

Central Consumer Protection Authority
Room No. 545, Krishi Bhawan, New Delhi – 110001
Case No: CCPA-2/20/2024-CCPA

In the matter of: Case against Axelia Solutions 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 Axelia Solutions Pvt. Ltd.:

Mr. Ankur Khandelwal, Advocate and Ms. Kajal, Advocate



Ms. Piyasa Roychowdhury, Miss Namoo Dogra and Mr. Aditya Jain representatives of the company

Date: 20.11.2025


ORDER


1. The Central Consumer Protection Authority (hereinafter referred to as 'CCPA') Suo Moto observed a design pattern on Axelia Solutions Pvt. Ltd. (hereinafter referred to as 'Company') operating an online platform i.e. PharmEasy (www.pharmeasy.in) wherein the PharmEasy PLUS Membership of ₹99 for 3 months was automatically being added in the consumer's cart at the time of checkout along with other items which were specifically selected by the consumer for purchase on the PharmEasy platform.
2. It was observed that while a consumer explicitly selects products which she/he intends to purchase on the PharmEasy platform, the PLUS membership is auto added in the cart even without the consumer's specific selection to purchase it. Therefore, prima facie it appeared that the company was misleading consumers by adding the PLUS membership fee without consumer's consent. The feature appeared to be a case of



'Basket Sneaking' as defined under Clause (2) of annexure 1 of Guidelines for Prevention and Regulations of Dark Patterns, 2023.



← Cart  



Medicine/Healthcare 3 Lab Tests

 ON TIME PROMISE • ₹50 Credits in case of any delay >

 Get FLAT 18% OFF on orders above 1999, use code MEGA18

 **PLUS** Membership 
View Updated Benefits >>
MRP ₹499 **80.16% OFF**
₹99 3 Months ▾
You save ₹185.27 EXTRA on this order

 Liveasy Wellness Pain Relief Balm 45gm 
45g Balm in Bottle
MRP ₹115.00 **5% OFF**
₹109.25* Qty 1 ▾
Delivery by Tomorrow, before 10:00 pm

 Healthkart Calcium Tablets For Men & Women With... 
60 Tablet(s) in Bottle

₹836.40
[View Bill](#) Select Delivery Address

3. Rule 4(9) of Consumer protection (E-Commerce) Rules, 2020 specifies that “every E-commerce entity shall only record the consent of a consumer for the purchase of any good or service offered on its platform where such consent is expressed through an explicit and affirmative action, and no such entity shall record such consent automatically”. This rule ensures that consumers actively agree to a purchase rather than having his consent assumed through automated or pre-selected options.
4. In view of the above findings, a Show Cause Notice dated 14.05.2024 was issued to the company under the provisions of the Consumer Protection Act, 2019. The notice sought an explanation regarding its involvement in unfair trade practice and its non-compliance with the Consumer Protection Act. The opposite party was directed to

submit a detailed reply along with supporting documents substantiating their response within 7 days.

5. In response to the notice, the company in its reply dated 02.06.2024 stated that the auto-addition of the PLUS Membership was applied only to existing PLUS members whose subscriptions were due for renewal, with the intent of ensuring uninterrupted benefits. They further stated that they have begun modifying the system so that, in future, the PLUS Membership will appear only as an explicit opt-in, added to the cart only after clear user consent. They acknowledged the concerns raised and informed that due to extensive backend changes, the full implementation will take 3–4 weeks. They assure that a written update will be provided once the changes are completed.

Then in reply dated 28th June, 2024 the company confirmed that, going forward, the membership will function strictly as an opt-in requiring prior affirmative user action. The Company also clarified that the updated feature has already been rolled out and is presently undergoing testing for any technical issues.

