

# **Chapter 11**

# **Consumer Protection**

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### Short Answer Questions

**Q1) Which consumer right gives the business firms freedom to set up their own consumer service and grievance cells?**

**Ans 1)** Right to representation.

**Q2) Mention when as a consumer you are not in a position to resolve your grievance under consumer protection act.**

**Ans 2)** As a consumer we are not in a position to resolve our grievances when we have not fulfilled the responsibilities of a consumer.

**Q3) Sandeep purchased a diesel car for Rs. 7 lacs from an automobile company and found its engine defective. Despite many complaints the defect was not rectified .Suggest to him the appropriate authority where he could file a complaint under consumer protection Act.**

**Ans)** District Forum.

**Q4) A co. is using sub- slandered electric wiring in its coolers. Which consumer right is being violed?**

**Ans)** right to safety.

**Q5) Which document serves as an evidence of purchase?**

**Ans)** “Cash Memo.”

**Q6) Rita wants to buy a packet of juice .As an aware customer how can she be sure about the quality of juice she palns to buy?**

**Ans)** Rita can check for FPO (Fruit product order 1955) certifications. She can check the date of manufacture and expiry and check the storage / display conditions.

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**Q7) Mr. Soni a consumer purchased medicines without noticing the date of expiry . He also did not obtain the cash memo. Do you think he will be able to protect himself by the loss caused due to expired medicines ? give reasons in support of your answer?**

**Ans)** In the given case, Mr. soni as a consumer was not able to fulfill his responsibility at two fronts.

(I) He didn't go through the packing specifications mentioned on the product at the time of purchase.

(II) Most importantly , he did not obtain the cash memo from the surer. A cash memo is a proof of purchase and it is must for filing any complaint. Hence , he will not be able to protect himself by the loss caused due to expired medicines.

**Q8) Mr. Verma who was a vegetarian went to a snack bar for having French fries and later found out that it had non-vegetarian content. Neither the advertisement nor the packing of the product displayed that the product has non-vegetarian content. Will Mr. Verma be able to claim compensation which right of the consumer is violated here?**

**Ans)** In the given case there is violation of the consumer right to know .Acc. to the amendment of the regulations in weight and measurement Act.(2000) every product should explicitly bear a green dot for vegetarian ingredients while brown reveals that non-vegetarian ingredients have been used. It is also mandatory to show the dot on an advertisements electronic or press and all posters ,banners ,stunts etc. hence Mr. Bharti would be able to claim the compensation.

**Q9) As a well informed consumer. what kind of quality certification marks you will. Look for before buying 'products? Specify any 6.**

**Ans)** Some of the quality certification marks are:

- (1) FPO( Fruit Products Order 1955) – It contains specification and quality control requirements regarding the production and marketing of processed fruits and vegetables ,sweetened aerated water, vinegar and synthetic syrups.
- (2) ISI- On consumer durable products.
- (3) Hall mark- BIS certification scheme for gold jewellery items.
- (4) Earthen Pitcher –For Labeling Environment friendly products.

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(5) AGMARK – It is a grade standard for agricultural commodities and like stock products.

(6) Wool mark- It signifies 100% pure wool.

**Q10) A shopkeeper sold you some spices, claiming that they were pure. Later a laboratory test formed that those were adulterated what precautions should you have taken before buying and what remedies are available to you for the wrong act?**

**Ans)** We should have been conscious about quality and should obtain cash memo from the seller while purchasing goods. The remedies available are:

- (1) Getting the product replaced
- (2) Getting the refund of the price
- (3) Compensation.

**Q11) What is the quality mark provided to agricultural commodities and live stock products?**

**Ans)** AGMARK.

**Q12) Name any two NGO's engaged in protecting and promoting consumer's interest.**

- Ans)** (a) Consumer co ordination council ,Delhi  
(b) Consumers Association, Kolkata .

**Q13) Saroj wants to file a complaint where the value of goods or services in question along with the compensation claimed amounts to 25 lakhs.**

**Ans)** State Commission.

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### Exercises

#### Very Short Answer

**Q. 1 Under which consumer right does a business firm set up a consumer grievance cell?**

The consumer right that makes a business firm set up a consumer grievance cell is known as “Right to be heard”. Under this right, a consumer can file a complaint in case of dissatisfaction that arises from availing of a service.

**Q.2 Which quality certification mark is used for agricultural products?**

AGMARK sign is issued and certified by the Govt. of India Directorate of Marketing and Inspection. The quality certification mark used for agricultural products is AGMARK.

