

Consumer Protection in India – A Redressal Machinery

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Abstract

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The existence of such rights is necessary for overall development of the society thereby emphasizing the proper working of the Act. The Act is doing justice to its objectives and simultaneously new strategies have been evolving to create awareness among the consumers and to safeguard their interests.

Keywords: *Consumer Protection Act, Consumer Awareness, Right to Information Act 2005, Consumer Protection Council.*

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Introduction

Every living being is a potential Consumer of goods and services. The needs of Consumer throughout the world are similar, while the social, environmental and other forces that vary from place to place lead to differences in buying and consumption patterns. Infact, every human being is a consumer. One may sell something but at the same time one has to buy something for his living consumption is to the satisfaction of the basic needs that ensure maintenance and development of wealth.

The concept of Consumer Protection is almost twelve decades old, having its origin in the first Anti Trust legislation passed in 1890 in United States of America, declaring the contracts / combinations in the form of trust or otherwise in restraint of trade/commerce as illegal. “A Customer is a most important visitor in our premises. He is not depending on us. We are depending on him. He is not an interruption in our work, he is a purpose of it. We are doing him a favour by serving him. He is doing us a favour by giving us the opportunity to serve him, said Mahatma Gandhi.

Ex-president of U.S. John F.Kennedy in 1962 declared four basic consumer rights. viz. Right to safety, Right to choose, Right to information and Right to be heard. Pursuant to the resolution of U.N. in 1985, our Consumer Protection Act 1986 has been passed. The Act seeks to promote and protect the above four rights alongwith two more rights this right to redressal and right to consumer education. In the process of satisfying needs, people look for better quality of life in terms of personal, intellectual, educational, artistic, aesthetic and recreational growth.

Indian Scenario :

In a country like India, where substantial number of rural people are living below the poverty line, and where the un-employment is high and literacy level is low consumer awareness continues to remain low. Several studies have shown that rural consumers are generally ignorant and they are also un-organised. Under these circumstances the sellers or the manufacturers are likely to exploit the consumers. Through, the consumers in India have been provided with various safety measures against their exploitation, still the sellers and producers are indulging in hoarding and black-marketing essential commodities and goods, resorting to corruption and frequently cheating the consumers. Rural Markets are full of sub-standard goods and duplicated brands. As there is no proper check on production and sale of such products in the rural markets, many consumers of these goods and products are meeting with injuries. The expansion of service sector also has added to the problem. Services like insurance, banking, electricity, medical have expanded in the rural areas without any checks and balances and the consumers continue to be exploited by the

service providers. It is common to find that farmers are supplied defective seeds, adulterated pesticide and other commodities spurious goods are very common in these markets.

Consumer protection has assumed greater importance in all industrially developed and civilized societies. The consumers are in a very precarious and pathetic situation in the market place. In a classic work “the wealth of Nations”, a well known economist Adam Smith described market place as a pillar of strength of the consumer. The economy of any nation mainly depends on the ability of Consumer’s response to the fluctuations of the market.

An enlightened consumer is an empowered consumer. A vigilant consumer not only protects himself from exploitation but induces efficiency, transparency and accountability in entire manufacturing and services sector. Realising the importance of Consumer awareness, Government has accorded top priority to consumer Justice, Consumer protection and Consumer Education. The process development coupled with increasing liberalisation and globalization across the country has enabled the consumer to realize their increasingly important role in the society and government.

The accelerated pace of development in all economic business areas throughout the world can certainly become progressive when the interests of consumers are safeguarded. The growth indicators of the economy become meaningless when the majority of the consumers of the economy are exploited. Therefore, consumer protection and welfare should be the focal drive for the growth perspectives. “A consumer is a king of the Market”, but in fact he is not. The majority of Indian problems relating to consumers are adulteration, artificial scarcity, unreasonable prices, etc.

The technological developments changed the needs and tastes of the Consumers. The simple kind of goods and services which were well suited to them in the past, have been replaced by the complex and complicated products. They differ so widely from each other, in terms of use, benefit, efficacy, durability, purity and potency that it becomes very difficult to make their comparative analysis for assessing the suitability of price which the consumer has to pay.