6. Based on the response of the Company, a preliminary inquiry was initiated to investigate potential violations of the Consumer Protection Act, 2019, the Consumer Protection (E-Commerce) Rules, 2020, and the Guidelines for Prevention and Regulation of Dark Patterns, 2023. Based on the submissions of the company and after examining the description of PharmEasy Plus membership as mentioned on the website (and in the terms and conditions), it was found that:
 - a) The company has not denied the design practice of automatic addition of 3-month PharmEasy PLUS Membership of ₹99 on its online platform. It has stated that hence forth, the PLUS Membership will be displayed as an opt-in and will be added to the cart only after an affirmative action by the User. This submission by the company makes it clear that previously the PLUS membership was being added without any affirmative action by the User.
 - b) The addition of 3-month PharmEasy PLUS Membership of ₹99 was made by the company without recording any explicit or affirmative consent of the consumer. Recording consent automatically for purchase of a service or product is a violation of Rule 4(9) of Consumer Protection (e-commerce) Rules, 2020.

- c) The design practice of automatic addition of PLUS membership without consumer's consent appears to be a case of 'Basket Sneaking' as defined in Clause (2) of Annexure I (Specified Dark Patterns) of the Guidelines for Prevention and Regulation of Dark Patterns, 2023.
 - d) It is observed that this method of subscribing consumers to the PLUS membership is misleading, unfair trade practice as it automatically makes a decision on consumers' behalf of purchasing the membership, even though no explicit and affirmative consent for opting in to the membership has been made by the consumer.
7. From the preliminary inquiry report CCPA was satisfied that there exists a prima facie case of unfair trade practice involving Basket Sneaking under the Consumer Protection Act, 2019 and Violation of Consumer Protection (E-Commerce) Rules, 2020.
8. 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". The matter was referred to DG (Investigation) vide CCPA's order dated 23rd August, 2024, for detailed investigation.
9. The Director General (Investigation) submitted the investigation report dated 06.08.2025, vide email dated 22nd August, 2025 to CCPA. The key submissions are as follows:
- a. Axelia Solutions Pvt. Ltd. admitted to implementing a mechanism whereby the PharmEasy PLUS membership, priced at ₹99, was automatically added to consumer carts without obtaining explicit affirmative consent. This practice circumvented required consent protocols and constituted an instance of "Basket Sneaking," a dark pattern explicitly prohibited under the

Guidelines for Prevention and Regulation of Dark Patterns, 2023. This involves the inclusion of additional items in the cart without the consumer's intention or awareness, thereby potentially misleading consumers.

- b. The auto-addition mechanism was found to be in violation of Rule 4(9) of the Consumer Protection (E-commerce) Rules, 2020, which mandates express consumer consent via affirmative action and explicitly forbids the use of pre-ticked boxes or default settings for purchases. This admitted violation highlights a critical flaw in the platform's design and its consumer protection safeguards.
- c. The investigation revealed that Axelia Solutions Pvt. Ltd. failed to provide conspicuous, clear, and transparent disclosures regarding the PharmEasy PLUS membership. The manner in which the membership was promoted and auto-inserted into consumer carts was found to be misleading or confusing, thereby undermining consumers' capacity to make voluntary and well-informed transactional decisions.
- d. Furthermore, although Axelia Solutions Pvt. Ltd. has reported discontinuing the auto-inclusion feature, this corrective step appears to be reactive rather than proactive.

10. The report for the Director General (Investigation) was shared with the opposite party for their comments vide letter dated 21.08.2025. In response, the company submitted its submissions on 19.09.2025 which are as follows:

a) Rejection of "Basket Sneaking" Allegations:

- i) The company denies the claim that it auto-added any new services, goods, or offerings to consumers' carts.
- ii) A specific video shared by CCPA along with notice dated 14th May 2024 showing an instance where a pre-existing subscription service (Plus Membership) was renewed. This addition was clearly visible and transparent in the cart, and not hidden or misleading in any way.

b) Transparency and Accessibility of the Plus Membership:

(i) The Plus Membership renewal was visible and accessible for removal by the user, in a manner that did not deceive or mislead.