**Q.3 What is the jurisdiction of cases that can be filed in a State Commission?**

State commission will accept cases where the value of goods and services that are being disputed, along with the compensation that is demanded, falls between 20 lakhs till 1 crore.

**Q.4 State any two reliefs available to consumers under CPA.**

Reliefs available to consumers under CPA or Consumer Protection act are the following:

1. Removal of defective goods or a replacement for the goods.
2. To stop manufacturing of hazardous goods and resist offering of such services that are of hazardous nature.

**Q.5 Name the component of the product mix that helps the consumer to exercise the right to information.**

The component of the product mix that helps the consumer to exercise the right to information is called the quality certification of the product.

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## Short Answer Questions

**Q.1 Enumerate the various Acts passed by the Government of India which help in protection of consumers' interests.**

Here is a list of the Acts that are passed by the Government of India in order to protect consumer interests:

1. CPA or Consumer Protection Act, 1986: This act provides protection to the consumers against different forms of exploitation such as unfair trade practices, deficiency in services or defective goods. As per this act, there is a three-level redressal mechanism to address all consumer complaints. These levels are i) District forum, ii) State Commission and iii) National Commission.
2. The Contract Act, 1982: Under this act, the conditions on the basis of which promises in a contract are made binding are defined. Also, the act provides solutions in case there is a breach of the contract.
3. The Agriculture Produce or Grading and Marking Act, 1937: This act defines standards for livestock and agricultural commodities. It provides procedures for packing, grading and marking agricultural products. The quality certification that is provided by the Act is known as AGMARK.
4. The Standards of Weights and Measures Act, 1976: This act helps safeguard the interests of the consumers for practices which are related to goods that are under-measure and under-weight.
5. The Sale of Goods Act, 1930: It provides protection to the consumers in case the product or good purchased by them is not abiding by the warranties and conditions that are associated with the good or product.
6. The Prevention of Food Adulteration Act, 1954: This act is used for checking and preventing food adulteration and thereby maintaining the purity of the product.
7. The Bureau of Indian Standards Act, 1986: As per this act, BIS or Bureau of Indian Standards are established to formulate the standards of goods quality and provide certification of quality for those products as per the BIS certification

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scheme. The quality certification provided is known as the ISI mark. It also addresses the redressal of complaints regarding product quality.

8. The Essential Commodities Act, 1955: As per this act, it provides for any type of control in the production, distribution and supply of essential goods. It also tracks black marketing and ensures quality in product distribution.

9. The Competition Act, 2002: This act prevents any such practice by business firms which will delay the competition in the market.

10. The Trade Marks Act, 1999: This act is formed to check the use of false marks on consumer goods and subsequently protect consumers against the use of such goods.

### **Q.2 What are the responsibilities of a consumer?**

A customer can have some responsibilities, which are enumerated as follows:

1. A consumer should be aware of the goods and services available. It will make the customer informed, and accordingly, the customer can make a choice.
2. A consumer must check all the appropriate quality marks on the items before purchasing the items. For example, checking hallmark symbols before purchasing jewellery.
3. A consumer must always ask for a cash memo for the product or service that is purchased. It acts as proof that the purchase happened and can be used as a reference in case of any dispute that may arise in future.
4. Consumers must read the labels about price, expiry date etc., before making a purchase.
5. A consumer must always deal with honesty and not be involved in illegal business deals for benefit.
6. A consumer must read the manuals that are provided with the equipment in order to be safe.

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7. A consumer must file a complaint about a product that is defective or lacking any functions as mentioned for the product. Complaints must be done in the appropriate forum.
8. Consumers must keep the environment clean by avoiding pollution or generating waste from products purchased.

### **Q.3 Who can file a complaint in a consumer court?**

Under the Consumer Protection Act, many establishments have been established for the redressal of the grievances of consumers, these establishments are consumer forums and consumer courts. As per the act, the following type of entities can file a complaint in a consumer court:

1. Any individual consumer.
2. Any registered consumer organisation or any such association.
3. The state and the central government.
4. An individual consumer or a group of such consumers who represent a large number of consumers, each having the same type of interest.
5. Any legal representative or heir of a consumer who is deceased.

