

ROLE OF CONSUMER PROTECTION LEGISLATION IN INDIA

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Abstract

Consumer is the real deciding factor for all economic activities. It is now universally accepted that the extent of consumer protection is a true indicator of the level of progress in a nation. Protection and promotion of consumer rights and interests is a vital function of the government of any economy. It is basically a social and political necessity and is essential for all round progress of the country. Consumers need to be made aware and educated about their existing rights. The Consumer Protection Act, 1986 is the most important legislation enacted to provide for effective safeguards to consumers against various types of exploitations and unfair dealings. Protecting the interest of the consumers has been one of the major concerns of the government. Several policies and legislations have been in place in order to promote the concerns of the consumers and grant them the rights of choice, safety, information and redressal and for this, there is a well placed organizational set up both at the central and the state level. In today's changing market scenario, there is an increasing necessity of empowering the consumers through education and motivation regarding their rights and responsibilities. Given all such initiatives, it is the prime responsibility of the consumer to bring to the notice of the concerned authorities, any violation of their rights. Only then can we assure substantial consumers protection and establish distributive justice to all.

Keywords: Consumer, Consumer Protection, Consumer Rights, Goods/ Product, Services, Awareness, Redressal

Introduction:

Absence of voluntary business corrective leads to consumer legislation. Under sale of Goods Act, the principle is 'caveat emptor', i.e., 'buyer be aware'. Buyer is supposed to take care before buying goods, be knowledgeable and well informed This was true about hundred years ago, when both buyer and seller were on equal footing. However, as organized manufacturing activity increased, sellers became bigger and better organized, while buyer continued to be unorganized and weak. Buyer could be easily misled and duped (Datey, 2002). There are three alternatives to solve the problem of frauds and dishonesty in the market place:

1. The marketing profession can regulate its own behaviour and actions by self-discipline and by raising ethical standards. But it is difficult and many a time, not feasible.

2. The consumer can be awakened, organized and educated in avoiding to be victimised by malpractices of sellers and to secure self protection from the unscrupulous. Herein lies the role of government to underwrite social justice and equitable distribution in the market place.
3. The Government, sooner or later, has to come forward, make more laws, bring about their strict enforcement, modify the consumer legislation in the light of actual experience and restrict or eliminate dishonest and fraudulent business practices. (Sherlekar S.A. and Sherlekar V.S., 2002)

It is now realized that a common consumer is neither knowledgeable nor well informed. He needs support and protection from unscrupulous seller. A common consumer is not in a position to approach civil court or MRTP Commission. Quick, cheap and speedy justice to his complaints is required. United Nations adopted guidelines for protection of consumers on 9.4.1985. All countries were expected to take suitable legislative measures. Accordingly Consumer Protection Act, 1986¹ was passed with this view in mind.

Consumer Rights

Consumer is the real deciding factor for all economic activities. It is now universally accepted that the extent of consumer protection is a true indicator of the level of progress in a nation. The growing size and complexity of production and distribution systems, the high level of sophistication in marketing and selling practices and forms of promotion like advertising, etc has contributed to the increased need for consumer protection. Recognising this, a well placed organisational set up has been created both at the Central and State level. At the central, Department of Consumer Affairs, under Ministry of Consumer Affairs, Food and Public Distribution is the nodal organisation for the protection of rights of consumers, redressal of consumer grievances and promotion of standards of goods and services, etc.

The Consumer Protection Act, 1986 is the most important legislation enacted to provide for effective safeguards to consumers against various types of exploitations and unfair dealings, relying on mainly compensatory rather than a punitive or preventive approach. The Act has set up a three-tier quasi-judicial consumer disputes redressal machinery at the National, State and District levels, for expeditious and inexpensive settlement of consumer disputes. It also postulates establishment of Consumer Protection Councils at the Central and State levels for the purpose of spreading consumer awareness.

The Weights and Measures Unit, under the Department of Consumer Affairs has been set up to promote use of exact and correct weighing and measuring instruments. Bureau of Indian Standards (BIS) has been set up under Bureau of Indian Standards Act, 1986 as the National Standards Body of India. It is engaged in formulation of quality standards of goods or services as well as their certification through Quality Certification Schemes.

Further, Consumer Welfare Fund has been set up to provide financial assistance for promoting and protecting the welfare of the consumers. As a part of the initiative of the fund, the Centre for Consumer Studies (CCS) at the Indian Institute of Public Administration (IIPA) has been set up to facilitate in-depth action research in the area of consumer protection and education.

The success of spreading consumer movement in the country would depend upon the level of consumer vigilance about their rights and responsibilities.

