Central Consumer Protection Authority
Room No. 545, Krishi Bhawan, New Delhi – 110001
Case No: CCPA-2/54/2025-CCPA

In the matter of: Case against Moving Tech Innovations Private Limited (Namma Yatri) regarding alleged violation of provisions of Consumer Protection Act, 2019, Guidelines for Prevention and Regulation of Dark Patterns, 2023 and Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022

CORAM:
Smt. Nidhi Khare, Chief Commissioner
Shri Anupam Mishra, Commissioner

Appearance on behalf of Moving Tech Innovations Private Limited: Adv. Bhavya Mohan Argus Partners, Mr. Rajiv and Mr. Shan on behalf of the company

Date: 01.09.2026

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 consumers, unfair trade practices, and false or misleading advertisements which are prejudicial to the interest of public and consumers, and to promote, protect and enforce the rights of consumers 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 present matter came to the notice of the CCPA upon receipt of a complaint dated 16.05.2025, alleging unfair trade practices in relation to ride-hailing platforms through manipulative tipping features and exploitative pricing mechanisms. The complaint alleged that certain ride-hailing platforms prompt users to pay a tip to drivers prior to confirmation of a ride, suggesting that doing so will help "speed up" the booking process. This new model pressurize consumers into pre-paying tips out of fear of delayed bookings or no service at all.

3. In view of the complaint, the CCPA examined other similar platforms operating in the ride-hailing ecosystem, including the platform operated by **Moving Tech Innovations Private Limited under the brand name "Namma Yatri."** During the examination of the platform, it was observed that consumers booking a trip on the Namma Yatri application are charged an upfront amount comprising base fare, distance and time charges, peak pricing, applicable fees, tolls and taxes. It was further observed that while booking a trip, the application sometimes indicates a longer waiting period, which may be attributed to various factors such as driver availability or traffic conditions.

However, during the booking process a prompt was displayed stating **"High Demand, adding a tip helps you find a ride faster."** Such a prompt appears to create an expectation in the mind of consumers that adding a tip would enable them to secure a ride more quickly. The use of such messaging may influence consumer choice and decision-making during the booking process. Hence, the CCPA, in its preliminary inquiry, prima facie found violations of the provisions of the Consumer Protection Act, 2019, the Guidelines for Prevention and Regulation of Dark Patterns, 2023, and the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.

4. In view of the above findings, a Show Cause Notice dated 28.05.2025 was issued to Moving Tech Innovations Private Limited (Namma Yatri) under the provisions of the Consumer Protection Act, 2019. The notice sought an explanation regarding the alleged practices observed on the platform and called upon the company to furnish a detailed reply along with supporting documents within the stipulated period.

5. In response to the Show Cause Notice, the opposite party submitted vide letter dated 10.06.2025 that the "Namma Yatri" application is a direct-to-driver ride-sharing platform launched in November 2022 and that the company operates its services in compliance with all applicable laws and regulatory requirements. The company denied the allegations of deploying dark patterns or engaging in misleading practices.

The opposite party further submitted that it has implemented internal policies to ensure ethical advertising and fair business practices. It also stated that the advertisement "Guaranteed Auto in 5 mins or get Rs. 50" or any communication using the word "chance" was never published on the platform and that the allegations relating to such claims are factually incorrect.

With respect to the prompt "High Demand – adding a tip helps you find a ride faster," the company submitted that the feature was intended to inform users that voluntary tipping could incentivize drivers to accept rides during peak demand periods. According to the company, the feature did not compel consumers to add a tip and was not designed to mislead users. The company further submitted that the feature has been discontinued with effect from 22 May 2025.

6. The reply of the opposite party was examined. However, the submissions made by the company did not sufficiently address the concerns raised in notice regarding the potential impact of such interface prompts on consumer choice and decision-making. The CCPA was of the view that the practices observed on the platform require detailed examination to ascertain whether they amount to deployment of dark patterns or unfair trade practices under the Consumer Protection Act, 2019.

7. The matter was listed for hearing on 04.07.2025, during which Adv. Bhavya Mohan Argus Partners, and Mr. Rajiv appeared on behalf of the opposite party and presented their submissions. During the course of the hearing, the Opposite Party denied the allegations and submitted that the impugned feature was voluntary in nature and not intended to mislead consumers, further stating that the concerned phrase had already been withdrawn. The Authority, however, raised concerns regarding the appropriateness of such a feature being displayed prior to availing of the service. It was observed that such practices may have the potential to influence consumer choice. The Authority also asked the company to provide the comparative data on the time taken by the driver to reach customer where tip has been added vis-à-vis the customer who has not added the tip or any other additional submission or supporting documents to substantiate the claim.

8. In its response dated 18.07.2025, the company furnished comparative data of average pickup time for rides with and without "Extra Fare" for the period January-July 2025. The data indicated that the average pickup time for rides with Extra Fare was higher than that for rides without Extra Fare throughout the period, ranging from 234.65 seconds to 264.54 seconds, as against 211.43 seconds to 239.75 seconds for rides without Extra Fare. The company further submitted that the Extra Fare rides had a lower driver acceptance rate (42%) as compared to regular rides (67%), and therefore, according to the company, the feature did not result in any preferential treatment or priority in ride allocation.