(ii) The option to remove the Plus Membership was prominently displayed and could be easily removed in a single user-friendly step, thereby respecting consumer autonomy.

c) Compliance with Consumer Protection Laws and Guidelines:

(i) The company asserts full compliance with the Consumer Protection (E-Commerce) Rules, 2020 and the recent Advisory issued by the regulatory authority in June 2025, which warned against deceptive practices like "dark patterns."

(ii) In accordance with the 2025 Advisory, the company conducted an internal self-audit of its platform to ensure that it was free of dark patterns, and filed a self-declaration with the Central Authority on 4 September 2025, confirming that its practices were in compliance with applicable guidelines.

d) Preservation of Consumer Autonomy:

(i) The Plus Membership was part of a subscription service where users had already opted into the service in the past, making the renewal mechanism a continuation of an existing contractual relationship.

(ii) The company argues that this was not an attempt to mislead users but to ensure uninterrupted service for existing subscribers who had previously consented to the terms and conditions.

(iii) Even during the brief period when the renewal function was auto-activated, the company ensured that users had full control, including the ability to cancel the membership at any time, with refunds processed as per the public terms available on the website.

11. After receiving the company's comments on the investigation report shared by the authority, an opportunity for hearing was provided to the Opposite Party on 25th September 2025, during which Mr. Ankur Khandelwal, Advocate appeared on behalf of the opposite party and made the following submissions:

- a) The instance in question relates to the auto-renewal of an existing service, not the automatic addition of a new one.
- b) This issue lasted for 'a very-very brief period'.
- c) A brief technical issue may have caused this, but it appears to be a stray and isolated case of renewal for a service already subscribed to by the user.
- d) By subscribing to the PharmEasy PLUS Membership, the user enters into a contractual relationship governed by terms that allow the company to add, alter, or modify services, including renewals. The company retains the right to modify services at any time and to terminate the membership if it is being not utilized appropriately.
- e) The concept of dark patterns does not apply here, as there was a valid, conscious original purchase. The criteria for dark patterns such as lack of initial consent are not met.

12. Upon examination of the above submissions made during the hearing, the Central Authority directed the opposite party to submit the following:

- a) What were the start and end dates of the auto-renewal service?
- b) What is meant by the term 'very-very brief period' mentioned in the submission?
- c) How many persons enrolled during this brief period?
- d) Provide a copy of the contractual agreement entered into with consumers who subscribed to the PharmEasy PLUS Membership, along with a justification for the claim that by subscribing, users enter into a contractual relationship governed by terms that allow the company to add, alter, or modify services including renewals and to terminate the membership if it is not being utilized appropriately.

13. The company through its e-mail dated 17.10.2025, submitted its response, the gist of which is as follows:

- (i) The company states that the auto-renewal feature was discontinued around June 27, 2024. The exact start date could not be precisely identified, but internal records

suggest that the feature was sporadically active in November–December 2023, and again from mid-March 2024 to June 2024.

- (ii) The expression 'very-very brief period' was used to signify that the auto-renewal remained active only for a short and limited duration before being withdrawn by the company immediately upon the matter coming to its notice.
- (iii) As per the data provided by the company, the number of users enrolled during auto-renewal is as mentioned below in the table:

Month	No. of Enrolments
April 2024	7,230
May 2024	9,630
June 2024	7,404
June 27, 2024	Issue rectified
July 2024-till date	Nil

- (iv) The term and conditions to all users are on the link <https://pharmeasy.in/legal/terms-and-conditions> and Clause 11 of the said Terms and Conditions outlines the aforementioned contractual agreement, which specifically pertains to the PharmEasy plus Membership.

