

**MODULE - 8***Trade & Consumer  
Protection**Notes***24****CONSUMER PROTECTION**

We buy a variety of goods and services in our day-to-day life. Whatever we buy we pay for it and derive satisfaction from its consumption and use. But sometimes we do not feel satisfied with the product we buy. This may be on account of poor quality of the product, overcharging by the shopkeeper, lower quantity of contents, misleading advertisement, and so on. Should we allow these practices to continue? Obviously not; then is there any remedy for such malpractices? The answer lies in the concept and practice of consumer protection, the rights and responsibilities of consumers, legal provisions and mechanism for settlement of consumer grievances. In this lesson, let us know details about all these points.

**OBJECTIVES**

*After studying this lesson, you will be able to:*

- state the meaning of consumer;
- explain the concept of consumer protection;
- outline the need for consumer protection;
- describe the rights and responsibilities of consumers;
- state the main provisions of Consumer Protection Act; and
- outline the machinery for settlement of consumer grievances.

**24.1 MEANING OF CONSUMER**

You have learnt that a consumer is a person who consumes or uses any goods or services. Goods may be consumables like wheat flour, salt, sugar, fruit etc. or durable items like television, refrigerator, toaster, mixer, bicycle etc. Services refer to items like

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electricity, cooking gas, telephone, transportation, film show etc. Normally, it is the consumption or use of goods and services that makes the person to be called as 'consumer'. But in the eyes of law, both the person who buys any goods or hires any service for consideration (price) and the one who uses such goods and services with the approval of the buyer are termed as consumers. For example, when your father buys apple for you and you consume them, your father as well as yourself are treated as consumers. The same thing applies to hiring a taxi to go to your school. In other words, even the buyer of goods and services whether he uses them himself or purchases them for consumption or use by some other person(s) is treated as consumer in the eyes of law. However, a person who buys goods for resale (like wholesaler, retailer, etc.) or for any commercial purpose is not treated as consumer.

Under the Consumer Protection Act 1986, the word **Consumer** has been defined separately for the purpose of goods and services.

*(a) For the purpose of goods, a consumer means (i) one who buys any goods for consideration; and (ii) any user of such goods other than the person who actually buys it, provided such use is made with the approval of the buyer.*

*(The expression 'consumer' does not include a person who obtains such goods for resale or for any commercial purpose.)*

*(b) For the purpose of services, a consumer means (i) one who hires any service or services for consideration; and (ii) any beneficiary of such service(s) provided the service is availed with the approval of such person.*

## 24.2 CONCEPT OF CONSUMER PROTECTION

Consumer protection means safeguarding the interest and rights of consumers. In other words, it refers to the measures adopted for the protection of consumers from unscrupulous and unethical malpractices by the business and to provide them speedy redressal of their grievances. The most common business malpractices leading to consumer exploitation are given below.

- (a) Sale of adulterated goods i.e., adding something inferior to the product being sold.
- (b) Sale of spurious goods i.e., selling something of little value instead of the real product.
- (c) Sale of sub-standard goods i.e., sale of goods which do not confirm to prescribed quality standards.
- (d) Sale of duplicate goods.

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- (e) Use of false weights and measures leading to underweight.
- (f) Hoarding and black-marketing leading to scarcity and rise in price.
- (g) Charging more than the Maximum Retail Price (MRP) fixed for the product.
- (h) Supply of defective goods.
- (i) Misleading advertisements i.e., advertisements falsely claiming a product or service to be of superior quality, grade or standard.
- (j) Supply of inferior services i.e., quality of service lower than the quality agreed upon.

The above instances show the exploitation of consumers in the context of goods and services. In a democratic nation like India, should we allow this to happen? So the measures adopted by the government or non-government organisations (NGOs) for safeguarding the interests of the consumers constitute consumer protection.

***Examples of Consumer Exploitation in India***

- *The after sales service provider of the television set charged Rs 200 as service charge though he repaired the set within the warranty period.*
- *The tickets issued to different passengers on the same day for the same journey showed the same seat number.*
- *Penalty of Rs. 50 was charged by SBI after issuing the cheque book to the customer showing that the balance available in the account was less than the minimum required balance for issue of cheque book.*
- *The supply of cooking gas cylinder to the consumers is found to be underweight.*

**24.3 NEED FOR CONSUMER PROTECTION**

The necessity of adopting measures to protect the interest of consumers arises mainly due to the helpless position of the consumers. There is no denying fact that the consumers have the basic right to be protected from the loss or injury caused on account of defective goods and deficiency of services. But they hardly use their rights due to lack of awareness, ignorance or lethargic attitude. However in view of the prevailing malpractices and their vulnerability there to, it is necessary to provide them physical safety, protection of economic interests, access to information, satisfactory product standard, and statutory measures for redressal of their grievances. The other main arguments in favour of consumer protection are as follows:

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- (a) **Social Responsibility** : The business must be guided by certain social and ethical norms. It is the moral responsibility of the business to serve the interest of consumers. Keeping in line with this principle, it is the duty of producers and traders to provide right quality and quantity of goods at fair prices to the consumers.
- (b) **Increasing Awareness** : The consumers are becoming more mature and conscious of their rights against the malpractices by the business. There are many consumer organisations and associations who are making efforts to build consumer awareness, taking up their cases at various levels and helping them to enforce their rights.
- (c) **Consumer Satisfaction** : Father of the Nation Mahatma Gandhi had once given a call to manufactures and traders to “*treat your consumers as god*”. Consumers’ satisfaction is the key to success of business. Hence, the businessmen should take every step to serve the interests of consumers by providing them quality goods and services at reasonable price.
- (d) **Principle of Social Justice** : Exploitation of consumers is against the directive principles of state policy as laid down in the Constitution of India. Keeping in line with this principle, it is expected from the manufacturers, traders and service providers to refrain from malpractices and take care of consumers’ interest.
- (e) **Principle of Trusteeship** : According to Gandhian philosophy, manufactures and producers are not the real owners of the business. Resources are supplied by the society. They are merely the trustees of the resources and, therefore, they should use such resources effectively for the benefit of the society, which includes the consumers.
- (f) **Survival and Growth of Business** : The business has to serve consumer interests for their own survival and growth. On account of globalisation and increased competition, any business organisation which indulges in malpractices or fails to provide improved services to their ultimate consumer shall find it difficult to continue. Hence, they must in their own long run interest, become consumer oriented.

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#### Importance of Consumer Protection

The following factors make consumer protection important.

#### *Importance from consumer’s point of view*

1. Ignorant consumers are given information relating to consumer rights and remedies.
2. Redressal agencies support the consumer who need assistance.
3. Large number of consumers are exploited by manufacturers. Consumer protection safe guard, the consumers against unfair trade practices.
4. Sometimes inconveniences like foul smell from the industries, noise of machines etc. cannot be completely controlled. Consumer protection safeguards the consumers for such inconveniences.

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1. Social responsibility of business can be explained by providing quality goods at reasonable price.
2. Business are able to satisfy its consumers by providing right quality products. This helps them to retain its consumers and it serves the long term interest of business.
3. Government intervention may spoil the image of business if they follow unfair trade practices. Business firms which violate the laws are likely to lose customers and goodwill forever.
4. Business enterprises are morally brunt to be honest in their dealings with the public.

Therefore, Consumer protection is in the interest of business itself.

***24.4.1 Consumer Awareness***

A consumer who is well informed about his rights would be in a position to raise his voice against any unfair trade practices. In addition to this, an understanding of his responsibilities would enable a consumer to safeguard his interest.

***Role of Consumer organisations and NGOs***

There are more than 500 consumer organisations in India. Many of them are working as Non-governmental organisations (NGOs). Consumer organisations are voluntary associations of consumers. Consumer organisation/Non-governmental Organisations protect the consumers from being exploited from business. The role of these organisations is described below.

1. To educate consumers about their rights and responsibilities.
2. To inform consumers about the remedies available to them protecting their rights.
3. To organise exhibitions on adulterated products.
4. To arrange talks, seminars, conferences on issues relating to consumers.
5. To publish journals on consumer affairs.
6. To produce films on food adulteration.
7. To run counseling and guidance centers for consumers.
8. To file suits, complaints and write petitions before the courts on behalf of consumers.



### INTEXT QUESTIONS 24.1

1. Give five instances of your daily life in which you see yourself as a consumer.
2. Put ( $\checkmark$  / X) mark in the box provided to identify consumer exploitation.
  - (a) Turmeric powder sold with mixture of yellow colour.
  - (b) Purchased a table fan with two years warrantee.
  - (c) Sale of noodles, marked on the label as 100 gms, but actually it weighs 80 gms.
  - (d) A passenger traveled in a deluxe bus but the seat was very much uncomfortable.
3. Choose the correct answer :
  - i. Mr. Babu bought a packet of fried chips manufactured by 'Sneha Confectionaries' from local retailer. On opening the packet, he found that chips were stale and foul smell emitted from it. Name the organisation which can act on behalf of Mr. babu, to protect his interest.
    - a) Tata Consultancy Service                      b) Reliance Ltd.
    - c) Non-governmental organisations      d) None of the above

### 24.5 RIGHTS OF CONSUMERS

John F, Kennedy, the former USA President, in his message to consumer had given six rights to consumers. These rights are (i) right to safety, (ii) right to be informed, (iii) right to choose, (iv) right to be heard, (v) right to redress and (vi) right to represent. These rights had paved the way for organised consumer movement in the USA and later it spread all over the world. In India, the Consumer Protection Act, 1986 has also provided for the same rights to consumers. Let us have a brief idea about these rights of consumers.