Constitutional Provisions :

Some of the provisions of the constitution of our India enshrined the importance of the consumer protection in India. For example Articles 14, 16, 19, 21 and 25 are the playing a dominant role. The courts in India also having important in this regard for the protection of the Consumer in India. Right to information is a Fundamental Right and granted as per Article 19 and 21 Article of the Indian

Constitution. It is part of the Fundamental Right to Freedom of Speech and expression recognized by the constitution and various Supreme Court decisions. This act has repealed the Freedom of Information Act, 2002. It is like a fully loaded AK47 rifle in the hands of single consumer in the legal battle field against the gaint and powerful opponents.

The Government Role :

According to Amartya Sen, “the poor are poor precisely because they do not have purchasing power. Sustainable purchasing power itself can be obtained by the poor not from perennial doles from the government, through exchange entitlement, that is by exchanging some thing marketable money.”

The Government has to play an important role by enacting suitable laws and enforcing them effectively. India has been observing 15th March since 1989 as the National Consumer’s Day. This day has a historic importance as it was on this day in 1962, that the Bill for Consumer Rights was moved in the U.S. Congress. Steps have been taken by the Government of India by way of enactment of various Acts and other measures to help consumers. The major breakthrough came during 1986 when parliament passed a law for consumer protection Act, 1986.

The Consumer Protection Act, which has been defined as “the Magna Carta of Consumers”, spells out six consumer rights ; Right to Safety, Right to Information, Right to Choice, Right to representation, Right to redress and Right to Consumer education. India has the biggest consumer movement today due to the efforts of consumer organizations and the establishment of consumer courts. India is the only country in the world which has exclusive courts for consumer redressal. This has been internationally praised including the developed countries.

The Consumer Protection Act (COPRA) has succeeded in bringing about fair play in the supply of goods and services. Further, three tier Quasi Judicial Machinery at the district, state and national levels was set up with a view to provide speedy and simple redressal to consumer disputes for the protection of the consumer rights in India.

The Right to Information Act, 2005 is unique and one of its kind. It has been enacted for the convenience of the citizens of the country and to maintain the transparency between the government working and the public who are the beneficiaries. As the Act aims at the making the government transparent and more accountable, the effective use of it would, in a long run, curb corruption.

Role of Media :

The media, especially news papers and magazines can play a very big role

in consumer education, consumer's awareness of rights and consumer information on the protections available. Unfortunately some shortsighted media-managements may feel that it is a big business which keeps the media alive. However, enlightened media men are aware that it is the consumer who feeds the big business and in turn keeps the media alive.

Role of NGOs :

Among the non-governmental organizations, consumer organizations and similar civil society groups have a potentially important role to play. Their mandate and experience place them in a strategically important position vis-à-vis the consumers. Consumer organizations are accustomed to conduct product tests and to launch educational campaigns for social objectives for example ; health protection and public information campaigns, anti-smoking or anti-drug –abuse educational campaigns, etc. Consumer organizations are well placed to also support public campaign for energy efficiency and energy efficiency and energy conservation.

The world has manifested itself into a gargantuan market. New products are being introduced tirelessly in the market each and everyday. This has endowed the consumer with a wide variety of choices. In order to be conspicuous, manufacturers bring into play trademarks and promote their products through advertisements. Due to these developments the consumers have been able to identify the products of their choice with greater ease than before from the cluster of the products.

Modern technological developments made the more usage of goods and services. When the usage of goods and services were increased, there should be a responsibility to maintain quality and quantity of the good and services. But there is defect in goods and deficiency in services, causes exploitation of consumers and making them victims. To safeguard the interest of the consumers Government passed a legislation called consumer protection Act in 1986, A consumer means any person who buys or hires or avails of any goods or services for consideration which has been paid or promised or partly paid or partly promised.

Consumer Education:

It means imparting information, guidance and training to consumers. All should be tied up with their protection and safety. It is in this sense it is different form conventional formal education. This consumer education makes them aware of sharp business practices and how to blunt them. It gives an added confidence to consumers to fight the menace of business malpractices. Consumer education arms them to protect themselves. Education makes consumer a watch dog, but not a

blood hound.