### **Q.4 FSSAI (Food Safety and Standards Authority of India) has made a proposal for hotels and other food outlets to declare the kind of oil/fat used in cooking each of the food items on their menus. Name and explain the Consumer Right being reinforced by this proposal.**

The consumer right, which is reinforced by this proposal, is the “right to be informed”. In this right, the consumer has the right to have complete information about the product that the consumer wants to purchase, it can include the details like date of manufacture, quantity, expiry, date of manufacture, and directions of use. Due to this legal obligation, the manufacturers are required to have all such information published on the package of the product.



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### Q.5 Who is a consumer as per CPA?

A consumer, according to Consumer Protection Act or CPA, is a person who either purchases a product or avails a service for personal use or earns income by self-employment. There is a consideration in availing of the service, which can be either fully paid, partly paid or partly promised. It involves a beneficiary of such goods and services when any such use is made upon getting approval from such a person.

### Long Answer Questions

#### Q.1 Explain the importance of consumer protection from the point of view of a business.

Consumer protection is the process of making consumers aware of the rights and responsibilities they have and the redressal mechanisms in case they are unhappy with the goods or services. It is important for business, and these points explain the significance of the business:

1. Long-term interest: Companies with a desire to survive long-term in the market must look at consumer satisfaction as an important component of a business. It builds the reputation and necessary goodwill, which results in repeat business and also the introduction of new customers by the satisfied customers. Thus, for long-term interests of a company, it is essential to check consumer interest.
2. A business will be utilizing the resources available in society in order to produce goods and services, and by selling those goods and services back to society, profit is earned. Therefore, such goods should be produced and services given that will help to protect the interests of society.
3. Ethics and moral values nowadays play an important part in business growth. A business that protects consumer interests will be seen as an ethical company which will earn the business goodwill and trust from the government and consumers alike.

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4. Business growth is achieved by selling of goods and services to the people in society, so a business should keep the interests of consumers and ensure that they are satisfied.

5. Any business organisation that is involved in unfair business practices will attract the ire of consumers as well as the government. It will ruin the business name. Therefore, it is better to take consumer interest as a priority.

### **Q.2 Explain the rights and responsibilities of consumer.**

The following are the rights of the consumer as per the Consumer Protection Act:

1. **Right to Safety:** Each and every consumer has the right to safeguard themselves against any goods or services that are hazardous to their health, property and life.

2. **Right to be informed:** This right makes a consumer to become aware of the quality, quantity, weight, ingredients and price of the goods and services. The government makes it mandatory to print all such information on the product packaging.

3. **Right to Choose:** The consumer has the right to choose any goods or services without force as per the wish of the customer. Also, the consumer has the right to access different products at prices which are competitive and fair.

4. **Right to be heard:** The customer, in case of any instances of dissatisfaction with any product, has the right to file a complaint. The customer can file a complaint and seek compensation from the manufacturers in form of product replacement, cash or free repair (if possible).

5. **Right to seek redressal:** The customer can ask for redressal in case the customer is exploited. The Company Act has rules which make it necessary for companies to pay for the damage caused by the product manufactured by the company.

6. **Right to consumer education:** A consumer has the right to become educated about the rights available to them in case any exploitation is done. Various organisations work towards educating the consumer about such instances.

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Apart from rights, a customer can have some responsibilities for safeguarding against exploitation. They are as follows:

1. A consumer should be aware of the goods and services available. It will make the customer informed, and accordingly, the customer can make a choice.
2. A consumer must check all the appropriate quality marks on the items before purchasing the items. For example, checking hallmark symbol before purchasing jewellery.
3. A consumer must always ask for a cash memo for the product or service that is purchased. It acts as proof that the purchase happened and can be used as a reference in case of any dispute that may arise in future.
4. Consumers must read the labels about price, expiry date etc., before making a purchase.
5. A consumer must always deal with honesty and do not involve in illegal business deals for benefit.
6. A consumer must read the manuals that are provided with the equipment in order to be safe.
7. A consumer must file a complaint about a product that is defective or lacking any functions as mentioned for the product. Complaints must be done in the appropriate forum.
8. Consumers must keep the environment clean by avoiding pollution or generating waste from products purchased.

### **Q.3 What are various ways in which the objective of consumer protection can be achieved?**

The following are the ways to achieve the objective of consumer protection:

1. Business firms should work towards protecting the interests of the customers. A satisfied customer will bring in more business for the company. To maintain

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customer satisfaction and provide them best service, companies have set up customer support centres and grievance cells.

2. Various business organisations have been set up which are working towards customer protection in India. Such organisations are Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI). These organisations have created guidelines for the members to maintain customer dealings.