- (a) Right to Safety :** It is the right of the consumers to be protected against goods and services which are hazardous to health or life. For example, defective vehicles could lead to serious accidents. The same is true of electrical appliances with sub-standard material. Only recently, there were mass protests and boycott of soft drinks due to presence of hazardous pesticides beyond permissible limits. Thus, right to safety is an important right available to the consumer which ensures that the manufacturers shall not produce and sell sub-standard and dangerous products.



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- (b) **Right to be Informed :** The right to be informed is an important component of consumer protection. The consumer must be provided with adequate and accurate information about quality, quantity, purity, standard and the price of the goods and services. Now-a-days the manufacturers provide detailed information about the contents of the product, its quantity, date of manufacturing, date of expiry, maximum retail price, precautions to be taken, etc. on the label and package of the product. Such information helps the consumers in their buying decision and use of the product.
- (c) **Right to Choose :** The right to choose provides that the consumer must be assured, whenever possible, access to a variety of goods and services at competitive prices. If the market has enough varieties of products at highly competitive prices, the buyers have an opportunity of wide selection. However, in case of monopolies like railways, postal service and electricity supply etc. it implies a right to be assured of satisfactory quality of service at a fair price.
- (d) **Right to be Heard :** The rights to safety, information and choice will be frivolous without the right to be heard. This right has three interpretations. Broadly speaking, this right means that consumers have a right to be consulted by Government and public bodies when decisions and policies are made affecting consumer interests. Also, consumers have a right to be heard by manufactures, dealers and advertisers about their opinion on production, marketing decisions and any grievances of the consumers. Now-a-days, most of the top manufacturers and firms have set up consumer service cells to attend to consumers' complaints and take appropriate steps for their redressal. Thirdly, consumers have the right to be heard in legal proceedings in law courts dealing with consumer complaints.
- (e) **Right to Seek Redressal :** The consumers have been given the right of redressal of their grievances relating to the performance, grade, quality etc. of the goods and services. If required, the product must be repaired / replaced by the seller/ manufacturer. The Consumer Protection Act has duly provides for a fair settlement of genuine grievances of the consumers. It has also set up a proper mechanism for their redressal at district, state and national levels.
- (f) **Right to Consumer Education :** It means the right to receive knowledge and skill to become informed consumer. In this direction the consumer associations, educational institutions and the policy makers can play an important part. They are expected to impart information and knowledge about (i) the relevant laws which are aimed at preventing unfair trade practices, (ii) the ways and means which dishonest traders and producers may adopt to deceive the consumers, (iii) insistence on a bill or receipt at the time of purchase, and (iv) the procedure to be followed by consumers while making complaints. Effective consumer education leads to an increased level of consumer awareness and help them to enforce their rights more effectively, and protect themselves against fraudulent, deceitful and grossly misleading advertisement, labeling, etc.

## 24.6 RESPONSIBILITIES OF CONSUMERS

You have learnt about the various rights of the consumers. Let us now have an idea about their duties and responsibilities. These include the following:

- (a) **Be quality conscious :** To put a stop to adulteration and corrupt practices of the manufacturers and traders, it is the duty of every consumer to be conscious of the quality of product they buy. They should look for the standard quality certification marks like ISI, Agmark, FPO, Woolmark, Eco-mark, Hallmark etc. while making the purchases.
- (b) **Beware of misleading advertisements :** The advertisement often exaggerates the quality of products. Hence, the consumers should not rely on the advertisement and carefully check the product or ask the users before making a purchase. In case there are discrepancies, the same should be brought to the notice of the sponsors and the appropriate authority, if need be.
- (c) **Responsibility to inspect a variety of goods before making selection :** The consumer should inspect a variety of goods before buying the goods and service. For this purpose he/she should compare their quality, price, durability, after sales service etc. This would enable the consumers to make the best choice within the limit of their own resources.
- (d) **Collect proof of transaction :** The consumer should insist on a valid documentary evidence (cash memo/invoice) relating to purchase of goods or availing of any services and preserve it carefully. Such proof of purchase is required for filing a complaint. In case of durable goods the manufactures generally provide the warrantee/guarantee card along with the product. It is the duty of consumers to obtain these documents and ensure that these are duly signed, stamped and dated. The consumer must preserve them till the warrantee/guarantee period is over.
- (e) **Consumers must be aware of their rights :** The consumers must be aware of their rights as stated above and exercise them while buying goods and services. For example, it is the responsibility of a consumer to insist on getting all information about the quality of the product and ensure himself/herself that it is free from any kind of defects.
- (f) **Complaint for genuine grievances :** As a consumer if you are dissatisfied with the product/services, you can ask for redressal of your grievances. In this regard, you must file a proper claim with the company first. If the manufacturer/company does not respond, then you can approach the forums. But your claim must state actual loss and the compensation claim must be reasonable. At no cost fictitious complaints should be filed otherwise the forum may penalise you.