CONSUMER EDUCATION

Consumer Level	Government Level	Business Level
→ Through Consumer Associations	→ Conferences	→ Brochures
→ Seminars	→ Use of T. V. and Radio	→ Circulars
→ Lectures	→ Use of Govt. Publications	→ Publicity
→ Exhibitions	→ Talks	→ Business Magazines
→ Use of Mass Media	→ Discussion Press	→ Guidance through press
→ Advertisements	→ Extension Services	
	→ Adult Literacy Mission	

Consumer Protection Councils (CPA):

The interest of consumers are enforced through various authorities set up under the CPA. The C.P.A. provided for the setting up of the Central Consumer Protection Council, the State Consumer Protection Council and the District Forum.

Jago Grahak Jago (Customer Be awake)

Central Consumer Protection Council :

The central Government has set up the central consumer protection council which consists of the following members :

- The Minister in charge of Consumer Affairs in the Central Government who is its Chairman, and
- Other official and non-official members representing varied interests.

State Consumer Protection Council :

The state council consists of

- The Minister-in-Charge of Consumer Affairs in the State Government who is its chairman, and
- Other official and non-official members representing varied interests.

District Forum :

Under the CPA, the State Government has to set up a district forum in each district of the state. The Government may establish more than one District Forum in a district if it deems fit. Each District Forum consists of

- A person who is (or) who has been, (or) is qualified to be, a District Judge who shall be its president
- two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity

in dealing with problems relating to various aspects, one of whom shall be a women.

Penalties :

Failure or omission by a trade or other person against whom a complaint is made or the complaint to comply with any order of the state or national commission shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to 3 years, or with fine of not less than 2,000 but which may to Rs.10,000 or with both.

Redressal Machinery under the Act :

The Consumer Protection Act (CPA) provides for a three tier approach in resolving consumer disputes. The District Forum has Jurisdiction to entertain complaints where the value of goods and services complained against and the compensation claimed is less than Rs.5 lakhs, the state commission for claims exceeding Rs.5 lakhs but not exceeding Rs.20 lakhs and the national commission for claims exceeding Rs.20 lakhs.

In this age of high competition and globalization, every manufacturer is trying to maximize profits and in the process, is resorting to such aggressive and misleading advertising and marketing practices forgetting the interests of consumers. It is therefore extremely important for the consumer to be well informed about the goods or service he/she is purchasing/availing of and protect their own interests. Being fully aware of their rights as a consumer, checking the MRP of products, regarding the fine print in lengthy legal documents before signing and taking all precautionary measures while making big purchases like property etc., are very crucial. For consumer durables like food items, groceries, etc., it even more important to check the manufacturing date, expiry date, contents list etc., before buying products, as otherwise, there is risk of food poisoning, at the very least.

Review:

Consumer protection is not a new concept. It was embedded in our ancient texts as printed out by our Prime Minister Sri Narendra Modi in his speech at the recently held International Conference on Consumer Protection in New Delhi. He had mentioned that in India around 2500 years ago, during the period of Kautilya, there were guidelines for the government regarding how trade should be regulated and interest of the consumers be protected.

The concept of consumer rights on services is something most people are not even aware of. We know that hospitals often get patient/attendants to sign blank forms where the language is not comprehensible for the common man. The patient

or attendant is in such a state anxiety that he/she signs wherever they are asked to without understanding the implication of what they are signing. And, later when the customer threatens legal action, these forms are flourished as evidence of consent from the patient/attendant. The same is the case with builders, financial companies offering loans, etc.,. The language is often couched in such a way that the person availing of the loan or the buyer of the house does not know what he/she is signing and is be fooled by the other party.

The Government has also introduced various standards and measurements for checking of goods and services like the ISI mark, Hall Mark for Jewellery, Silk mark for silk products and the recent PERA which is a land mark regulatory measure of the government like the DBI, Ujjawala etc., are also intended to protect the common man from becoming victim of frauds as a beneficiary of government schemes.