3. Making a customer educated and aware of the laws is one of the most important steps in consumer protection. A customer must be aware of the compensation that can be demanded in case a business followed unfair trade practices and exploited customers. Knowing the laws will safeguard the customer from such activities.

4. A variety of consumer organisations and associations have been set up, such as the Consumer Protection Council, Consumer Guidance Society of India and Consumer Unity and Trust Society which are educating customers about their rights and responsibilities. They also help customers in raising any form of protest against unfair trade practices or cheating.

5. Government plays a protective role for customers by passing various rules and regulations, such as the Consumer Protection Act, which is helpful in protecting consumer rights and acts as a grievance redressal system for consumers.

### **Q.4 Explain the redressal mechanism available to consumers under the Consumer Protection Act, 1986.**

There exists three levels of redressal mechanism under the Consumer Protection Act in order to listen to consumer complaints and grievances. The three levels are:

1. District Forum
2. State Commission
3. National Commission

District forum: The concerned state department has the responsibility of setting up district forums in each district. The district forum consists of a president and two or

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more than two members. One woman should be among them. The consumer can file a complaint in the district forum if the value of the goods or compensation that is being sought is less than Rs.20 lakh. The forum, on receiving the complaint, forwards it to the concerned party on whom the complaint is being raised. The forum passes the judgement after considering the reports and hearing from both parties. If the party which filed the complaint is not happy with the verdict, it can appeal to the State Commission within 30 days from the date of passing of the judgement by the district forum.

**State Commission:** State government has set up a state commission for addressing consumer grievances. The number of members in a state commission is the same as the district forum, and the composition is also the same. The complaints that are being addressed in State Commission are of cases where the value of goods or services is more than 20 lakhs but less than 1 crore. The process of issuing orders is the same as the district forum. The party registering the complaint can appeal against the order if the order is not up to satisfaction. The appeal can be made to the National Commission within 30 days of the judgement passed by the State Commission.

**National Commission:** National Commission is set up by the central government. There is a president along with four members or more members, with one being a woman. The customer can file a complaint in case of goods having a value of more than 1 crore. The commission passes an order after hearing both sides. The affected party can appeal to the Supreme Court if not happy with the order passed by the National Commission.

### **Q.5 Explain the role of consumer organisations and NGOs in protecting and promoting consumers' interests.**

Consumer organisations and NGOs perform the following functions in order to protect and promote consumer interests:

1. By educating the general public about the different consumer rights through workshops, training programs and seminars.

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2. By publishing periodicals and other types of publications that provide knowledge about the various consumer problems, rights and other matters that can be of use to the public.
3. By carrying out tests of the different consumer products in laboratories to determine the quality of the products and letting customers know the same by publishing the findings.
4. By encouraging customers to take legal action whenever required against unfair trade practices adopted by business organisations.
5. By providing assistance to consumers who are looking for legal counselling.
6. By filing complaints in consumer courts for the customer.
7. By filing cases in consumer forums which are of public interest.

**Q.6 Mrs. Mathur sent a jacket to a laundry shop in January 2018. The jacket was purchased at a price of 4,500. She had previously sent the jacket for dry cleaning with Shine Dry Cleaners and the jacket was cleaned well. However, she noticed that her jacket had white discolouration marks when she collected the jacket this time. On informing the dry cleaner, Mrs. Mathur received a letter confirming that discolouration indeed appeared after the jacket was dry cleaned. She contacted the dry cleaner multiple times and requested for compensation for a discoloured jacket but to no avail. Upon Consumer court's intervention, Shine Dry Cleaners agreed to compensate 2,500 to Mrs. Mathur for the discoloured jacket.**

- a. Which right was exercised by Mrs. Mathur at the first instance?**
- b. Name and explain the right which helped Mrs. Mathur to avail the compensation.**
- c. State which consumer responsibility has been fulfilled by Mrs. Mathur in the above case.**
- d. State any other two responsibilities to be assumed by the consumers.**

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- a. The right exercised by Mrs Mathur is the “Right to seek Redressal”.
- b. The right that helped Mrs Mathur in availing the compensation is the “right to seek redressal”. Under this right, the consumer has a right to get relief or compensation in case the service or the product falls short of the customer’s expectations.
- c. Mrs Mathur fulfilled the consumer responsibility of filing a complaint in an appropriate consumer forum in case a shortcoming is found in the quality of goods and services that are purchased.
- d. The other two responsibilities that can be assumed by customers include:
  - i. Buying only goods that are of good quality and standardised. This includes checking for the required quality assurance marks on the items purchased. It can include a hallmark for jewellery or an ISI mark for electrical goods.
  - ii. Check the labels correctly so that there is proper information on the manufacturing and expiry dates, actual weight, ingredients and maximum retail price etc.