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- (g) **Proper use of product/services** : It is expected from the consumers that they use and handle the product/services properly. It has been noticed that during guarantee period, people tend to reckless use of the product, thinking that it will be replaced during the guarantee period. This practice should be avoided.

Apart from the responsibility enumerated above, the consumers should be conscious of their duty towards other consumers, society and ecology and make responsible choice. In other words, their purchases and consumption should not lead to waste of natural resources and energy and environmental pollution.



### INTEXT QUESTIONS 24.2

1. What information do you expect to get under the right to consumer education?
2. Identify the relevant rights of a consumer being violated in the following instances.
  - (a) A bottle of acid sold but the cap was not properly sealed.
  - (b) Medicine sold without date of manufacturing and date of expiring printed on its packaging.
  - (c) Madan bought a cooler with 2 years warranty. The cooler started giving problem within 6 months. Madan approached the seller. The seller did not listen to his grievances.
  - (d) The seller compels the consumer to purchase the available product.
  - (e) The common consumers are not aware of their rights, right path and procedure for filing the complaints.

### 24.7 WAYS AND MEANS OF CONSUMER PROTECTION

We have enumerated several instances of exploitations and malpractices on the part of manufacturers, traders, dealers and services providers. Now the question arises as to how can these be eliminated. Actually it is very difficult to stop such exploitation by any consumer single handedly. The consumers have to collectively act against such malpractices and take the help of consumer organisations and the government agencies. Infact, consumer protection essentially needs consumer awareness, education and guidance, and it cannot be assured by voluntary business conduct or self-regulation. The following are the various ways and means of consumer protection followed in India.

- (a) **Lok Adalat** : Lok Adalats are the effective and economical system for quick redressal of the public grievances. The aggrieved party can directly approach the adalats with his grievance, and his issues are discussed on the spot and decisions

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are taken immediately. The consumers may take the advantage of this system to solve their problems. Cases of electricity billing, telephone billings, road accidents etc. can be taken up in Lok Adalat for spot settlement. Infact, Indian Railways, Mahanagar Telephone Nigam Limited and Delhi Vidyut Board hold Lok Adalat regularly to settle user's grievances on the spot.

- (b) **Public Interest Litigation :** Public Interest Litigation (PIL) is a scheme under which any person can move to the court of law in the interest of the society. It involves efforts to provide legal remedy to un-represented groups and interests. Such groups may consist of consumers, minorities, poor persons, environmentalists and others. Any person or organisation, though not a party to the grievances, can approach the court for remedial action in case of any social atrocities.
- (c) **Redressal Forums and Consumer Protection Councils :** Under the Consumer Protection Act 1986, a judicial system has been set up to deal with the consumer grievances and disputes at district level, state level and national level. These are known as District Forum, State Consumer Disputes Redressal Commission (State Commission) and National Consumer Disputes Redressal Commission (National Commission). Any individual consumer or association of consumers can lodge a complaint with the District, State or National level forum, depending on the value goods and claim for compensation. The main objective of these forums is to provide for a simple, speedy and inexpensive redressal of consumers' grievances. The Act as amended in 2002 also provides for setting up of **Consumer Protection Council** at district, state and national level for promotion and protection of the rights of the consumers as laid down in Section 6 of the Act. The councils are required to give wide publicity to the rights of consumers, the procedures for filling complaints by them and provide inputs to consumer movement in the country.
- (d) **Awareness Programme :** To increase the level of awareness among the consumers the Government of India has initiated various publicity measures. It regularly brings out journals, brochures, booklets and various posters depicting the rights and responsibilities of consumers, redressal machineries etc. It observes World Consumer Rights Day on 15 March and National Consumer Day on 24 December. Several video programmes on consumer awareness are broadcasted through different television channels. Similarly, audio programmes are also broadcasted through All India Radio and FM channels. The poster and slogan competition on consumer protection are also organised at various level. To encourage the participation of public in the field of consumer protection the Government has also instituted National Awards to the persons who have done outstanding work in this field.