Education and Awareness of Consumer

Protection and promotion of consumer's rights and interests is a vital function of the Government of any economy. It is basically a social and political necessity and is essential for all round progress of the country. In rapidly changing business environment and emerging global markets, expectations of the people of the country for better services, quality goods, availability of choices and value for money has been continuously rising. Accordingly, both public and private sectors are undertaking several policy initiatives, schemes and incentives to promote consumers' welfare in the country. They are making all efforts to ensure that consumers are provided with every relevant information in order to avoid any kind of exploitation and given a rational choice in selection of products and services from the market.

Consumers need to be made aware and educated about their existing rights, which are: (i) right to be protected against the marketing of goods and services, which are hazardous to life and property; (ii) right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices; (iii) right to be assured, wherever possible of access to variety of goods and services at competitive price; (iv) right to be represented in various forums formed to consider the consumer's welfare; (v) right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and (vi) right to acquire the knowledge and skill to be an informed consumer throughout life. That is, there is need to generate consumer awareness on large scale about basic aspects such as maximum retail price (MRP), Hallmarking of gold jewellery, Indian Standard Institute (ISI) mark on products and expiry dates.

At the Central level, the **Department of Consumer Affairs** has been set up under the **Ministry of Consumer Affairs, Food and Public Distribution** to protect the rights of consumers, promote standards of goods and services as well as for redressal of consumer grievances. It has been undertaking '**National Action Plan for Consumer Awareness and Redressal and Enforcement of Consumer Protection Act, 1986**' for consumers' protection and creating awareness among them. It is operating **Consumer Welfare Fund** which aims to provide financial assistance for promoting and protecting the welfare of the consumers as well as strengthening the voluntary consumer movement in the country. The **Centre for Consumer Studies (CCS)** at the **Indian Institute of Public Administration (IIPA)** has been set up to facilitate in-depth action research in the area of consumer protection and education. As a part of the initiative of the Fund, the '**Scheme on Promoting Involvement of Research Institutions/Universities and Colleges in Consumer Protection and Consumer Welfare**' is being financed and administered by CCS, IIPA. While, at the State level, initiatives with respect to consumer's welfare by promoting awareness and education among them are handled by Departments of Consumer Affairs; Departments of Food, Civil Supplies and Consumer Welfare; etc. which are located in various States and Union Territories (UTS) of the country.

Legal Framework

Enactment of the **Consumer Protection Act, 1986** marked one of the most important milestones in the consumer movement in the country. It is one of the benevolent social legislation intended to protect the large body of consumers from exploitation. The Act has come as a panacea for consumers all over the country and has assumed the shape of practically the most important legislation in the country during the

last few years. It has become the vehicle for enabling people to secure speedy and in-expensive redressal of their grievances. With the enactment of this law, consumers now feel that they are in a position to declare sellers beware whereas previously the consumers were at the receiving end and generally told buyers beware.

The provisions of this Act cover '**Products**' as well as '**Services**'. The products are those which are manufactured or produced and sold to consumers through wholesalers and retailers. The services are of the nature of transport, telephones, electricity, constructions, banking, insurance, medical treatment, etc. The services by and large include those provided by professionals such as Doctors, Engineers, Architects, Lawyers, etc. The Objects of the Act are:

- Protection of Interests of Consumers
- Protection of Rights of Consumers
- Establishment of Consumer Protection Councils
- Establishment of Consumer Dispute Redressal Agencies

This Act was amended in 2002 in the form of **Consumer Protection (Amendment) Act, 2002**. Some of the important amendments made by it include:

- Creation of benches of the National Commission and State commissions and holding of circuit benches
- Prescribing time-frame for admission of complaint, issue of notices and disposal of complaint
- Recovery of compensation amount ordered by the redressal agency through certificate case in the same manner as arrears of land revenue
- Provision for issue of interim orders by redressal agencies
- Establishment of Consumer Protection Council at District level
- Revision of pecuniary jurisdiction in respect of redressal agencies at district levels
- Inclusion of sale of spurious goods/services as unfair trade practices

In exercise of the powers conferred by the Consumer Protection Act, the Central Government has formulated the **Consumer Protection Rules, 1987**. Similarly, the National Consumer Disputes Redressal Commission with the previous approval of the Central Government has formulated the **Consumer Protection Regulations, 2005**. These have been framed to give effect to the provisions of the Act, make them more explicit as also to further simplify the procedures with a view to serving better the interests of the aggrieved consumers.