### Multiple Choice Questions

1. In case a consumer is not satisfied with the order passed in the State Commission, he can further make an appeal in the National Commission within a time period of \_\_\_\_.

- (a) 10 days
- (b) 20 days
- (c) 30 days
- (d) 45 days

**Answer: (c) 30 days**

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2. Yash had severe pain in his throat, so he called up the doctor and asked for telephonic advice. The doctor prescribed him a sachet of Throat Reliever Hot Sip. He asked his servant to get a sachet from a local chemist with a cash memo. After consuming the sachet, he started feeling more ill, so he picked up the empty sachet and started reading the label. To his utter dismay, the sachet had already expired last month. Which of the following remedies is not available to him any longer as a consumer?

- (a) To withdraw the hazardous goods from sale
- (b) To replace the defective product with a new one
- (c) To refund the price paid for the product
- (d) To pay a reasonable amount of compensation for any loss suffered by the consumer due to the negligence of the opposite party

**Answer: (b) To replace the defective product with a new one**

3. Which of the following functions are carried out by the consumer organisations?

- (a) Publishing periodicals to impart knowledge about consumer issues
- (b) Providing legal assistance to consumers
- (c) Filing complaints in appropriate consumer courts on behalf of the consumers
- (d) All of the above

**Answer: (d) All of the above**

4. Which of the following statements is not true with regard to the National Commission?

- (a) It consists of a President and at least five other members, one of whom should be a woman
- (b) The members are appointed by the Central Government



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(c) A complaint can be made to the National Commission when the value of the goods or services in question, along with the compensation claimed, exceeds ₹1 crore

(d) Where the aggrieved party was not satisfied with the order of the National Commission, the case can be taken to the Supreme Court of India

**Answer: (a) It consists of a President and at least five other members, one of whom should be a woman**

**5. Which of the following statements is not true with regard to the District Forum?**

(a) It consists of a President and three other members, one of whom should be a woman

(b) The members are appointed by the District Government

(c) A complaint can be made to the appropriate District Forum when the value of the goods or services in question, along with the compensation claimed, does not exceed 10 lakhs

(d) All of the above

**Answer: (d) All of the above**

**6. Which of the following statements is true with regard to the State Commission?**

(a) It consists of a President and not less than two other members, one of whom should be a woman

(b) The members are appointed by the State Government concerned

(c) A complaint can be made to the appropriate State Commission when the value of the goods or services in question, along with the compensation claimed, exceeds ₹20 lakhs but does not exceed ₹1 crore

(d) All of the above

**Answer: (d) All of the above**

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7. In case an aggrieved consumer is not satisfied with the decision of the National Commission, he can make a further appeal in \_\_\_\_\_.

- (a) State Commission
- (b) District Forum
- (c) Supreme Court of India
- (d) All of the above

**Answer: (c) Supreme Court of India**

8. Where can the aggrieved party appeal further in case he is not satisfied with the order of the District Forum?

- (a) National Commission
- (b) State Commission
- (c) Supreme Court of India
- (d) All of the above

**Answer: (b) State Commission**

9. In case an aggrieved consumer is not satisfied with the decision of the State Commission, he can make a further appeal in \_\_\_\_\_.

- (a) National Commission
- (b) District Forum
- (c) Supreme Court of India
- (d) All of the above

**Answer: (a) National Commission**

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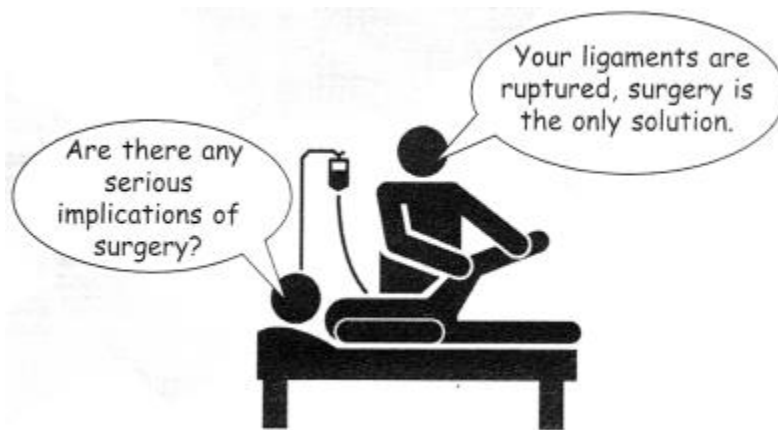
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**10.** Which of the following types of cases are filed in the State Commission?