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- (e) **Consumer Organisations :** Consumer organisations have been active all over the world to promote and protect consumer interests. A number of such organisations have also been set up in recent years in different parts of India. It is felt that neither it is possible to discipline all members of the business community through moral sanctions and a code of fair business practices nor can administrative orders and legislative provisions to ensure consumer protection without the active involvement of consumer associations. Now with an increasing number of consumer organisations involved in consumer protection, the consumer movement is getting a foothold in India and helping individuals to seek quick and adequate redressal of their grievances. Look at the box for some of such consumer organisations.

### Consumer Organisations

Some of the important Consumer Organisations that have been playing an active role in taking up consumer cause are:

- ▶▶ CERC (Consumer Education and Research Centre), Ahmedabad
- ▶▶ VOICE (Voluntary Organisation in the Interest of Consumer Education), New Delhi
- ▶▶ CGSI (Consumer Guidance Society of India), Mumbai
- ▶▶ CAG (Consumer Action Group), Chennai
- ▶▶ CUTS (Consumer Unity and Trust Society), Jaipur
- ▶▶ Common Cause, New Delhi
- ▶▶ Consumer Education Centre, Hyderabad
- ▶▶ Karnataka Consumer Service Society, Bangalore
- ▶▶ Kerala State Consumers Coordination Committee, Cochin

*These organisations are collecting data on different products and testing them, investigating into the problems of consumers, publishing and distributing brochures and journals, organising consumer awareness programmes, filing complaints, suits and writ petitions on behalf of the consumers, etc.*

- (f) **Consumer Welfare Fund :** The government has created a consumer welfare fund for providing financial assistance to strengthen the voluntary consumer movement in the country particularly in rural areas. This fund is mainly used for setting up facilities for training and research in consumer education, complaint handling, counseling and guidance mechanisms, product testing labs, and so on.

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**(g) Legislative Measures :** A number of laws have been enacted in India to safeguard the interest of consumers and protect them from unscrupulous and unethical practices of the businessmen. Some of these Acts are as follows:

- (i) Drug Control Act, 1950
- (ii) Agricultural Products (Grading and Marketing) Act, 1937
- (iii) Industries (Development and Regulation) Act, 1951
- (iv) Prevention of Food Adulteration Act, 1954
- (v) Essential Commodities Act, 1955
- (vi) The Standards of Weights and Measures Act, 1956
- (vii) Monopolies and Restrictive Trade Practices Act, 1969
- (viii) Prevention of Black-marketing and Maintenance of Essential Supplies Act, 1980
- (ix) Bureau of Indian Standards Act, 1986

The object and interest of almost all these enactments are mainly punitive, though some of these are also preventive in nature. However, none of these laws provide any direct relief to the consumers. Hence, amendments have been made in some of these laws by which individual consumers and consumer organisations have been conferred the right to take initiative and launch legal proceedings in civil and criminal courts against the violators. Another legal enactment that made a dent in this situation was the Monopolies and Restrictive Trade Practices Act, 1969. It gained the status of a specific consumer protection law with amendments made in 1984. In spite of the changes made in 1984, a need was felt to have a more elaborate legislation. So the Consumer Protection Act was passed in 1986 to offer the necessary protection to consumers and provide an elaborate mechanism to deal with consumer grievances and disputes. A broad idea about its main provisions is being given in the next section.



### INTEXT QUESTIONS 24.3

1. State the role of Consumer Protection Councils.
2. Advise Suresh to adopt the relevant Ways and Means of Consumer Protection in the following case.
  - (a) Suresh had received a faulty bill from the electricity department and could not settle the matter amicably. Where should he go?
  - (b) Suresh wanted to be more informed about consumer protection. What should he do?

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- (c) Suresh faced an accident due to the manufacturing defect in the car. He wants to claim compensation from the manufactures. Where should he go?
- (d) Suresh saw a group of 30 small children aged 8 to 10 years harassed by a manufacturer who employed these children. What can he do?
- (e) Suresh came to know that a Industry of the nearby area is throwing its waste into the river. What should he do?

**24.8 CONSUMER PROTECTION ACT 1986**

The Consumer Protection Act was passed in 1986 and it came into force from 1 July 1987. The main objectives of the Act are to provide better and all-round protection to consumers and effective safeguards against different types of exploitation such as defective goods, deficient services and unfair trade practices. It also makes provisions for a simple, speedy and inexpensive machinery for redressal of consumers' grievances.

