The matter was subsequently listed for hearing on 16th September, 2025. During the hearing, the company's submission dated 15.09.2025, filed in response to the queries raised during the previous hearing, was discussed, wherein the following points were provided:

a. Zepto Pass Membership Fee:

- i. Rs. 1 Zepto Pass was introduced on March 1, 2024, and discontinued on April 15, 2025.
- ii. Revenue collected: ~Rs. 3.18 Cr; Customer benefits extended: ~Rs. 74 Cr.
- iii. Pre-selection was later removed to require explicit opt-in by users.

b. The list of fees and charges currently levied on the platform:

Convenience fee, delivery fee, Gift packing charges, Late night handling charge, Handling charge, rain fee, Restaurant packaging charges, Small Cart fee, Surge fee.

c. Policy Update on Limiting Additional Charges:

No formal limit on number of additional charges (e.g., to only 2 per order) has been implemented yet, though internal discussions are ongoing.

d. Disclosure Mechanism:

- i. Zepto uses a step-by-step, transparent process to inform customers of all charges.
- ii. Terms of Use notify users about possible additional fees, and full price breakdown is provided before payment.

e. Basis for these additional Charges:

- i. Charges are based on real-time operational conditions, and not consumer identity or device type.
- ii. Factors include delivery personnel availability, traffic, weather, order characteristics (size, urgency), and high-demand periods.
- iii. Pricing is consistent with industry norms, non-discriminatory, and compliant with the E-Commerce Rules, 2020 and the Consumer Protection Act, 2019.

The Central Authority directed the company to provide the broad perspective on different type of charges imposed on consumer like rain charges, handling charges, small cart fee etc. CCPA also asked the company to provide the data of similar type (additional charges related) of international practices in the next hearing.

12. Another hearing was held on 1st October, 2025. During the proceedings, the company shared its screen to demonstrate similar industry-wide practices relating to additional charges and also presented the documents that had been sought by the Central Authority during the previous hearing.

Upon reviewing the submissions made during the hearing, the Central Authority instructed the opposite party to provide the document presented at the hearing for detailed examination by the CCPA. The company submitted the document on 07.10.2025, CCPA carefully examined the response submitted by the opposite party, and the submissions made during the hearing and concluded that the Company conducted an internal assessment to analyse how various quick commerce, e-commerce, and food delivery platforms including itself apply additional charges such as service fees, handling fees, and delivery charges

beyond the listed price or MRP. This practice is common across platforms while being transparently disclosed to users at checkout.

13. A summary of the reply and supporting documents submitted by the company on 07.10.2025 as under :

a. Common Practice of Additional Charges:

- i. Platforms routinely charge handling, packaging, delivery, convenience, and platform fees.
- ii. GST is also applied on these charges.
- iii. These are disclosed before payment, in compliance with Indian e-commerce rules.

b. Comparison of Platforms (India):

- i. Across different products (e.g., trimmer, protein powder, coffee), platforms including Zepto levy handling and GST charges.
- ii. Delivery charges are often waived for orders above a threshold or via paid subscriptions.
- iii. E-commerce platforms levy marketplace/platform fees; food delivery apps include restaurant packaging and platform fees.

c. Terms of Service (India):

Zepto and other platforms mention various optional charges in their Terms of Service e.g., rain fees, surge fees, late-night delivery fees, etc.

d. Practices in Other Countries:

- i. E.g., DoorDash, Uber Eats, Deliveroo, Instacart apply service, delivery, small order, regulatory, or distance fees.
- ii. These charges are typically shown during checkout, ensuring user clarity and regulatory compliance.
- iii. In the USA and Europe, similar fee structures exist.

e. Zepto's Compliance and Transparency:

The Company asserts it follows industry standards and ensures all fees are transparently shown prior to payment.

14. During the next hearing on 18.11.2025, the opposite party explained that all fees displayed on the platform were already disclosed in the Terms of Use and that any additional amount payable by a consumer was clearly indicated. They stated that such disclosures were necessary because the charges involved financial considerations. The opposite party further emphasised that these were not fees imposed by Zepto itself; rather, they were charges levied by individual sellers, and the amounts collected were passed on to the sellers and not retained as profit by Zepto.

In response, the Authority observed that no amount exceeding the MRP could be charged for a packaged commodity and that the price shown upfront on the Zepto platform must reflect the final price payable by the consumer. The Authority stressed that a consumer should be able to rely on the initial displayed price and receive the product at the same amount upon delivery.

The opposite party, however, submitted that "*this was not financially viable, as many products were sold at MRP. They argued that if an item priced at ₹100 was listed at ₹100, the seller would have no margin to cover delivery or operational expenses unless the selling price was reduced below the MRP. Listing the product at ₹110 to include delivery fees, they contended, would not be permissible, as the displayed price cannot exceed the MRP*".