- (a) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹20 lakhs but does not exceed ₹1 crore
- (b) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹20 lakhs but does not exceed ₹2 crore
- (c) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹40 lakhs but does not exceed ₹1 crore
- (d) None of the above

**Answer: (a) When the value of the goods or services in question, along with the compensation claimed, exceeds ₹20 lakhs but does not exceed ₹1 crore**

**11.** Identify the responsibility of consumers being highlighted in the picture given below.



- (a) Be honest in your dealings
- (b) Learn about the risks associated with products and services
- (c) Assert yourself to ensure that you get a fair deal
- (d) Respect the environment.

**Answer: (b) Learn about the risks associated with products and services**

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**12.** Naina, her husband, and her two minor daughters were travelling from Mumbai to Delhi, availing of a company's flight services in 2018. The airlines had issued boarding passes to all of them. Naina claimed in her plea that the airlines left all her family at the Mumbai Airport without informing them, despite their being on the airport premises. The family had to stay in a hotel and purchase new tickets the next day. The State Consumer Disputes Redressal Commission (SCDRC), on hearing the plea, asked an airline company to pay ₹50,000 to Naina and her family. Identify the rights of consumers being exercised in the given case.

- (a) Right to safety
- (b) Right to be heard
- (c) Right to seek redressal
- (d) Right to consumer education

**Answer: (c) Right to seek redressal**

**13.** A popular nationalised bank has been fined ₹8 lakh by the country's highest consumer court, National Consumer Disputes Redressal Commission (NCDRC), for not sharing complete insurance policy details with a customer. The bank has been ordered to pay the full amount as compensation to the customer. Identify the rights of consumers being violated in the given case.

- (a) Right to be heard
- (b) Right to seek redressal
- (c) Right to information
- (d) Right to safety

**Answer: (c) Right to information**

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**14.** Which of the following activities lie within the scope of consumer protection?

- (a) Educating consumers about their rights and responsibilities
- (b) Helping consumers in getting their grievances redressed
- (c) Protecting the interests of consumers
- (d) All of the above

**Answer: (d) All of the above**

**15.** Due to the negligence of the doctors, Johar passed away within a week's time after his surgery of the spine. Which of the following parties can not file a case in this regard?

- (a) The consumer
- (b) Any registered consumers' association
- (c) A legal heir or representative of the deceased consumer
- (d) All of the above

**Answer: (a) The consumer**

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## Summary

- As a result of this, consumers may be exposed to risks due to unsafe products- that is, he may be cheated, may have to pay a higher price etc.
- Thus; there is a need to provide adequate protection to consumers against such practices



### Importance of Consumer Protection

(from Consumer's point of view)

- 1. Consumers Ignorance:** Majority of consumers are not aware of their rights and reliefs available to them as a result of which they are exploited. In order to save consumers from exploitation, consumer protection is needed.
- 2. Unorganized Consumers:** In India consumers are still unorganized and there is lack of consumer organizations also, thus consumer protection is required.
- 3. Widespread Exploitation of Consumers:** Consumers are exploited on large scale by means of various unfair trade practices and consumer protection is required to protect them from exploitation.

### From the point of Business

Importance of Consumer Protection  
(from the point of view of Business)



- 1. Long term Business Interest:** It is always in the interest of the business to keep

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its customer satisfied. Global competition could be won only after satisfying customers. Satisfied customers lead to repeat sales and help in increasing customer base of business.

**2. Moral Justification:** It is the moral duty of any business to take care of consumer interest & avoid any form of their exploitation & unfair trade practices like defective & unsafe products, adulteration, false and misleading advertising, hoardings, black marketing etc.

**3. Business uses Resources of Society:** Every business uses the resources of the society and thus it is their responsibility to work in the interest of the society.

**4. Social Responsibility:** A business has social responsibilities towards various groups like owners, workers, government, customers etc. Thus, customers should be provided qualitative goods at reasonable prices.

**5. Government Intervention:** If a business engages in any form of unfair trade practices then government takes action against it, which adversely affects its goodwill.