**Salient Features of Consumer Protection Act 1986**

The salient features of Consumer Protection Act (CPA) 1986 are as follows:

- (a) It applies to all goods, services and unfair trade practices unless specifically exempted by the Central Government.
- (b) It covers all sectors whether private, public or co-operative.
- (c) It provides for establishment of consumer protection councils at the central, state and district levels to promote and protect the rights of consumers and a three tier quasi-judicial machinery to deal with consumer grievances and disputes.
- (d) It provides a statutory recognition to the six rights of consumers.

**Goods and Services covered under CPA 1986**

The term 'goods' under this Act has the same meaning as under the sale of goods Act. Accordingly it covers all types of movable property other than money and includes stocks and shares, growing crops, etc. The term 'service' means service of any description made available to potential users and includes banking, financing, housing construction, insurance, entertainment, transport, supply of electrical and other energy, boarding and lodging, amusement, etc. The services of doctors, engineers, architects, lawyers etc. are included under the provisions of Consumer Protection Act.

**Filing of Complaints**

For redressal of consumer grievances a complaint must be filed with the appropriate forum. In this section let us know, who can file a complaint, what complaints can be filed, where to file the complaint, how to file the complaints etc.

**Who can file a complaint?**

The following persons can file a complaint under Consumer Protection Act 1986:

- (a) a consumer;
- (b) any recognised voluntary consumer association whether the consumer is a member of that association or not;
- (c) the Central or any State Government; and
- (d) one or more consumers where there are numerous consumers having same interest.
- (e) Legal heir or representative in case of death of a consumer.

**What complaints can be filed?**

A consumer can file a complaint relating to any one or more of the following:

- (a) an unfair trade practice or a restrictive trade practice adopted by any trader or service provider;
- (b) goods bought by him or agreed to be bought by him suffer from one or more defect;
- (c) services hired or availed of, or agreed to be hired or availed of, suffer from deficiency in any respect;
- (d) price charged in excess of the price (i) fixed by or under the law for the time being in force, (ii) displayed on the goods or the package, (iii) displayed in the price list, or (iv) agreed between the parties; and
- (e) goods or services which are hazardous or likely to be hazardous to life and safety when used.

**Where to file a complaint?**

If the value of goods and services and the compensation claimed does not exceed Rs. 20 lakh, the complaint can be filed in the District Forum; if it exceeds Rs. 20 lakh but does not exceed Rs. One crore, the complaint can be filed before the State Commission; and if it exceeds Rs. One crore, the complaint can be filed before the National Commission.

**How to file a complaint?**

A complaint can be made in person or by any authorised agent or by post. The complaint can be written on a plain paper duly supported by documentary evidence in support of the allegation contained in the complaint. The complaint should clearly specify the relief sought. It should also contain the nature, description and address of the complainant as well as the opposite party, and so also the facts relating to the complaint and when and where it arose.

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Depending on the nature of complaint and the relief sought by the consumer, and the facts of the case, the Redressal Forum/Commission may order one or more of the following reliefs:

- (a) Removal of defects from the goods or deficiencies in services in question.
- (b) Replacement of the defective goods.
- (c) Refund of the price paid.
- (d) Award of compensation for loss or injury suffered.
- (e) Discontinuance of unfair trade practices or restrictive trade practice or not to repeat them.
- (f) Withdrawal of hazardous or dangerous goods from being offered for sale.
- (g) Provision of adequate costs to aggrieved parties.

**Time limit for filing the case**

The consumer can file the complaint within two years from the date on which the cause of action had arisen. However, it may be admitted even after the lapse of two years if sufficient cause is shown for the delay.

**Time limit for deciding the case**

Every complaint must be disposed off as speedily as possible within a period of three months from the date of notice received by the opposite party. Where the complaint requires laboratory testing of goods this period is extended to five months.

**INTEXT QUESTIONS 24.4**

1. Give any two reliefs available to a consumer under the CPA 1986.
2. Write Yes or No in the following cases.
  - a. Indian Airlines delayed the flight to Guwahati from New Delhi by 8 hrs. Can the passenger file a case in the consumer court?
  - b. A lawyer accepted the fee but did not appear in the court for the client. Can the client approach the consumer court for remedy?
  - c. Ramesh bought a refrigerator in January 2004 with a warranty period of 2 years. In June 2005 he noticed some defect and asked the company to rectify it. The company did not listen to his complaint. Now in July 2007 he is thinking to approach the district forum for redressal. Can the forum accept his complaint?

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- d. In the nearby area a milkman adulterates the milk with water and sells in the locality. Can all the consumers from a group and file a case.
- e. Mohan bought a product without a cash memo. Can he file a case in consumer court, if exploited?

