



JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)

An International Scholarly Open Access, Peer-reviewed, Refereed Journal

CONSUMER PROTECTION ACT, 1986: THE ROLE OF CONSUMER DISPUTE REDRESSAL AGENCIES WITH THE VALUES OF EFFECTIVE COMPLAINT HANDLING

Dr.S.SUGUNA

Associate Professor

Department of Commerce with Professional Accounting

Dr.N.G.P. Arts and Science College

Coimbatore

Mr.S.MURUGANANTHAM

Assistant Professor

Department of Commerce with Information Technology

Dr.N.G.P. Arts and Science College

Coimbatore

ABSTRACT

This Paper comprises four sections i.e. National Commission, State Commission, District Forum and complaint handling. Dispute Redressal Agencies have been established under Consumer Protection Act-1986 and their composition, jurisdiction, procedure of redressal, power, sitting, and orders including penalties have been discussed separately. Apart from this, performances of Redressal Agencies. The main objective is to provide for the better protection of consumers, customer performance, and its handling of customer complaints is an important component of providing superior customer performance. Three important aspects of the complaint process involve acknowledging customer complaints, identifying customer complaints, and handling customer complaints.

Keywords: Consumer Protection, Customer Complaints, Providing, Councils, Authorities

INTRODUCTION

The Consumer Protection Act, 1986 is a milestone in the history of socio- economic legislation in the country. An act to provide for better protection of the interests of consumers and for that purpose to make provision for the establishment of consumer councils and other authorities for the settlement of consumers disputes and for matters connected therewith. It was enacted after an in-depth study of consumer protection laws of a number of countries an in consultation with representatives of consumers, trade and industry and extensive discussions within the government.

The main objective of the act is to provide for the better protection of consumers. Unlike existing laws which are punitive in nature, the provisions of this act are compensatory in nature. The act is intended to provide simple, speedy and inexpensive redressal to the consumers grievances, and reliefs of a specific nature and award of compensation wherever appropriate to the consumer. The act has been amended in 1993 and 2002 both to extend its coverage and scope and to enhance the powers of the redressal machinery.

The organization set-up, provided under the Consumer Protection Act, 1986 (Amendment 2002) has two wings :



Advisory Bodies:

The Consumer Protection Councils are the advisory bodies under the Consumer Protection Act and they have been charged with promotional and protection of the rights of the consumers. They play an important role in giving publicity to the matters of consumer concern, furthering consumer education and protecting consumers from unscrupulous exploitation. Consumer Protection Councils comprising of official and non-official members have been established at the district, state and centre levels. The councils meet periodically to deal with consumer problems and take corrective measure for protecting the rights of the consumers.

A) Central Consumer Protection Council: Central government has established a council known as Central Council by notification, headed by Minister, incharge of consumer affairs in the Central government as Chairman of the Central Council. The Central Council is to meet at least once in a year (Sec. 4).

B) State Consumer Protection Councils: The state governments have established councils known as state councils by notification, headed by Minister incharge of consumer affairs in the state government as chairman of the State Council. The state councils is to meet atleast twice in a year.

C) District Consumer Protection Councils: The state government have established for every district a council known as District Consumer Protection Councils by notification, headed by the collector of the district as Chairman of the District Council. The District Council has to meet twice in a year.

The objects of the above said councils are to promote and protect the rights of consumers 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 goods or service so as to protect the consumer against unfair trade practice; the right to be assessed, whichever is possible, access to a variety of goods and services at competitive prices; the right to be heard and to be assured that consumer's interests will receive due consideration at appropriate forums; the right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers; the right to consumer education.

The preamble of the Consumer Protection Act aims to provide better protection of the interests of the consumers and for that provisions are made for the establishment of Consumer Protection Councils in the second chapter of the act. The object of the Consumer Protection Councils are to protect the rights of the consumers.

(ii) Adjudicatory Bodies (Redressal Agencies): For the protection of consumer a three-tier machinery consist of district forums, the state commission and the national commission.

