



UNIT 6

CONSUMER PROTECTION



18 CHAPTER

GRIEVANCE REDRESSAL MECHANISM

பிணியின்மை செல்வம் விளைவின்பம் ஏமம்
அணியென்ப நாட்டிவ் வைந்து.

—குறள் 738



COUPLET

Freedom from epidemics, wealth, produce, happiness and protection (to subjects); these five, the learned, say, are the ornaments of a kingdom.



Learning Objectives

To enable the students to understand the

- Grievance Redressal Mechanism
- Three Tier Consumer Councils
- Voluntary Consumer Organisations

Chapter Synopsis

- 18.01 Grievance and Need for Redressal Mechanism
- 18.02 Consumer Councils
- 18.03 Three Tier Courts or Quasi Judiciary
- 18.04 District Forum
- 18.05 State Consumer Disputes Redressal Commission or State Commission
- 18.06 National Consumer Disputes Redressal Commission (NCDRC) or National Commission
- 18.07 Voluntary Organizations for Consumer Awareness

are the vital part of the business. They decide the success or otherwise of the business. However they are exploited by the sellers in many ways because, they are not aware of the products and services available. Government has also taken necessary steps to save the Consumers. It is in this context grievance redressal mechanism becomes important. This chapter is an attempt to explain grievance redressal mechanism followed in India.

Mahatma Gandhi said about the Customer

“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”

18.01 Grievance and Redressal Mechanism

Exploitation is common where consumers are unaware of their rights and privileges. In this modern world, Consumers

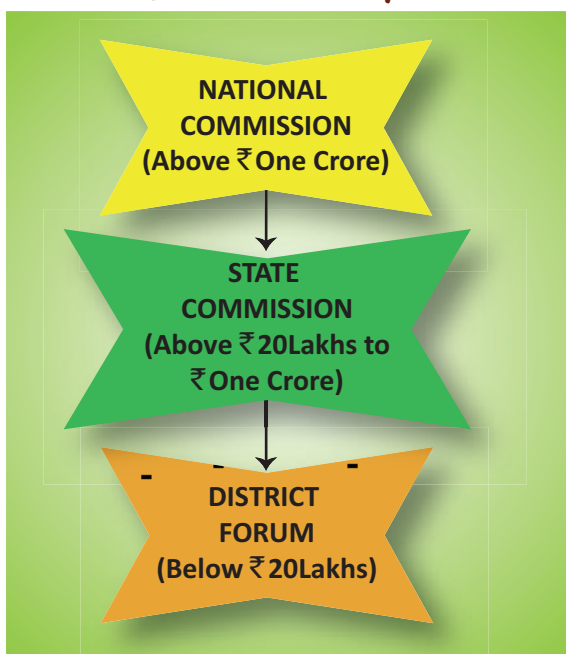
Under the modern philosophy of marketing, consumer is supposed to be the king and business is expected to provide maximum possible satisfaction to consumers. But in reality, consumers are often exploited. In

a country like India there is shortage of many products. A few firms enjoy monopoly power in the market place. A large majority of consumers are ignorant and illiterate and do not know their rights. They are poor and there is lack of unity among them. Due to these reasons, consumers are often deprived of their rights. They are often exploited through misleading advertisements, poor quality goods, fractional weights and measures, overcharging, etc.

18.02 Consumer Councils

The Consumer Protection Act postulates establishment of Consumer Protection Councils at the District, State and Central levels for the purpose of spreading consumer awareness. The objects of the Councils, as per the Act, shall be to promote and protect the rights of the consumers.

18.03 Three Tier Courts or Quasi Judiciary



18.04 District Forum

As per the Consumer Protection Act of 1986 and Section 9 thereof the establishment of a District Forum by the State Government in each district is necessary today to protect the interest of aggrieved consumers in that district. The State Government can establish

more than one District Forum in a district if it deems fit to do so.

Complaints can be filed with the forum by a consumer. Complaints can also be filed by the Central or State Government or by a group of consumers. Thus, it is not necessary that complaint should be filed only by the affected person. Others can also take up the matter with the District Forum.