14. Based on the abovementioned response, CCPA gave another opportunity of hearing to the opposite party on 11.11.2025. Submissions made by the Opposite Party during the Hearing are as follows:

a. Compliance and Vigilance:

The opposite party stated that they are extremely vigilant about compliance with the law. They further submitted that the auto-renewal feature was immediately discontinued as soon as it came to their knowledge, which, according to them, evidences their responsible conduct.

b. Regarding the Auto-Renewal Feature:

The opposite party stated that the contractual clause regarding auto-renewal was duly mentioned in the agreement. It was further argued that their consumer base primarily consists of urban and educated consumers, who are expected to understand the options available to opt in or opt out of the feature.

c. On the Percentage of Consumers Affected:

It was submitted that since auto-renewal formed part of a privileged membership (PE+), the consumers who were auto-renewed received beneficial services and were not detrimentally affected. They clarified that 83% of members availed all the benefits from this membership, while for rest 17% the PharmEasy membership was not worth upto the value they given.

d. On Membership Fee and Benefits:

When asked about the benefits, the opposite party mentioned that the membership provided benefits such as discounts, faster delivery, and concessions on doctor consultations.

- e. During the hearing, the company submitted that its consumer base largely consists of urban users who are accustomed to navigating mobile applications and are capable of understanding what features they can opt into or opt out of. The company further emphasized that this should not be interpreted as suggesting that the feature was intentionally added by them.

15. During the hearing, the Central Authority expressed concern regarding the manner in which the opposite party was interpreting Clause 11 of the Terms & Conditions. The Authority noted that the opposite party attempted to justify that the ability to 'add or modify terms' clauses permits them to automatically renew consumers' subscriptions, a practice the company appears to be using for its profit and the Authority observed that such provisions may fall within the ambit of an unfair contract under Section 2(46) of the Consumer Protection Act, 2019. It is further noted that the company's Terms & Conditions nowhere mention or authorize any auto-renewal mechanism, and Clause 11 of the said T&C does not contain any provision relating to auto-renewal. The absence of such a clause indicates that the auto-renewal feature was neither disclosed to consumers nor contractually agreed upon, thereby raising questions on transparency and fairness in the membership process. The Central Authority also pointed out that **explicit consumer consent** is required under the rule 4(9) of E-Commerce Rules, 2020.

16. 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;

17. 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:--*

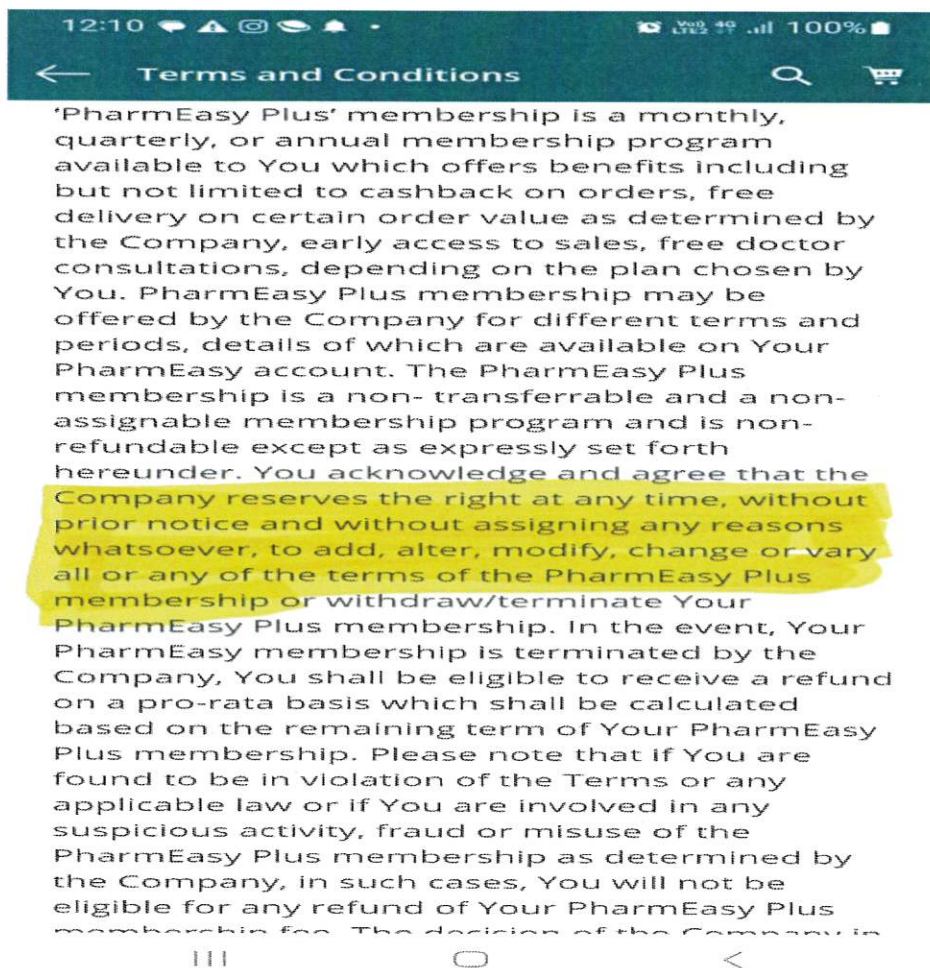
- (i) materially misleads the public concerning the price at which a product or like products or goods or services, have been or are, ordinarily sold or provided, and, for this purpose, a representation as to price shall be deemed to refer to the price at which the product or goods or services has or 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;.