The Authority observed that if additional components such as service charges or a rain surcharge were included, the platform should make this clear upfront by indicating that the displayed price includes such elements. The opposite party responded that this would itself be unlawful since it would require showing a price higher than the MRP. The Authority, however, pointed out that the present practice effectively attracts consumers by showing a discounted or lower initial price and then adding multiple charges at checkout, which results in indirectly bypassing the statutory prohibition on selling above the MRP.

Before concluding the hearing, the Central Authority granted the opposite party three days' time to submit any additional explanations or supporting documents, if they so wished. The Authority also noted the subsequent changes implemented by Zepto on its platform, including the removal of operational service charges such as handling fees and the waiver of delivery charges for orders above ₹99. While these changes were acknowledged, they were treated as separate developments and did not alter the examination of the violations already identified in these proceedings.

15. It may be mentioned that Section- 2 (9) of the Consumer Protection Act, 2019 provides that "consumer rights" includes,-

- (i) the right to be informed about the quality, quantity, potency, purity, standard and price of goods, products or services, as the case may be, so as to protect the consumer against unfair trade practices;*
- (ii) the right to consumer awareness;*

16. Furthermore, it may be mentioned that Section- 2(47) of the Consumer Protection Act, 2019 defines "unfair trade practice" means a *trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:--*

- (i) materially misleads the public concerning the price at which a product or like products or goods or services, have been or are, ordinarily sold or provided, and, for this purpose, a representation as to price shall be deemed to refer to the price at which the product or goods or services has or have been sold by sellers or provided by suppliers generally in the relevant market unless it is clearly specified to be the price at which the product has been sold or services have been provided by the person by whom or on whose behalf the representation is made;*
- ii) Gives false or misleading facts disparaging the goods, services or trade of another person.*

- (iii) *permitting the publication of any advertisement, whether in any newspaper or otherwise, including by way of electronic record, for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price, or for a period that is, and in quantities that are, reasonable, having regard to the nature of the market in which the business is carried on, the nature and size of business, and the nature of the advertisement.*
- (iv) *refusing, after selling goods or rendering services, to take back or withdraw defective goods or to withdraw or discontinue deficient services and to refund the consideration thereof, if paid, within the period stipulated in the bill or cash memo or receipt or in the absence of such stipulation, within a period of thirty days;.*

17. Additionally, Clause 2 sub clause (e) of the Guidelines for Prevention and Regulation of Dark Patterns, 2023 defines that “dark patterns” shall mean any practices or deceptive design pattern using user interface or user experience interactions on any platform that is designed to mislead or trick users to do something they originally did not intend or want to do, by subverting or impairing the consumer autonomy, decision making or choice, amounting to misleading advertisement or unfair trade practice or violation of consumer rights.

18. In terms of the Consumer Protection Act, 2019, the Central Consumer Protection Authority is empowered under Sections 20 and 21 to order discontinuation of unfair trade practices, recall of goods, refund of prices, and discontinuation or modification of misleading advertisements. Further, as per Section 21(2), the Authority may impose a monetary penalty of up to ₹10,00,000 on a manufacturer or endorser for a misleading advertisement, which may extend to ₹50,00,000 for every subsequent offence. Section 20 of the act provides that Central authority may pass any order if based on an investigation it is found that a party is engaged in misleading advertisement, violation of consumer rights and unfair trade practice. The provision gives the mandate to CCPA to determine if an action falls within the purview of unfair trade practice as defined under section 2(47) of Act.

19. The CCPA has carefully considered the written submissions and the submissions during the hearings. The CCPA has also carefully considered the findings of DG(Inv). The CCPA gives the following findings:

- i. Drip pricing refers to a deceptive practice where a lower initial price is displayed to the consumer, but the additional mandatory charges are gradually revealed only at later stages of the transaction, resulting in the final payable amount being significantly higher than what was originally represented. Basket sneaking involves the automatic addition or pre-selection of paid services at checkout without the consumer's explicit consent. Both these practices led to a misleading representation of the final price and induced consumers to pay charges they did not knowingly agree to. Such conduct squarely falls within the ambit of unfair trade practice under Sections 2(28) and 2(47) of the Act, as it undermines consumer autonomy and misrepresents the true cost of the transaction.
- ii. The initial price of an item and the final price at the time of check out was different and that to on the higher side at the later stage. The opposite party could not explain how the higher price with additional charges did not impact consumer interest due to the drip pricing practice. The opposite party has by not disclosing the additional charges upfront has violated consumer rights and engaged in the dark pattern of drip pricing.
- iii. The opposite party has on its own added the zepto-pass without the consent of consumer. The action is contrary to the e-commerce rules 4(9) that enjoins on the ecommerce platform to record explicit consent and desist from deploying pre-ticked check boxes. The pre-ticked addition of zepto pass is violative of the e-commerce Rules and an unfair trade practice. The opposite party attempted to explain that the feature is beneficial to the consumer or the handling charges were not charged. Even if these submission is true, the feature

still falls under the dark pattern practice of basket sneaking and the opposite party failed to dislodge the findings of DG(Inv) on the issue.