### **CONSUMER PROTECTION ACT, 1986 (CPA, 1986)**

**1.** Set up to protect and promote consumer interests thro a speedy and inexpensive redressal of grievances.

**2.** Recognizes consumer rights

**Redressal agencies**– set up a three-tier agency to address consumer grievances.

#### **Scope of the act-**

It is applicable to all types of undertaking:

- Large and small scale
- Private, public and co-operative sector
- Manufacturer or trader
- Firms supplying goods as well as services

#### **Meaning of Consumer**

**1.** Any person who buys any goods for a consideration. It includes any user of such goods with the approval of the buyer. But it does not include a person who obtains goods for resale or any commercial purpose.

**2.** Any person who avails any services for a consideration. It includes any beneficiary of such services but it does not include a person who avails such service for any commercial purpose.

#### **Rights of a Consumer**

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Consumer Protection Act, 1986 has provided six rights to the consumers, which are as follows:

- 1. Right to Safety:** Consumer has the right to be protected against products, & services which are hazardous to health & life (should use ISI marked electronic device).
- 2. Right to be Informed:** Consumer has right to have complete information about the product before buying it.



- 3. Right to choose:** Consumer has a right to choose any product out of the available products as per his own decision making.



- 4. Right to be heard:** Consumer has the right to file a complaint to be heard in case of dissatisfaction with goods or services (use of grievance cell)
- 5. Right to Seek Redressal:** Consumer has the right to get relief in case the product or service falls short of his expectations or is dangerous. He may be provided with replacement/removal of defect or compensation for any loss. Various redressal forums are set up by the Govt. at National and State level.
- 6. Right to consumer education:** Consumer has the right to acquire knowledge and to be well informed throughout life. He should be made aware of his rights and reliefs available to him in case of the product or service falls short of his expectations. The Govt. of India has included consumer education in the school curriculum & is making use of media to make consumers aware of their rights.

### Responsibilities/Duties of a Consumer

Consumer Responsibilities:

- 1. Ask for a cash memo**



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- On purchase of goods or services. This would serve as a proof of the purchase made.

### 2. Be aware

- About various goods and services available in the market so that an intelligent and wise choice can be made.

### 3. Buy only standardized goods

- As they provide quality assurance. Thus, look for ISI mark on electrical goods, FPO mark on food products, Hallmark on jewelry etc.

### 4. Follow manufacturer's instructions

- Learn about the risks associated with products and services, and use the products safely.

### 5. Read labels carefully

- So as to have information about prices, net weight, manufacturing and expiry dates, etc.

### 6. Assert yourself

- To ensure that you get a fair deal.

### 7. Be honest in your dealings.

- Choose only from legal goods and services and discourage unscrupulous practices like blackmarketing, hoarding etc.

### 8. File a complaint in an appropriate consumer forum

- In case of a shortcoming in the quality of goods purchased or services availed. Do not fail to take an action even when the amount involved is small.

### 9. Form consumer societies

- Which would play an active part in educating consumers and safeguarding their interests.

### 10. Respect the environment.

- Avoid waste, littering and contributing to pollution.



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## THE SALIENT FEATURES AND PROVISIONS OF CONSUMER PROTECTION ACT, 1986

### Who Can File A Complaint Under CPA, 1986

A complaint before the appropriate consumer forum can be made by:

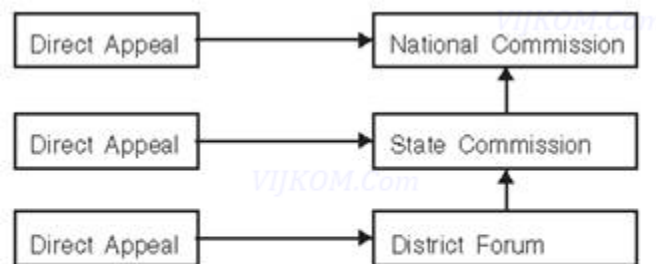
1. Any consumer.
2. Any registered consumer association.
3. The central or state government.
4. One or more consumers on behalf of numerous consumers having same interest.
5. A legal heir or representative of a deceased consumer.