18. 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;”*
19. The manner in which the opposite party has auto-added the ₹99 PharmEasy plus Membership falls within the ambit of unfair trade practice under Section 2(47) of the Consumer Protection Act, 2019. The automatic inclusion of this membership without any affirmative action or explicit consent from the consumer directly fits the definition of Basket Sneaking, which refers to the inclusion of additional items such as products, services, or charges (including charity/donation payments) at the time of checkout without the user’s consent, resulting in the total payable amount being higher than the price of the product(s) and/or service(s) originally chosen by the user.
20. The opposite party has contended during hearing that the auto renewal feature is activated for the existing subscribers (consumers) as the agreement itself contains a clause where the company can auto subscribe subsequently. The central Authority observes the following:
- a) The Terms and Conditions at para 11 (reproduced below) are perused:
 - (i) The Terms and Conditions (T&C) under examination is reproduced as under “company reserves the right at any time without prior notice and without assigning any reasons whatsoever, to **add, alter, modify change or vary all or any of the terms of** PharmEasy plus membership”. The clause allows the opposite party to draw up fresh

terms and conditions (by add/alter/modify, vary mode) and read existence of consumer consent to the fresh or materially altered terms and conditions. This feature is designed to keep the consumers in dark and uninformed which further leads to manipulation of consumer informed choice.

- (ii) On the strength of this clause in the T&C, the opposite party based on the first consent of the consumer, altered the T&C to incorporate a new feature of auto renewal. Thus, the original T&C has ousted the need for further consumer consent.



- b) The Terms and Condition (T&C) under examination mentioned above is contrary to the tenets of Consumer Protection Act, 2019 for the following reasons :

(i) Section 2(46) of the Consumer Protection Act has a direct bearing on the clause referred to by the party. Section 2(46)(vi) of the Consumer Protection Act, 2019 defines an "unfair contract" as a contract that contains terms which *impose unreasonable charges, obligations, or conditions* on the consumer. In the present case, the introduction of an auto-renewal mechanism without any express disclosure in the Terms & Conditions and without securing the consumer's prior and explicit consent would effectively bind the consumer to repeated charges for the PharmEasy Plus Membership. Such an arrangement forces consumers into a recurring financial commitment that they have neither agreed to nor are made aware of. This creates an excessive and one-sided obligation upon the consumer, thereby bringing the practice within the scope of an unfair contract under Section 2(46)(vi).