9. Another opportunity of hearing was provided to the company on 18.07.2025 in which the company during the hearing submitted the following submissions:

a. The company is a zero-commission technology platform that is government-backed and a recognized partner of the Open Network for Digital Commerce (ONDC). Its role is limited to providing technology support to mobility services, including those offered through government-owned applications.

b. Recently, the company made the decision to remove the optional tip feature from its platform. This feature allowed drivers to receive additional compensation over and above the statutory base fare, which often does not fully reflect real-world operating conditions, such as fuel price fluctuations, time-of-day demand, or vehicle availability. The extra fare served as a market-aligned mechanism to support drivers fairly.

c. The removal of this feature has led to a revenue impact of approximately **₹50 crore**, placing them at a competitive disadvantage. Other platforms some of which are also owned or supported by government entities continue to operate with similar features, resulting in an uneven market landscape. This situation has arisen due to the absence of uniform regulatory enforcement, thereby creating an imbalance in the sector.

10. Upon examination of the submissions made during the hearing, the Central Authority directed the opposite party to furnish the following:

a. The company is required to share the price fixation guidelines notified by the Government of Karnataka and any other relevant State Government guidelines in support of this tipping feature.

b. To submit the information about the date on which the company made the decision to remove the optional tip feature.

11. Pursuant to the Order dated 01.08.2025 issued by the Central Consumer Protection Authority in respect of the hearing held on 18.07.2025, the company vide e-mail dated 08.08.2025 submitted that:

a. The company has removed the optional tip feature from the application effective **July 7, 2025.**

b. The company has submitted the **Hon'ble High Court of Karnataka Order** which permits mobility service providers to charge additional 5% service fee over and above the fixed fare and the **Motor Vehicle Aggregator Guidelines, 2025** under which aggregators are permitted to charge a minimum of 50% lower than the base fare and a maximum dynamic pricing of two times the base fare.

12. Accordingly, in exercise of the powers conferred under Section 19(1) of the Consumer Protection Act, 2019, the Authority was satisfied that a prima facie case exists with respect to possible violation of consumer rights and unfair trade practices affecting consumers as a class. Therefore, the matter was referred to the Director General (Investigation) for conducting a detailed investigation and submitting a report to the Authority. In context to CCPA Letter sent to DG Investigation on 21.07.2025 to conduct investigation against Moving Tech Innovations Pvt Ltd for alleged dark pattern, misleading advertisement and unfair trade practice, the investigation wing submitted its final report on 21.01.2026. The findings of the investigation report are as below:

Findings of the investigation:

Pursuant to the Show Cause Notice issued under the Consumer Protection Act, 2019, the Investigating Authority undertook a detailed examination of the operational practices of Moving Tech Innovations Private Limited, with specific reference to the Consumer Protection Act, 2019.

A. During the investigation, it was observed that the Namma Yatri platform initially displayed the prompt **"High Demand, adding a tip helps you find a ride faster,"** which influenced consumer behavior by nudging them to pay extra, even though the company later removed the prompt before the Show Cause Notice was issued.

B. While tipping is voluntary and goes entirely to the driver, the platform's design creates an indirect disadvantage for customers who do not tip, as drivers are incentivized to prioritize tipped rides, affecting trip acceptance and wait times.

C. Additionally, the interface shifts the responsibility of fair driver earnings onto the consumers, subtly encouraging tips through psychological and social pressure, even though this is intended to bridge driver pay gaps rather than being a required payment.

D. The investigation also revealed that the "High Demand" prompts lack independent verification, and customers are influenced to tip based on platform-controlled status, affecting their decision-making without transparent data.

E. Soliciting tips before ride acceptance changes the nature of tipping from a voluntary appreciation into a factor affecting service priority, indirectly influencing consumer experience.

F. The practice raises ethical concerns, as noted by consumer authorities, because tipping should be voluntary and post-service; pre-ride prompts for faster service can be considered an unfair trade practice affecting consumer autonomy.

G. Further, it is observed that the company did not use the prompts such as "Guaranteed Auto in 5 mins or get Rs. 50" or the term 'chance' in its application.

Conclusion of the findings of the investigation:

Based on the investigation conducted pursuant to the directions of the Central Consumer Protection Authority (CCPA), and upon review of the material facts, statutory provisions, and the company's conduct, the following conclusions are drawn:

A. Moving Tech Innovations Private Limited is in **violation of Sections 2(28) and 2(47) of the Consumer Protection Act, 2019**, as the prompt "High Demand, adding a tip helps you find a ride faster" misleads consumers, creates psychological pressure, and makes basic service fulfilment indirectly contingent on extra payment, resulting in unfair trade practice and differential treatment.

B. It is in **violation of Section 2(46)** of the Consumer Protection Act, 2019 as advance tips act as a de facto condition for faster service, imposing an unreasonable obligation on consumers and altering their contractual rights.

C. Such mechanisms also violate Guidelines for Prevention and Regulation of Dark Patterns, 2023, by using a deceptive interface that nudges users to tip, subverting consumer autonomy and decision-making.