- **“District Forum”** by State Government. At least one in each district or in certain cases one District Forum may cover 2 or more districts.
- **“State Commission”** by State Government.
- **“National Commission”** (National Consumer Disputes Redressal Commission)

WORKING OF REDRESSAL AGENCIES

With regard to the matter of making a complaint District Forum (section 12). The complaint Can be filed by

- ❖ The consumer to whom such goods are sold or delivered or agree to be sold or Delivered or such service provided or agreed to be provided.
- ❖ Any recognized consumer association whether the consumer to whom the goods Sold or delivered or agreed to be sold or delivered or services provided or agreed
- ❖ To be provided is a member of such association or not.
- ❖ One or more consumers where there are numerous consumers having the same Interest, with the permission of district forum, or on behalf of, or for the benefit of All consumers interested or.
- ❖ The Central Government or the State Government as the case may be, either in its Individual capacity or as a representative of interests of consumers in General.

COMPOSITION

Members of the councils are selected from various areas of consumer interest, who are, when possible, leading members of state wide organisations representing segments of the consumer public so as to establish a broadly based and representative consumer council.

The Consumer Protection Act has authorised the Central Government to make rules as to the composition of the Central Council. Accordingly, the Central Government has provided that the Central Council shall consist of the following members not exceeding 150, namely :—

1. The Minister in-charge of Consumer Affairs in the Central Government who shall be the Chairman of the Central Council;
2. The Minister of State (where he is not holding independent charge) or Deputy Minister in-charge of Consumer Affairs in the Central Government who shall be the Vice-Chairman of the Central Council;
3. The Secretary in-charge of Consumer Affairs in the Central Government who shall be the member-secretary of the Central Council;
4. The Minister in-charge of Consumer Affairs in States;
5. Eight Members of Parliament—five from the Lok Sabha and three from the Rajya Sabha;
6. The Secretary of the National Commission for Scheduled Castes and Scheduled Tribes;
7. Representatives of the Central Government Departments and autonomous organisations concerned with consumer interests—not exceeding twenty;
8. Representatives of the Consumer Organisations or consumers—not less than thirty-five;
9. Representatives of women -not less than ten;
10. Representatives of farmers, trade and industries-not exceeding twenty;
11. Persons capable of representing consumer interest not specified above-not exceeding fifteen;

DISTRICT FORUM

This shall consist of:

1. A person who is, or has been, or is qualified to be a District Judge, its President
2. two other members shall be persons of ability, integrity and standing and have adequate knowledge or experience or have shown capacity, in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom shall be a woman.

Performance of District Forum

Years	Previous Pending	New Cases	Total Cases	Disposed Cases	Current Pending
2015	214998	148926	363924	144328	219596
2016	219596	156297	375893	153451	222442
2017	222442	163868	386310	157847	228463
2018	228463	177898	406361	169489	236872
2019	236872	150441	387313	132577	254736
Average in No	229518	155526	385044	149847	235197
Average in %	59.61%	40.39%	100%	38.91%	61.09%

Appeal against orders of the Dist. Forum

Any person aggrieved by an order made by the District Forum may appeal against such order to the State Commission within a period of 30 days from the date of the order. The State Commission may entertain an appeal after 30 days if it is satisfied that there was sufficient cause for not filing it within that period.

Sitting of the District Forum – For conducting any proceedings to resolve a consumer dispute, at least two members of the Forum must be there one of whom should be the president.

Where the member, for any reason, is unable to conduct the proceeding till it is completed, the President and the other member shall conduct such proceeding de novo i.e. from the beginning.

STATE COMMISSION

It shall consist of –

1. A person who is or has been a Judge of a High Court , who shall be its President ;
2. Two other members (as for District Forum).

Performance of state commission

Years	Previous Pending	New Cases	Total Cases	Disposed Cases	Current Pending
2015	98435	39516	138059	34654	103405
2016	103405	61116	164521	55379	109142
2017	109142	37269	146411	35339	111072
2018	111360	27323	138683	29406	109277
2019	109277	31620	140897	36903	103994
Average in No	107133	39807	146940	38898	108042
Average in %	72.90%	27.10%	100%	26.47%	73.53%

Appeals against orders of State Commission

Any person aggrieved by an order made by the State Commission may appeal against such order to the National Commission within a period of 30 days. The National Commission may entertain an appeal after 30 days if it is satisfied that there was sufficient cause for not filing it within that period

Sitting of the State Commission

Every proceeding is required to be conducted by the president of the State Commission and at least one member thereof sitting together. However, if for any reason the member is unable to conduct the proceeding till it is completed, the president and the other member shall conduct such proceeding afresh.

NATIONAL COMMISSION

This shall consist of –

1. A person who is or has been a Judge of the Supreme Court, who shall be its President. (No appointment under this clause shall be made except after consultation with the Chief Justice of India) .
2. 4 other members (qualifications: As for District Forum /State Commission).

