

ADVISORY
WITH REGARD TO LEVY OF SERVICE CHARGE IN HOTELS AND
RESTAURANTS

It has come to notice of the Department that some restaurants and hotels are levying service charge in the bill by default, without informing consumers that paying such charge is voluntary and optional. Service charge is being levied in addition to the total price of the food items mentioned in the menu and applicable taxes, often in the guise of some other fee or charge. Further, It has also come to the notice of the Department that some customers have been paying tips to the waiters in addition to Service Charges under the mistaken impression that service charge is a part of taxes.

As per guidelines issued by Central Consumer Protection Authority (CCPA), under the Consumer Protection Act, 2019, Service Charge cannot be added in the bill involuntarily, without allowing consumers the choice or discretion to decide whether they want to pay such charge or not.

Therefore, in compliance with the guideline issued by the CCPA, the Department of Food & Supplies and Consumer Affairs and Legal Metrology, U.T., Chandigarh hereby issues an advisory in public interest to Hotels and restaurants that-

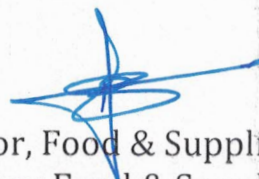
- No hotel or restaurant shall add service charge automatically or by default in the bill.
- Service charge shall not be collected from consumers by any other name.
- No hotel or restaurant shall force a consumer to pay service charge and shall clearly inform the consumer that service charge is voluntary, optional and at consumer's discretion.
- No restriction on entry or provision of services based on collection of service charge shall be imposed on consumers.
- Service charge shall not be collected by adding it along with the food bill and levying GST on the total amount.

It is also for the information of general public that if any consumer finds a hotel or restaurant that is levying service charge in violation to the above-mentioned guidelines, a consumer may:-

- (i) Make a request to the concerned hotel or restaurant to remove service charge from the bill amount.

- (ii) Lodge a complaint on the Consumer Helpline, which works as an alternate dispute redressal mechanism at the pre-litigation level by calling 1915 or through whatsapp number 8800001915 or through the NCH mobile app.
- (iii) File a complaint against unfair trade practice with the Consumer Commission. The Complaint can also be filed electronically through portal www.e-jagriti.gov.in for its speedy and effective redressal.
- (iv) Submit a complaint to the CCPA by e-mail at com-ccpa@nic.in. Consumer can also send a complaint to the Department of Food & Supplies and Consumer Affairs and Legal Metrology, U.T., Chandigarh by helpline number at 0172-2703956 or email at fcs-chd@nic.in for subsequent proceeding by the CCPA.

Issued in Public Interest by the **Department of Food & Supplies and Consumer Affairs and Legal Metrology, U.T., Chandigarh.**



Director, Food & Supplies
for Secretary Food & Supplies and
Consumer Affairs and Legal Metrology,
U.T., Chandigarh