

# CONSUMER PROTECTION ACT AND HUMAN HAPPINESS

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## ABSTRACT

We never ignore the fact that Consumers play a vital role in the development of a nation. The process of development coupled with increasing liberalization and globalization across the country has enabled consumers to realize their increasingly important role in society and governance. The consumer movement in India is as old as trade and commerce. In kautilaya arthshastra, there are many references to the concept of consumer protection against exploitation by trade and industry, short weight and measures, adulteration and punishment for these offences. In a developing country like India, where the incidence of poverty and unemployment is very high and the level of literacy is very low, the people face a volume of problems, particularly in the context of consumer related issues. The issue relating to consumer welfare affects the entire 1.17 billion people since everyone is a consumer in one way or other. Ensuring consumer welfare is the responsibility of the government. Accepting this, policies have been framed and consumer protection act 1986 was introduced. A separate department of Consumer Affairs was also framed at central and state level to ensuring the rights of consumers as enshrined in the act. This act has been regarded as the most progressive and comprehensive with the character of uniqueness in legislation. The special features of this act is to provide speedy and inexpensive Redressal to the grievance of the consumer and provide him relief of a specific nature and award compensation wherever appropriate. The aim of the act is also to ensure the right of choice, safety, information, redressal, public hearing and consumer education.

Key words: Consumer, CPA, Rights, Redressal, Penalty, Council, Community.

## INTRODUCTION

An average Indian consumer is remarked for his patience and tolerance because they

believes in planetary position in his horoscope. In other words, If consumer purchase goods but goods turns out to be defective from day one, he consider it reticently, and he blamed it as wrong things done in previous birth.

Suppose that if customer buys a refrigerator from shop and it turns out to be defective from day one, he do not claim to

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shop-keeper, he blamed to luck and think that he is unlucky due to bad committed in previous birth. Very often he is cheated, exploited, put to avoidable inconveniences and bear financial loss. A slogan is very famous regarding customer that “customer is king”, he is advertised as the king by the seller or service provider, but the picture is different, in actual practice customer is treated as a slave or servant.

When he buy any product, a very common sentence use by seller that “items once sold by us will never be accepted back under any circumstances whatsoever”.

Every consumer in his own interest has to realize his importance and role in right perspective. In a competitive economic environment the consumer has to exercise his choice either in favor of or against the goods and services. It is often stated that “customer is sovereign and consumer is the king.” If that is really so, why we feel the need of consumer protection act and what is the need of protecting king? It is the real face of society that consumer always cheated by seller, defected products, undue profit, high prices etc. so the need of time is that customer become empower and he will get a position in the market depending upon what they do or not do.

#### Consumer Rights Awareness (CRA)

Consumers play a vital role in the development of a nation. Mahatma Gandhi said, “A consumer is the most important visitor on our premises. He is not dependent on us, we are on him. He is not an interruption to our work; he is the purpose of it. We are not doing a favour to a consumer by giving him an opportunity. He is doing us a favour by giving us opportunity to serve him.” But of late unfortunately cheating by way of

overcharging, black marketing, misleading advertisements, etc has become the common practice of greedy sellers and manufacturers to make unreasonable profits and without heed to confer consumer rights and interests.

Modern business is an integral part of current day society. Each company has as a socio-economic impact on the people and has to deliver the goods and services and the standard of living as per the aspirations of the people. It has a great social responsibility towards the well-being of society. Therefore consumer is an important component of society and business has an obligation to him. But, when the goods are short in supply the producers charge high prices and consumers have no choice other than to purchase what is available.

Therefore, consumer is to be protected from unsafe products, poor quality of goods and services, high prices, unfair trade practices and misleading advertisements. Therefore, it is necessary for CRA, awareness to prevail amongst the consumer to protect them from unscrupulous trade practices and to give them the idea of the utility of money spent by them. There are six rights of consumer which are provided in the Consumer Protection Act, 1986.

#### Scope and significance of study

The Consumer encountered with two major problems firstly whether the product and services advertised through various media are true and secondly the product and services are worth their prices. The Consumer Protection Act, 1986 gave the ground for the registered NGOs to stand for the cause of consumers, which provide the way for any consumer to fight for the welfare of the consumers.



There are several arrangements in Indian economy to protect the interest/rights of consumers. The provision is made by the government to make available the standardized certified and graded producers/manufactures for the satisfaction and safety of the consumers. This type of provision develops confidence among the prospective consumer and save them from undue inconvenience.

### Statement of the Problem

We all know that people in India are not aware about their rights against unscrupulous practices of manufactures or traders in relation to goods and services supplied by them. Lack of awareness has its root in many things in general and in particular it lies in illiteracy in India. People do not know what they should do in case if they are to be subject to fraud by them.

Therefore CONSUMER PROTECTION ACT law will ever be able to provide people their due rights against such bad practices of sellers or manufacturer and the real purpose and objective of the law should be achieved.

### OBJECTIVES

The main objective of the study is to focus on consumer rights awareness in the people. The research is aimed to heighten the magnitude of problem of the consumer rights awareness among the people and also concentrated what rights are available to the consumers under the Consumer Protection Act, 1986.