(ii) Assuming the consumer consent for auto renewal in the instant case falls within the definition of an an unfair contract section 2(46)(vi) which lays down that imposing on the consumer **any unreasonable charge, obligation or condition** which puts the consumer to disadvantage as unfair. In the instant case an unreasonable charge is placed upon the consumer to continue the subscription without consent and ouster of the requirement of further consent is an unreasonable condition.

(iii) Furthermore as per section 24 of Contract Act 1872 clearly voids agreements which are opposed to law – "*Agreements void, if considerations and objects unlawful in part.*—

If any part of a single consideration for one or more objects, or any one or any part of any one of several considerations for a single object, is unlawful, the agreement is void." By implication the auto renewal feature even if it was agreed upon as a default clause is void ab initio, being violative of section 2(46)(vi) of Consumer Protection Act 2019.

The consent of the consumers relied upon by the opposite party is invalid in eyes of law under section 24 of Contract Act 1872 read with section 2(46)(vi) of Consumer Protection act 2019. In light of the above legal position the Terms & Condition along with the action of auto renewal is unfair trade practice adopted by the opposite party.

21. 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. In addition, under Section 90 of the Act, failure to comply with any order of the Central Authority attracts a penalty which may extend to ₹20, 00,000, and in case of continued non-compliance, may also lead to imprisonment for a term which may extend to six months, or both. 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 section clearly provides 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.
22. In view of the above, it is evident that the conduct of the opposite party manipulated the consumer's ability to make an informed choice, thereby violating consumer rights under Section 2(9) (ii) of the Consumer Protection Act, 2019. The opposite party engaged in the dark pattern known as "Basket Sneaking", which involves pre-selecting or automatically adding paid options or services at the time of checkout without the explicit consent of the user, resulting in a misleading representation of the total payable amount. This practice squarely falls within the ambit of unfair trade practice under Section 2(28) & 2(47) of the Act, as it undermines consumer autonomy and induces consumers to pay for a service they did not knowingly opt for.

23. As discussed in the preceding paragraphs, the Terms and Conditions are unfair because the impugned clause assumes an uninterrupted and perpetual consent from consumers to any future T&Cs that the opposite party may choose to introduce. This enables PharmEasy to alter or introduce new T&Cs without notifying consumers. When the CCPA pointed out the unfairness of this clause during the hearing, the opposite party attempted to misrepresent facts by claiming that the issue arose due to a "technical error." However, company's interpretation of their T&C s clearly show that this is a deliberate policy of PharmEasy. Moreover, had it truly been a technical glitch, the opposite party should have mentioned the same in its written reply dated 02.06.2024 and subsequent letter dated 28.6.24. All these circumstances indicate that the explanation of 'technical glitch' is merely an afterthought.

24. While the CCPA has taken note of the fact that the opposite party eventually removed the impugned design practice during the pendency of the proceedings, such delayed corrective action does not absolve the entity of liability for violations committed prior to its removal. The corrective steps were reactive and undertaken only after regulatory intervention, which reinforces the seriousness of the initial breach. Accordingly, the CCPA concludes that the opposite party is in violation of Section 2(28), 2(46), and 2(47) of the Consumer Protection Act, 2019 read with Guidelines for Prevention and Regulation of Dark Patterns, 2023 as well as Violation of Consumer Protection (E-Commerce) Rules, 2020. In light of these findings, CCPA is of the opinion that it is necessary to impose a penalty in consumer interest.

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

- a) That the opposite party shall take adequate measures to ensure that such auto subscription does not activate automatically.
- b) That the opposite party shall discontinue with immediate effect the auto subscription feature from the agreement and obtain explicit and express consent from consumers.

- c) That the opposite party shall pay the penalty of ₹ 2, 00,000 for not adhering of Clause (2) of annexure 1 of Guidelines for Prevention and Regulations of Dark Patterns, 2023.
- d) The opposite party shall review its policy; Terms & Conditions and align those with consumer interest as per the provision of the Consumer Protection Act, 2019.

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)