- iv. In light of the above, it is evident that the conduct of the opposite party impacted the consumer's ability to make an informed decision, thereby violating consumer rights under Section 2(9)(ii) of the Consumer Protection Act, 2019. The DG (Inv.) report has given a finding that the opposite party engaged in the dark patterns of drip pricing and basket sneaking.

20. While the CCPA has taken note of the changes introduced by Zepto on its platform such as the removal of the auto-added Zepto Pass membership, discontinuation of charges like handling fees, rain and surge fees and also appreciates that these updates are now clearly displayed on the initial interface for consumer awareness, such corrective action cannot absolve the opposite party of past violations. These steps were taken only after regulatory scrutiny began, indicating that the corrective measures were reactive rather than voluntary.

21. Accordingly, the Authority concludes that :

- (i)** The use of dark pattern practices of drip pricing and basket sneaking amounts to a breach of Sections 2(28) and 2(47) of the Consumer Protection Act, 2019, read with the Guidelines for Prevention and Regulation of Dark Patterns, 2023. The opposite party is in clear violation of these provisions which are adequately discussed in the foregoing paras.
- (ii)** According to the Legal Metrology (Packaged Commodities) Rules, 2011, the definitions related to pricing are as follows:
Rule 2(m) defines the "retail sale price" (MRP) as "the maximum price at which a packaged commodity may be sold to the consumer, inclusive of all taxes."
Rule 18(2) provides that no retail dealer or any other person, including manufacturers, packers, importers, or wholesalers, shall sell any packaged commodity at a price exceeding its declared retail sale price.

In light of these provisions, the conduct of the opposite party constitutes a clear violation of the Legal Metrology regulatory framework. By displaying a lower initial price at the stage of item selection and subsequently showing a higher price at checkout resulting in instances where the final payable amount exceeded the declared MRP, the opposite party has breached both Rule 2(m) and Rule 18(2). Accordingly, the opposite party remains liable for the violations already committed under the Legal Metrology (Packaged Commodities) Rules, 2011.

The violation of MRP provisions also brings the case of the opposite party under the scope of section 2(47)(d) of Act which brings any device or method which represents that any goods or services have “approval” under the definition of unfair trade practice. The final price shown at the time of check out may represent adherence to the applicable laws such Legal Metrology (Packaged Commodities) Rules, 2011, to an ordinary consumer. Hence, selling over and above MRP is the violation of Legal Metrology Rules and an unfair trade practice under Section 2(47)(d) of the Consumer Protection Act.

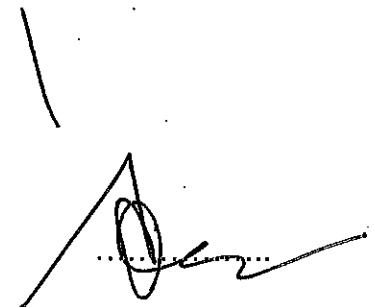
(iii) In view of these findings, and noting that the corrective measures were after notices were issued to the party; failure to take steps to keep the platform free from dark pattern practices, the CCPA is of the considered opinion that the imposition of a penalty is necessary in the interest of consumers.

22. In view of the above, the CCPA hereby passes the directions:

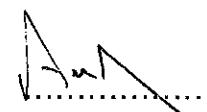
- i. That the opposite party shall take adequate measures to ensure that the dark pattern practices of drip pricing and basket sneaking are discontinued immediately and all the charges shown upfront on the platform and the checkout price should be the summation of all those charges only.
- ii. The opposite party shall conduct regular self audit to identify and remove dark patterns on the platform.
- iii. The opposite party shall place its self-audit declarations in public in consumer interest.

iv. That the opposite party shall pay the penalty of ₹ 7,00,000 for not adhering of Clause (2) & (8) of annexure 1 of Guidelines for Prevention and Regulations of Dark Patterns, 2023.

The party shall communicate the compliance of the above directions to the CCPA within 15 days of receipt of the order.



Nidhi Khare
(Chief Commissioner)



Anupam Mishra
(Commissioner)