## 24.9 MACHINERY FOR SETTLEMENT OF GRIEVANCES

The judicial machinery set up under the Consumer Protection Act, 1986 consists of consumer courts (forums) at the district, state and national levels. These are known as District forum, State Consumer Disputes Redressal Commission (State Commission) and National Consumer Disputes Redressal Commission (National Commission) separately. Let us have a brief idea about their composition and roles.

### 1. District Forum

This is established by the state governments in each of its districts.

- (a) **Composition :** The district forums consist of a Chairman and two other members one of whom shall be a woman. The district forums are headed by the person of the rank of a District Judge.
- (b) **Jurisdiction :** A written complaint can be filed before the District Consumer forum where the value of goods or services and the compensation claimed does not exceed Rs. 20 lakh.
- (c) **Appeal :** If a consumer is not satisfied by the decision of the District forum, he can challenge the same before the State Commission, within 30 days of the order.

### 2. State Commission

This is established by the state governments in their respective states.

- (a) **Composition :** The State Commission consists of a President and not less than two and not more than such number of members as may be prescribed, one of whom shall be a women. The Commission is headed by a person of the level of High Court judge.
- (b) **Jurisdiction :** A written complaint can be filed before the State Commission where the value of goods or services and the compensation claimed exceeds Rs. 20 lakh but does not exceed Rs. One crore.
- (c) **Appeal :** In case the aggrieved party is not satisfied with the order of the State Commission he can appeal to the National Commission within 30 days of passing of the order.

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### 3. National Commission

The National commission was constituted in 1988 by the central government. It is the apex body in the three tier judicial machinery set up by the government for redressal of consumer grievances. Its office is situated at Janpath Bhawan (Old Indian Oil Bhawan), A Wing, 5<sup>th</sup> Floor, Janpath, New Delhi.

- (a) **Composition :** It consists of a President and not less than four and not more than such members as may be prescribed, one of whom shall be a woman. The National Commission is headed by a sitting or retired judge of the Supreme Court.
- (b) **Jurisdiction :** All complaints pertaining to those goods or services and compensation whose value is more than Rs. one crore can be filed directly before the National Commission.
- (c) **Appeal :** An appeal can be filed against the order of the National Commission to the Supreme Court within 30 days from the date of order passed.

It may be noted that in order to attain the objects of the Consumers Protection Act, the National Commission has also been conferred with the powers of administrative control over all the State Commissions by calling for periodical returns regarding the institution, disposal and pending of cases and issuing instructions for adoption of uniform procedures, etc.



### INTEXT QUESTIONS 24.5

1. State the level or rank of the head of the following consumer courts.
  - (a) State Commission
  - (b) District Forum
  - (c) National Commission
2. Where does the remedy lie in the following case?
  - (a) A boy got drowned in a pool and the compensation claimed is Rs. 6 crores.
  - (b) The aggrieved party not being satisfied with the order of the State Commission wanted to appeal.
  - (c) A builder sold a house and the land was under litigation. The consumer claimed Rs. 56 lakhs as compensation.
  - (d) A consumer claimed a compensation of Rs.25,000/- from the manufacturer of a refrigerator.
  - (e) The aggrieved party not being satisfied with the order of the district forum wanted to make an appeal.



## WHAT YOU HAVE LEARNT

- Consumer is a person who buys goods or hires services to be used or consumed by himself/herself or by some one on behalf of the buyer.
- Consumer Protection refers to the measures adopted for the protection of consumers from unscrupulous and unethical malpractices by the business and to provide them speedy redressal of their grievances.
- A consumer will get information of consumer rights and remedies through the Consumer Protection Organisation (NGO)
- Consumer protection supports consumers and prevents exploitation of consumer.
- Consumer protections helps business to provide right quality product, increases social responsibility and prevents unfair trade practices.
- Consumer organisations and NGOs can play a vital role for consumer protection.
- Consumer organisations will educate consumers about their right through published materials, exhibitions, seminars etc.
- Consumer organisations help consumers to find remedies for their problems relating to consumer exploitation.
- The need for consumer protection arises due to the helplessness of consumers. They do not exercise their rights due to lack of awareness. Some reasons for consumer protection are:
  - ▶▶ Social Responsibility
  - ▶▶ Increasing Awareness
  - ▶▶ Consumer Satisfaction
  - ▶▶ Principle of Social Justice
  - ▶▶ Principle of Trusteeship
  - ▶▶ Survival and Growth of Business
- Rights of a Consumer as given in the Consumer Protection Act 1986
  - ▶▶ Right to Safety
  - ▶▶ Right to be Informed
  - ▶▶ Right to Choose
  - ▶▶ Right to be Heard
  - ▶▶ Right to Seek Redressal
  - ▶▶ Right to Consumer Education
- Responsibilities of Consumers shall include the following
  - ▶▶ Be quality conscious
  - ▶▶ Beware of misleading advertisements
  - ▶▶ Responsibility to inspect a variety of goods before making selection



*Notes*





## TERMINAL EXERCISE

### Very Short Answer Type Questions

1. Give the meaning of Consumer.
2. What is meant by consumer protection?
3. What do you mean by consumer awareness?
4. State any two examples of consumer exploitation.
5. Name the three tier judicial machinery under the Consumer Protection Act 1986.
6. Mention any four standard quality certification marks.