To provide consumers with an alternative channel to resolve their complaints, Government of India has set up a National Consumer Helpline, with a toll free number 1800-11-4000 or 14404, which provides advice, information and guidance to empower consumers and persuades business to reorient their policy and management systems to address consumer concerns and grievances adopting global standards. The National Consumer Help line has partnered with more than 325 major companies to whom complaints are transferred on-line for resolution and getting feed back from them.

INGRAM:

An Integrated Grievance Redress Mechanism (INGRAM) portal was launched for bringing all stake holders such as consumers, central and state government agencies, private companies, regulators, ombudsmen and all centres etc., on to a single platform. The portal helps in creating awareness among consumers to protect their rights and inform them of their responsibilities, consumers can register their grievances on line through this portal.. The National Consumer Helpline is accessible now through this portal. As value added services, a mobile application and easy to remember five digit short code 14404 has been launched for consumers to access from across the country.

State Consumer Helplines :

It has been set up by State Governments with the objective to encourage Alternate Consumer Disputes Redressal mechanism at state level and help in resolving cases through mediation.

Smart Consumer : The Government has launched a mobile application

“ Smart Consumer” to enable the consumer to scan the bar code of the products and get all details of the product such as name of the product, details of manufacturer, year and month of manufacturer, net content and consumer care details for making complaint in case of any defect.

GAMA:

In its endeavor to address the problem of misleading advertisements, the Government has launched a portal called Grievances Against Misleading Advertisements (GAMA) for registering complaints on line. A consumer can register a complaint along with a Copy/Video/Audio of such advertisement through the Web Portal.

On_line Consumer Mediation Centre:

An Online Consumer Mediation Centre established at the National Law School of Indian University, Bangalore under the aegis of Ministry of Consumer Affairs, Government of India aims to provide for a state-of-the art infrastructure for resolving consumer disputes both physical as well as online mediation through its platform. The centre will provide innovative technology for consumers and organizations to manage and resolve conflicts and to proper online mediation as a first choice to resolving consumer disputes.

On_line Consumer Communities :

In Association with local circles, a social media platform, ‘ the Government has launched a platform’ online consumer communities’ for citizens to discuss and open about governance and daily life issues. Through this, a citizen can get connected with their government, city, causes, neighbourhood, interest, needs and any other communities they are a part of.

Campaign on Internet Safety:

India has currently one of the largest number of internet users. With the rapid increase in digitization across all spheres, the message of internet safety needs to be integrated in to the every day tasks that the consumer undertakes online. Government in association with a partner company has initiated a year-long campaign organizing ‘Digital Literacy, safety and security’ workshops to educate users about the challenges of internet safety and security.

Conclusion :

In present situation, Consumer Protection, though as old as consumer exploitation has assumed greater importance and relevance. Consumerism is a recent and universal phenomenon. It is a social movement. Consumerism is all about protection of the interests of the consumers. As commonly understood consumerism

refers to wide range of activities of government business and independent organizations designed to protect rights of the consumers. Consumer Justice is an important part of social and economic justice as enshrined in the Constitution. It implies availability of goods and services to the consumer at reasonable prices without compromising quality, quantity and standards of goods for consumption. The existence of such rights is necessary for overall development of the society thereby emphasizing the proper working of the Act. The Act is doing justice to its objectives and simultaneously new strategies have been evolving to create awareness among the consumers and to safeguard their interests.

Consumer information needs to be available at the right time and in the right place before or when purchasing decisions are made. Consumer organizations can conduct general public information campaigns, but they still face considerable difficulties in making their information or advice noted by consumers taking purchasing decisions; programmes aimed at creating preferences for energy efficient products require long-term information and marketing strategies.

A well informed consumer is really needed consumers should know for what they are paying or consuming or usage of any service and is it really worth paying. They have to be protected against fraudulent, deceitful or grossly misleading information, advertising, labeling or other practices, and to be given the facts a consumer needs to make an informed choice. All the legal systems realize the importance of consumer right to information at the market place. Feeding the information to the consumer has many advantages. It influences the consumer in making wise purchase decisions and give them the satisfaction which will surely increase sales. The increase in information given to the consumer about goods and services has the potential to empower citizen.

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