### Complaints can be filed and compensation claimed w.r.t:

- Fraudulent practices by traders and manufacturers
- Defective goods
- Deficiency in services in connection with 9 services such as banking, transportation, insurance, supply of electricity and gas, house construction, medical service

## REDRESSAL AGENCIES UNDER CONSUMER PROTECT ACT, 1986

For the redressal of consumer grievances the act provides a three-tier machinery as:



Redressal Agencies

### 1. DISTRICT FORUM

District forum are set up in each district by the state concerned. The important features are:

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- (a) It consists of a President and two members, one of whom should be a woman, duly appointed by State Govt.
- (b) It can receive consumer complaints of not more than Rs. 20 lakhs value.
- (c) On receiving the complaint, the district forum shall refer the complaint to the opposite party concerned and send the sample of goods for testing in a laboratory.
- (d) The district forum after being satisfied that goods are defective or there is some unfair trade practice can issue an order to opposite party directing him to either replace or return the price or pay compensation. In case the aggrieved party is not satisfied with the order of district forum. He can appeal before state forum within 30 days of passing an order.

### 2. STATE COMMISSION

It is set up in each state by the govt. concerned. The salient features are:

- (a) Each commission consists of a president and at least 2 members appointed by state Govt.
- (b) Complaints of at least Rs. 20 lakhs but not more than 1 crore can be filed with state commission.
- (c) On receiving the complaint, the state commission can also refer the complaint to opposite party and send the goods for testing in laboratory.
- (d) The state commission after being satisfied can order to opposite party to either replace or repay or pay compensation. In case the aggrieved party is not satisfied, they can appeal before national commission within 30 days of passing an order.

### 3. NATIONAL COMMISSION

It is setup by Central Govt. The provisions of act are:

- (a) It consists of a President and at least 4 members appointed by Central Govt.
- (b) All complaints are pertaining to goods and services of value more than Rs. 1 crore can be filed with national commission.
- (c) On receiving the complaint, the national commission can also refer it to opposite party and send goods for testing.
- (d) The National Commission has the power to issue orders for replace mentor removal and to pay the compensation for loss.

### REMEDIES AVAILABLE TO CONSUMERS

- Remove defect in goods and deficiency in services.
- Replace defective goods with one with no defects
- Refund price paid

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- Pay a reasonable amount of compensation for any loss or injury suffered.
- Pay punitive damages in appropriate circumstances.
- Discontinue unfair/restrictive trade practice
- Not to offer hazardous goods and services for sale
- Withdraw hazardous goods from sale
- Cease manufacturing hazardous goods
- Pay an amount to consumer welfare fund/ person (not less than 5%) to be utilized in the prescribed manner
- Issue corrective advertisement to neutralize the effect of misleading ads.
- Pay adequate costs to parties.

### CONSUMER AWARENESS

Some important consumer organization and NGO's engaged in protecting consumer interests are:

1. Consumer coordination council, Delhi.
2. Voluntary organization in Interest of Consumer Education, Delhi.
3. Mumbai Grahak Panchayat, Mumbai.
4. Consumer Association, Kolkata.
5. Consumer Unity and Trust Society Jaipur.

### Role of Consumer organizations and NGO's

1. Educating the general public about consumer rights by organizing training programmes, seminars and workshops.
2. Publishing periodical & other publications to educate consumers.
3. Providing legal assistance to consumers by providing legal advice etc.
4. Producing films or cassettes on food adulteration, misuse of drugs etc.
5. Filing complaints in appropriate consumer courts on behalf of consumers.
6. Encouraging consumers to take on action against unfair trade practices.
7. Taking an initiative in filing cases in consumer courts on behalf of consumers.

### Ways and Means of Consumer Protection

#### 1. Self Regulation by Business:

- It is in the long-term interest of businesses to serve the customers well.
- Socially responsible firms follow ethical standards and practices in dealing with their customers.
- Many firms have set up their customer service and grievance cells to redress the problems and grievances of their consumers.

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## **2. Business Associations:**

- Examples of associations of trade, commerce and business – Federation of Indian Chambers of Commerce of India (FICCI) and Confederation of Indian Industries (CII)
- They have laid down their code of conduct which lay down for their members the guidelines in their dealings with the customers.

## **3. Consumer Awareness:**

- A consumer, who is well informed about his rights and the reliefs available to him, would be in a position to raise his voice against any unfair trade practices or unscrupulous exploitation.
- This enables them to understand their responsibilities and to safeguard their interests.

## **4. Consumer Organizations’:**

- Force business firms to avoid malpractices and exploitation of consumers.

## **5. Government:**

- The most important of these regulations is the Consumer Protection Act, 1986. The Act provides for three-tier machinery at the district, state and national levels for redressal of consumer grievances.