Sitting of the National Commission – The disputes must be disposed of by at least three members of the National Commission, one of whom must be the president (or the senior most member authorised to work as president).

Performance of National commission

Years	Previous Pending	New Cases	Total Cases	Disposed Cases	Current Pending
2015	8791	5621	14412	6352	8060
2016	8060	8472	16532	5368	11164
2017	11164	4749	15913	3 7833	8080
2018	8612	8399	17011	7344	9667
2019	9667	5093	14760	4182	10578
Average in No	9062	6433	15495	6135	9360
Average in %	58.48%	41.52%	100%	39.67%	60.33%

Jurisdiction:-

Where to file a complaint? A complaint can be filed as per following jurisdiction

JURISDICTION	DISTRICT FORUM (SEC. 11)	STATE COMMISSION (SEC. 17)	NATIONAL COMMISSION (SEC. 21)
Pecuniary	Upto to Rs. 20 lacs	More than Rs. 20 lacs but least than Rs. 1 crore	More than Rs. 1 crore
Appellate	No appellate jurisdiction	<ul style="list-style-type: none"> ❖ Appeal against the orders of district forums ❖ In case where the district forum exceeded the jurisdiction or failed to exercise jurisdiction 	<ul style="list-style-type: none"> ❖ Appeal against the orders of the state commission ❖ In case where the state commission exceed the jurisdiction or failed to exercised jurisdiction

Who can be a complainant – Section 2(1)(b):

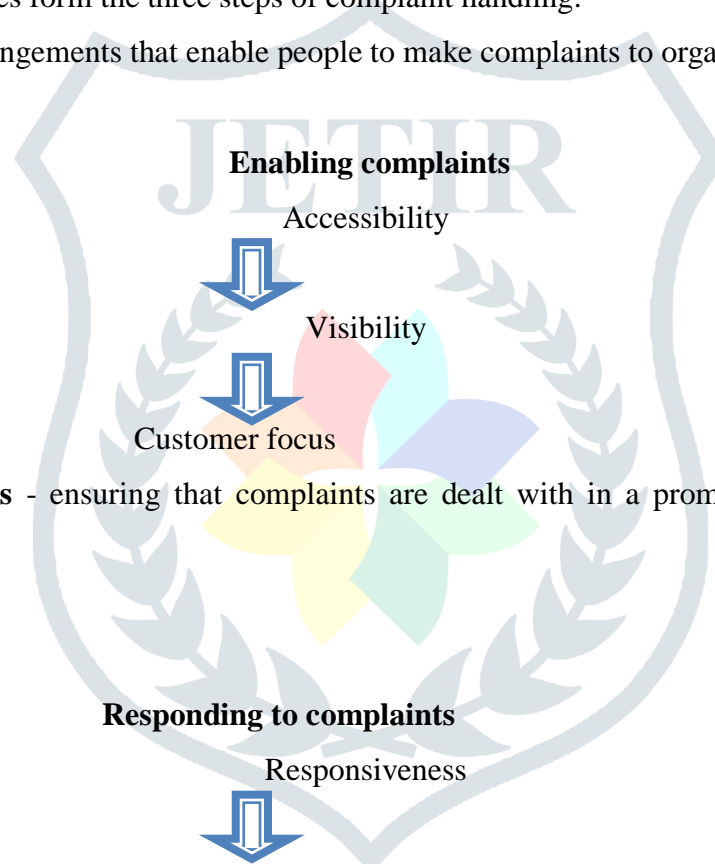
The complainant under the Consumer Protection Act, 1986 may be,

- (i) Consumer; or
- (ii) Any voluntary consumer organization registered under the Companies Act, 1956 or under any other law for the time being in force; or
- (iii) The central government or any state government; or
- (iv) One or more consumers, where there are numerous consumers having the same interest;
- v) In case of death of a consumer, his legal heir or representative;⁷³ who or which makes a complaint.