The specified objectives are:

- 1) To find out consumer rights awareness level and its role to protect the interest of consumer.
- 2) To focus on the rights mentioned in CPA.
- 3) To focus on the system regarding redressal cell under CPA.
- 4) To focus on the jurisdictional system under CPA.
- 5) To focus on the process to fill-up complaint and penalty under CPA.

### METHODOLOGY

It is a cross sectional study which is exploratory in nature. For the study purpose secondary data has been used. Information from websites, journals, magazine, and newspapers has been also used in this study.

### Historical status

In spite of various provisions providing protection to the consumer and providing for stringent action against adulterated and sub-standard articles in the different enactments like Code of Civil Procedure, 1908, Indian Contract Act, 1872, Sale of Goods Act, 1930, Indian Penal Code, 1860, Standards of Weights and Measures Act, 1976 and Motor Vehicles Act, 1988, these are very little could be achieved in the field of Consumer Protection.

Though the Monopolies and Restrictive Trade Practices Act, 1969 and the Prevention of Food Adulteration Act, 1954 have provided relief to the consumers yet it became necessary to protect the consumers from the exploitation and to save them from adulterated and sub-standard goods and services and to safe guard the interests of the consumers. In order to provide for





better protection of the interests of the consumer the Consumer Protection Bill, 1986 was introduced in the Lok Sabha on 5th December, 1986.

Objective and reasons-

1. The Consumer Protection Bill, 1986 seeks to provide for better protection of the interests of consumers and for the purpose, to make provision for the establishment of Consumer councils and other authorities for the settlement of consumer disputes and for matter connected therewith.

2. It seeks, inter alia, to promote and protect the rights of consumers such as-

(a) Right to be protected against marketing of goods which are hazardous to life and property;

(b) Right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices;

(c) Right to be assured, wherever possible, access to an authority of goods at competitive prices;

(d) Right to be heard and to be assured that consumers interests will receive due consideration at appropriate forums;

(e) Right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and

(f) Right to consumer education.

3. These objects are sought to be promoted and protected by the Consumer Protection Council to be established at the Central and State level.

4. To provide speedy and simple redressal to consumer disputes, a quasi-judicial machinery is sought to be setup at the district, State and Central levels.

These quasi-judicial bodies will observe the principles of natural justice and have been empowered to give relief of a specific nature and to award, wherever appropriate, compensation to consumers. Penalties for noncompliance of the orders given by the

quasi-judicial bodies have also been provided.

5. The Bill seeks to achieve the above objects.

### Nature of Consumer Rights

**Right to Safety:** The right to be protected against goods which are hazardous to life and property. This consumer right is **defined as the 'right to be protected against marketing of goods and services which are hazardous to life and property.** Areas are such as healthcare, food processing and pharmaceuticals etc.

This right spans across any domain that could have a serious impact on the **consumers' health or well being such as**

- Automobiles
- Travel
- Domestic Appliances
- Housing etc.

Violation of this right is almost always the cause of medical malpractice law suits in India. Every year, it is estimated that thousands, if not, millions of Indian citizens are killed or severely hurt by unscrupulous practices by hospitals, doctors, pharmacies and the automobile industry.

**Right to Information:** The right to be informed about the quality, quantity, purity, Price and standards of goods.

**This consumer right is defined as the 'the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be so as to protect the consumer against unfair trade practices' in the Consumer Protection Act, 1986.**

In the Indian market place, consumers get consumer information through two popular,

yet unreliable means, namely advertising and word of mouth. Due to this, the consumers in India seldom have accurate and complete information to assess the true value, suitability, safety or reliability of any product. It helps in the find out hidden costs, lack of suitability, safety hazards and quality problems only after we have bought the product.

**Right to Choose:** The right to be assured access to a variety of products at competitive prices, without any pressure to impose a sale, i.e., freedom of choice. Consumer Protection Act, 1986 defines this **right as 'the right to be assured, wherever possible, to have access to**

- a variety of goods
- **and services at competitive prices'.**

Competition, invariably, is the best regulator of a market place. Existence of oligopolies, cartels and monopolies are counterproductive to consumerism. How often have you noticed a conglomerate of companies that lobby the government to compromise consumer rights.

**Right to be Heard:** The right to be heard and assured that consumer interests will receive due consideration at appropriate forums. According to the Consumer Protection Act, 1986, the right to be heard and to be assured that consumer's interests will receive due consideration at **appropriate forums' is referred to as the right to be heard.** This right is supposed

- To empower Indian consumers to fearlessly voice their complaints
- and concerns against products and
- companies to ensure their issues are handled efficiently and expeditiously.

However, to date the Government of India has not created a single outlet for the

consumers to be heard or their opinions to be voiced.

**Right to Seek Redressal:** The right to get relief against unfair trade practice or **exploitation. The right 'to seek**

- Redressal against unfair trade practices or
- Restrictive trade practices or
- Unscrupulous exploitation of consumers

**It' is defined as the right to redressal in the Consumer Protection Act 1986.** The Indian Government has been slightly more successful with respect to this right. Consumer courts such as

- District Consumer Disputes Redressal Forums at the district level,
- State Consumer Disputes Redressal Commissions and
- National Consumer Disputes Redressal Commissions

have been established through the Consumer Protection Act.