13. The Investigation Report was shared with the company for submission of its comments, if any. Further, a final opportunity of hearing was granted on 13.02.2026. During the hearing, the Authority specifically enquired whether the company wished to make any submissions or place its position on record, particularly in view of the fact that no comments had been filed on the Investigation Report. The company was accordingly granted additional time to submit its response, if it so desired.

14. Subsequently, the company furnished its comments on the Investigation Report vide communication dated 14.02.2026, wherein the company stated that the prompt "High Demand, adding a tip helps you find a ride faster" had been voluntarily removed prior to issuance of notice and was neither misleading nor coercive in nature. It was further submitted that the company operates as a technology service provider on the ONDC network and having no role in fare determination, surge pricing, or algorithmic prioritisation.

15. The company further submitted that the "Extra Fare" feature was entirely voluntary, with no pre-selection, penalties, or restriction on proceeding without adding any amount, and that service was not contingent upon such payment. It was stated that the prompt merely reflected real-time market conditions such as demand-supply mismatch, traffic congestion, and additional driver effort, and did not create any psychological pressure or mislead consumers.

16. The company contended that no unfair trade practice, misleading advertisement, or unfair contract under Sections 2(28), 2(47), and 2(46) of the Act is made out, as there was no imposition of any obligation or condition on consumers. It was also submitted that the feature does not constitute a "dark pattern" since it neither misled nor impaired consumer choice, and no algorithmic preference or guarantee of service was linked to the extra fare. Further, the company submitted that the feature has been completely disabled and corrective measures have already been undertaken, and accordingly requested that no further action be taken in the matter.

17. It may be mentioned that Section 2(47) of the Consumer Protection Act, 2019 defines "unfair trade practice" as 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. Section 2(46) of the Consumer Protection Act, 2019 defines "unfair contract" to mean a contract between a service provider and a consumer having such terms which cause significant change in the rights of such consumer, including the imposition on the consumer of any unreasonable charge, obligation or condition which puts such consumer to disadvantage.

19. It may be mentioned that the Guidelines for Prevention and Regulation of Dark Patterns, 2023 (hereinafter 'Dark Patterns Guidelines'), issued by the Department of Consumer Affairs, define 'dark patterns' under Clause 2(e) as:-

> *2(e) "Dark Pattern" means 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.*

20. Annexure 1 to the Guidelines for Prevention and Regulation of Dark Patterns, 2023 lists the specified dark patterns which are prohibited under the said Guidelines, one of them is a "Confirm Shaming" as a specified dark pattern. Clause 3, Illustration (a) thereof defines 'Confirm Shaming', the definition is given below for easy reference:-

> *(3) "Confirm Shaming" means using a phrase, video, audio or any other means to create a sense of fear or shame or ridicule or guilt in the mind of the user so as to nudge the user to act in a certain way that results in the user purchasing a product or service from the platform or continuing a subscription of a service, primarily for the purpose of making commercial gains by subverting consumer choice.*

21. 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;

22. It may be mentioned that Section 2(28) of the Act defines **"misleading advertisement"** in relation to any product or service as an advertisement which-

(28) "misleading advertisement" *in relation to any product or service, means an advertisement, which-*

i. falsely describes such product or service; or

ii. gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or

iii. conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or

iv. deliberately conceals important information;

23. The CCPA further notes that the concerns arising from pre-ride tipping mechanisms have received express recognition in the regulatory framework governing motor vehicle aggregators. The Ministry of Road Transport and Highways, Government of India, by way of amendment to the Motor Vehicle Aggregator Guidelines, 2025, inserted Clause 14.15, which states that:

14.15 "Voluntary tipping for the Driver"

(i) The App may provide a feature for passengers to give a voluntary tip to the driver, however, such feature shall only be visible after the completion of the journey, and should not be available at the time of booking, before the commencement of the journey or during the journey.

(ii) The entire tip amount shall be credited to the driver without any deduction by the aggregator.

(iii) No tipping feature or mechanism shall be provided in the App that is misleading, manipulative, or otherwise in violation of the Consumer Protection Act, 2019 and the rules and regulations made thereunder.

24. The CCPA has carefully considered the written submissions filed by the Opposite Party, the submissions made by the Opposite Party during the hearings, and the investigation reports submitted by the Director General (Investigation). The CCPA has also taken note of the Opposite Party's submission that it had initially removed the "High Demand" messaging on 22.05.2025 prior to the issuance of Show Cause Notice and, subsequently, completely disabled the "Extra Fare" feature, which the Opposite Party described as a voluntary additional payment by passengers over and above the statutory fare. Accordingly, the CCPA hereby closes the matter and issues the following direction to the Opposite Party under the Consumer Protection Act, 2019:

(i) The opposite party shall remain compliant with the provisions of the Consumer Protection Act, 2019, Guidelines for Prevention and Regulation of Dark Patterns, 2023 and Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022

25. The above order and directions are passed in exercise of the powers conferred upon CCPA under section 10, 20, 21 of the Consumer Protection Act 2019.

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(Nidhi Khare)
Chief Commissioner

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(Anupam Mishra)
Commissioner

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