Organizational Setup

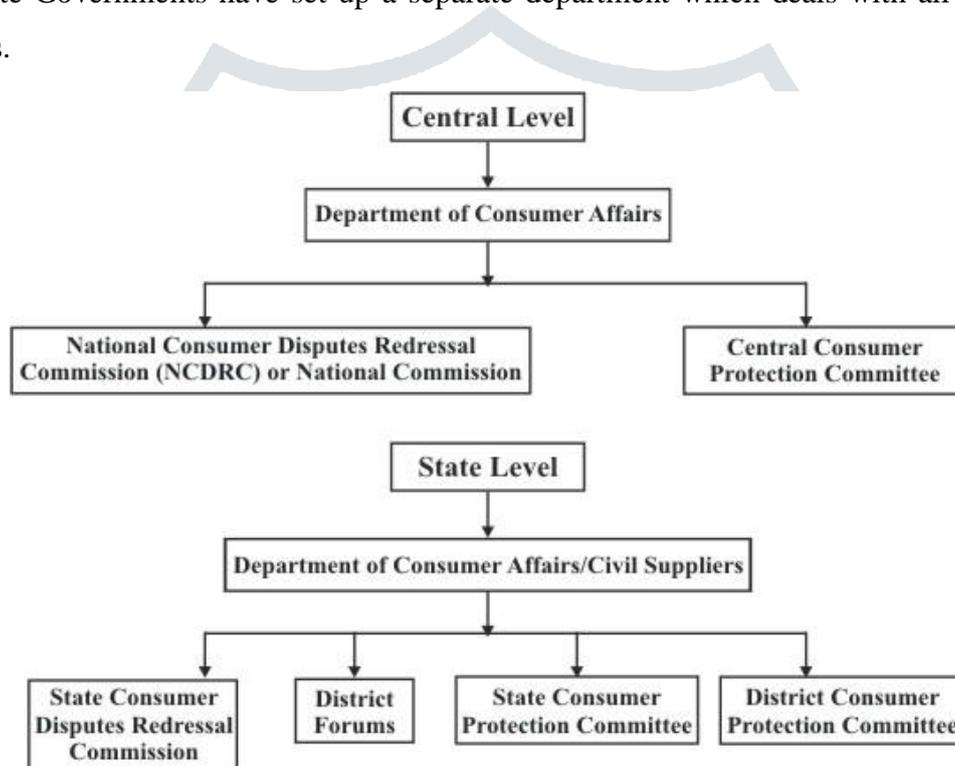
Protecting the interests of consumers has been one of the major concerns of the Government. Several policies and legislations have been in place in order to promote the concerns of the consumers and grant them the rights of choice, safety, information and redressal. Accordingly, there is a well placed organisational set up both at the Central and State level in the form of a separate department.

Department of Consumer Affairs under Ministry of Consumer Affairs, Food and Public Distribution is the nodal organisation set up for the protection of rights of consumers, redressal of consumer grievances and promotion of standards of goods and services, etc.

There is three-tier quasi-judicial consumer disputes redressal machinery at the National, State and District levels, for expeditious and inexpensive settlement of consumer disputes. It includes **National Consumer Disputes Redressal Commission (NCDRC)**, State Consumer Disputes Redressal Commissions and District Forum.

Also established are Consumer Protection Councils at the Central, State and District levels for the purpose of spreading consumer awareness. It includes Central Consumer Protection Council, State Consumer Protection Council and District Consumer Protection Council.

Besides, the State Governments have set up a separate department which deals with all issues relating to consumer affairs.



Suggestions

In today's changing market scenario, there is an increasing necessity of empowering the consumers through education and motivation regarding their rights and responsibilities. He/she should be equipped to be fully vigilant so as to be able to protect himself/herself from any wrongful act on the part of the seller/trader. Several steps have been taken by the Government, both at the Central and State level towards generating awareness among the consumers. Given all such initiatives, it is the responsibility of the consumer as well to keep in mind the following suggestions:

- Purchase products only after their complete scrutiny and not at the cost of attractive advertisements.
- Keep check on the weighing and measuring instruments used by traders.
- Avoid buying fruits and vegetables from unhygienic place.
- Check print of MRP on the packet.
- Check the quantity as per the figure printed on the packet.

- Check the expiry date of the product, particularly that of eatables and medicines.
- Always collect bill at the time of purchase.

Moreover, the packaging and appearance of the product should not be the guiding factor for consumer purchases. Along with cost consideration, consumer must be cautious of the quality of the product. Most importantly, it is the prime responsibility of a consumer to bring to the notice of the concerned authorities, any violation in their rights. Thus we can say that each alternative is a partial solution-consumerism, self-regulation by business and legislation. But if all of these collaborate and are well-coordinated we can reap very good fruits assuring substantial consumer protection and establishing distributive justice to all.

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