**Right to Education:** The right to be educated about rights of a consumer. The right of each Indian citizen to be educated on matters related to consumer protection and about his/her rights is the last right given by the Consumer Protection Act, 1986. This right simply ensures that the consumers in India have access to informational programs and materials that would enable them to make better purchasing decisions. Consumer education may mean both formal education through school and college curriculums and also consumer awareness campaigns run by both governmental and non governmental agencies (NGO).

**Consumer Protection Council**



Consumer protection act 1986 is an act of the parliament of India enacted in 1986 to protect interests of consumers in India. It frame provision for the formation of consumer councils and other authorities for the **settlement of consumer's disputes**.

Consumer protection council--- As per CPA 1986 consumer protection councils are established at the national, state, and district level to enhance consumer awareness.

□ Central Consumer protection council – It is framed by central government consists with

- The minister of consumer affairs- shall be act as chairman

□ Such members of other official or non-official members representing such interest as may be prescribed.

□ State consumer protection council – It is established by state government, consist with

- The minister in charge of consumer affairs in the state government- shall be act as chairman.

- Such members of other official or non-official members representing such interest as may be described by state government

- Such member of other official or non-official members, not exceeding 10, as may be nominated by central government.

- Such members of other official or non official members, not exceeding 10, as may be nominated by Central Government.

#### Consumer disputes redressal agencies

District consumer disputes redressal forum --- **it is also known as the “district forum”** established by the state government in each district of state. The state government may establish more than one district forum in a district. It is a district level court that deals with cases valuing up to Rs. 2 million.

State consumer disputes redressal commission--- **it is also known as the “state commission”** established by the state government in the state. It is a state level court that takes up cases valuing less than Rs. 10 million.

National consumer disputes redressal commission--- it is established by the central government at national level, works for the whole country and deals amount more than Rs. 10 million.

Mission of central council- the following are the main objective behind establishing central council to promote and protect the rights of the consumer such as

□ The right to be protected against the marketing of goods and services which are hazardous to life and property.

□ The right to be informed about the quality, quantity, potency, purity, standard and price of the goods/services.

□ The right to be heard and to be **assured that consumer's interest will** receive due consideration at appropriate forums.

□ The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumes.

□ Right to consumer education

□ Right against consumer exploitation.

#### Jurisdiction

Jurisdiction of district forum-

Subject to the other provision of this Act, the district forum shall have jurisdiction to entertain complaints where the value of the goods or services and the compensation, if any, claimed does not exceed Rs- 20,00,000.



A complaint shall be instituted in a district forum within the local limit of whose jurisdiction:-

□ A)- the opposite party or each opposite parties, where there are more than one , at the time of the institution of the complaint, actually or voluntarily resides or carries on business or has a branch office personally works for gain, or

□ B)- any opposite parties , where there are more than one, at the time of the institution of the complaint, actually or voluntarily resides or carries on business or has a branch office personally works for gain, provided that in such case either the permission of district forum is given, or the opposite parties who do not reside, or carry on business or have a branch office, or personally work for gain, as the case may be, acquiesce in such institution, or

□ C) - the cause of action, wholly or in part, arises.

Jurisdiction of state commission-

a)- To entertain Complaint where the value of the goods or services and compensation, if any , claimed exceeds rupees 20 lakhs but not exceed rupees 1crore Appeals against the orders of any district forum within the state, and

b)- To call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any district forum within the state, where it appears to the state commission that such district forum has exercised a jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested or has acted in exercise of its jurisdiction illegally or with material irregularity.

Jurisdiction of national commission-

a) Subject to the other provision of this Act, the national commission shall have jurisdiction-

1- Complaint where the value of the goods or service and compensation, if any, claimed exceeds rupees 10 million and

2- Appeals against the orders of any state commission

b)- to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any state commission where it appears to the national commission that such state commission has exercised a jurisdiction illegally or with material irregularity.

#### Period of limitation of a filling complaint

A complaint is only admitted by any of the competent forums under CPA if it is filled within 2 years from the date on which the cause of action has arisen but it may be entertained after the said period after recording its reasons for condoning such delay, if the complainant satisfies that he had sufficient cause for not filing the complaint within period of 2 years.

#### Penalty under section 27 CPA

According to CPA, where a trader or the complainant fails to comply with an order made by the relevant forum, such person is liable to a punishment with imprisonment for as term which is not less than 1 month but which may extend to three years or with fine of not less than 2 thousand rupees but which may extend to 10 thousand rupees or with both.

#### CONCLUSION

The consumer protection act is no doubt a revolutionary piece of legislation which can grow into an important tool for development. The act seeks to provide for better protection of the interest of consumers.



India is likely to emerge as the world's largest middle class consumer market with an aggregated consumer spend of nearly US\$ 13 trillion by 2030, as per a report by Deloitte titled "india matters: winning in growth markets". The law covered many issues regarding consumer protection but the law requiring some amendments for betterment of consumers and it will help India to outshine in the global strata with a stronger consumer driven- economy.

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