### Short Answer Type Questions

7. State the various publicity measures initiated by the government to increase the level of awareness of consumers.
8. Explain the meaning of Goods and Services as per CPA 1986.
9. Write any two points that describe the role of NGOs in protecting the consumer.
10. Explain the composition and jurisdiction of state commission.
11. State the purpose of creating Consumer Welfare Fund.
12. Who can file a complaint for redressal of grievances under the Consumer Protection Act 1986?

### Long Answer Type Questions

13. Explain the needs for consumer protection.
14. Describe the right of a consumer as per CPA 1986.
15. Explain the role of consumer organisation for consumer protection.
16. Briefly explain the importance of consumer protection to customer.
17. A shopkeeper sold you some spices claiming that it was pure. Later a laboratory test showed that these were adulterated. As a consumer what action would you like to take against this wrongful act of the shopkeeper?
18. One of your friends has recently bought a washing machine from the market by paying Rs. 15,000. After using a day or two he found some mechanical problem in the machine. Immediately he informed the dealer but the dealer did not respond to repair or replace the machine. Now he wants to lodge a complaint in a consumer court. Which consumer court should he go and why? Also state any three possible reliefs the court may order in favour of your friend.



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19. Your friend bought a ceiling-fan from an electronic equipments shop. When she fitted the fan at home, she discovered that it was not functioning. The shopkeeper now refuses to exchange the fan or return the money. Where and how can your friend file a complaint to get redressal of her grievance?

**ANSWERS TO INTEXT QUESTIONS**

- 24 .1** 2. (a) √ (b) X (c) √ (d) √
- 24 .2** 1. (a) the relevant laws which are aimed at preventing unfair trade practices  
(b) the ways and means which dishonest traders and producers may adopt to deceive the consumers,  
(c) the procedure to be followed by consumers while making complaints.
2. (a) Right to safety (b) Right to be informed  
(c) Right to be heard (d) Right to choose  
(e) Right to consumer education
3. (i)
- 24 .3** 2. (a) Lok Adalat (b) Awareness Programme  
(c) Redressal Forums (d) Public Interest Litigation  
(e) Public Interest Litigation
- 24 .4** 2. (a) Yes (b) Yes (c) No (d) Yes (e) No
- 24 .5** 1. (a) High Court Judge (b) District Judge  
(c) Supreme Court Judge
2. (a) National Commission (b) National Commission  
(c) State Commission (d) District Forum  
(e) State Commission

**DO AND LEARN**

Find out from persons in your family and of your locality about the products that they have bought and are using, like groceries, clothing and durable goods like Radio, T.V., Cycle, Scooter etc.

Make a list of about 10 such products and also note down against each item, after asking these people, the problems that they face in using these products (safety hazard, poor quality, not durable, etc.)

## Consumer Protection

Identify which of their rights as consumers are violated as a result of each of these problems. Also, mention how these problems could have been avoided through responsible consumer behaviour by these people?



### ROLE PLAY

Two friends, Gopal and Jaggu had gone to the market to buy the medicine for the ailing mother of Gopal. Jaggu is student of Business Studies, while Gopal is working as a computer operator. Read the conversation between them as given below:

- Gopal : Jaggu, please come immediately to my house.
- Jaggu : Why? What happened! What is the urgency?
- Gopal : My mother is not well.
- Jaggu : Don't worry, I am coming right now. In the mean time call the doctor.
- Gopal : Yes, I will do that.
- The doctor pays a visit and prescribes certain medicine.
- Jaggu : What did the doctor say?
- Gopal : He says it is typhoid and gave the prescription for medicines.
- Jaggu : Okay, let us go and get the medicine.
- Gopal : (to the shopkeeper) Sir, please give me all the medicine written here.
- Shopkeeper : Here is medicine, do you want the cash memo.
- Gopal : No, I don't want the cash memo. I know you very well!
- Jaggu : No don't do that. It is important to collect the cash memo even if you know him well.
- Gopal : But why?

Jaggu explained to Gopal about the importance of Cash memo and other responsibilities of a consumer. Put yourself in place of Jaggu and your friend in place of Gopal and continue the conversation.

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