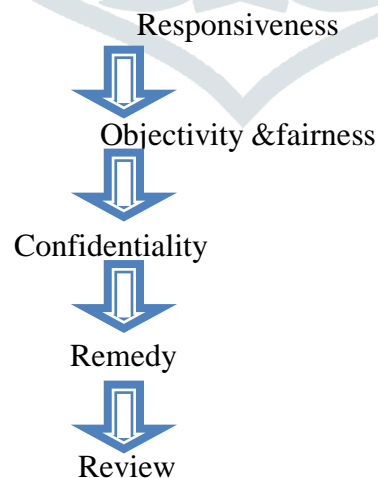
Procedure to be followed on receipt of complaint

The key features of an effective complaint handling system can be organized according to ten principles for good practice. These principles form the three steps of complaint handling:

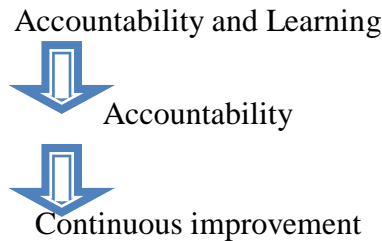
- **Enabling complaints** - arrangements that enable people to make complaints to organizations;

STEP-I

- **Responding to complaints** - ensuring that complaints are dealt with in a prompt, objective and confidential manner; and

STEP-II**Responding to complaints**

- **Accountability and Learning** - using complaints to demonstrate accountability and stimulate organisational improvement.

STEP-III**The principles of effective complaint handling**

1. Customer focus – the organisation is committed to effective complaint handling and values feedback through complaints.
2. Visibility – information about how and where to complain is well publicised to customers, staff and other interested parties.
3. Accessibility – the process for making a complaint and investigating it is easy for complainants to access and understand.
4. Responsiveness – complaints are acknowledged promptly, addressed according to urgency, and the complainant is kept informed throughout the process.
5. Objectivity and fairness – complaints are dealt with in an equitable, objective and unbiased manner. This will help ensure that the complaint handling process is fair and reasonable. Unreasonable complainants are not allowed to become a burden.
6. Confidentiality – personal information related to complaints is kept confidential.
7. Remedy – if a complaint is upheld, the organisation provides a remedy.
8. Review – there are opportunities for internal and external review and/or appeal about the organisation’s response to the complaint, and complainants are informed about these avenues.
9. Accountability – accountabilities for complaint handling are clearly established, and complaints and responses to them are monitored and reported to management and other stakeholders.
10. Continuous Improvement – complaints are a source of improvement for organisations. Ombudsman Western Australia GUIDELINES The principles of effective complaint handling Ombudsman

CONCLUSIONS:

Although structure of Dispute Redressal Agencies is very well framed and these Courts have been conferred sufficient power to provide redressal to aggrieved consumers, but orders of Consumer Courts are not implemented on time because somewhere Consumer Courts lack executing power. Comparatively, speed of disposal of District Forums was higher than State Commissions. But the difference between the average speed of National Commission and average speed of District Forums was not very high. Hence, speed of disposal all the Forums i.e. National Commission, State Commissions and District Forums was low, but it was very low in case of State Commissions. Although, Consumer Protection Councils have been established according to the provisions of CPA, but their ultimate objectives remained unachieved. The handling of customer complaints is an important component of providing superior customer performance. Three important aspects of the complaint process involve acknowledging customer complaints, identifying customer complaints, and handling customer complaints.

REFERENCE:

1. Albrecht, K. 1995. *At America's Service: How Your Company Can Join the Customer Service Revolution*. New York: Grand Central Publishing
2. Agarwal, V.K (1989), *Consumer Protection in India*, Deep and Deep Publications, Bangalore.
3. Gulashan, S.S. (1994), *Consumer Protection and Satisfaction*, Wily Eastern Limited & New Age International Ltd, New Delhi.
4. Gurjeet Singh, "The Law of Consumer Protection in India – Justice with Reach", Deep &
5. Chaudhary, R.N.P. *Consumer Protection Laws Provisions & Procedure*, Consumer Protection Act -1986.
6. Sherlekar, S.A. (1997), *Trade & Practices & Consumerism*, Himalayan Publishing House, Bombay.
7. Verma, D.P.S. (2000), *Development in Consumer Protection in India*, Journal of Consumer Policy.
8. Majumdar, P.K. (2003), *Law of Consumer Protection in India*, Prentice Hall of India, New Delhi.
9. Rajendra Prasad, A. (2006), *History of Consumer Protection and Law in India*, Journal of Texas Consumer Law.
10. Singh, S.S. & Chadah Sapna (2008), *Consumer Protection in India (Some Reflections)*, Consultancy Project on Consumer Protection and Welfare, IIPA, New Delhi.
11. Gupta, C.B. & Rajan Nair, N. (2008), *Marketing Management*, Sultan Chand & Sons, New Delhi.