Members

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

Jurisdiction

The District Forum can entertain complaints within the territory of genuine district and where the value of goods or services and the compensation if any claimed is less than Rs 20 Lakhs.

Powers

Every proceedings before the District Forum shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Forum shall be deemed to be Civil Court.

If the value of the complaint exceeds this limit of Rs 20 Lakhs the complaint should be made direct to the State Commission. Further the District Forum also may pass orders against traders indulging in unfair trade practices, sales of defective goods or rendering deficient services, the turnover of goods or value of services does not exceed Rs 20 Lakhs.



At present, there are more than 620 District Forums and more than 30 State Commissions. The National Consumer Disputes Redressal Commission (NCDRC) at the apex is situated at New Delhi.

Pecuniary Jurisdiction of Consumer Forum

1. For the District Consumer Forum (Value upto Rupees twenty lakhs)
2. For the State Commission (Value above twenty Lakhs to Rupees one crore)
3. For the National Commission (Value of above Rupees One Crore)

Appellate Forum

The aggrieved party can prefer appeal against the order passed by the District Forum to the State Commission.

18.05 State Consumer Disputes Redressal Commission or State Commission

The State Commission is to be appointed by the State Government in consultation with the Centre. It has the same function as state level. The state consumer protection council is also known as “Consumer Disputes Redressal Commission”. Both goods and services are included in the purview of the council. A consumer has to be protected against defects, deficiencies and unfair and restrictive trade practices. The State Consumer Protection Council is also called State Commission.

Members

Each State Commission shall consist of the following members.

1. A person who is or has been a Judge of a High Court appointed by the State Government as its President.
2. Two other members who 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, industry, public affairs or administration of them, one shall be a woman.

Jurisdiction

The Jurisdiction of the State Commission is as follows.

1. The State Commission can entertain complaints within the territory of entire state and where the value of the goods or services and the compensation, if any claimed exceed Rs. 20 lakhs and below Rupees One Crore.
2. The State Commission also has the jurisdiction to entertain appeals against the orders of any District Forum within the State.

Powers

The following are the powers of the State Commission.

1. The State Commission also has the power 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.
2. To produce before and allow to be examined by an officer of any of these agencies, such books of accounts, documents or commodities as may be required and to keep such books, documents, etc., under his custody for the purposes of the Act.
3. To furnish such information that may be required for the purposes of the Act to any officer so specified.

Appellate Forum

1. The State Commission's jurisdiction may be original, appellate or revision. The State Commission may reverse or confirm the orders passed by the District Forum.
2. Any person aggrieved by an order of the State Commission may prefer an appeal to the National Commission within 30 days from the date of such order.

18.06 National Consumer Disputes Redressal Commission (NCDRC) or National Commission

The National Consumer Disputes Redressal Commission (NCDRC), India is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986. Its head office is in New Delhi. The Commission is headed by a serving or retired judge of the Supreme Court of India. The National Consumer Disputes Redressal Commission (NCDRC) is also called as National Commission.

Members

The National Consumer Disputes Redressal Commission has been constituted by a Notification.

1. The National Commission should have five members.
2. One should be from judiciary.
3. Four other members of ability, knowledge and experience from any other fields.
4. It should include a woman.

Jurisdiction

Section 21 of The Consumer Protection Act, 1986 describes, the National Commission shall have jurisdiction

1. To entertain a complaint valued more than 1 Crore.
2. Revised the orders of State Commissions.
3. To call for the records and pass appropriate orders from the State Commission and District Forum.

Powers

1. Adoption of uniform procedure in the hearing of the matters is followed in the National Commission
2. Prior service of copies of documents produced by one party to the opposite parties.
3. Speedy grant of copies of documents are issued by the National Commission.

4. Generally over-seeing the functioning of the State Commissions and the District Forums to ensure that the objects and purposes of the Consumer Protection Act are best served, without interfering with their quasi-judicial freedom.

Appellate Forum

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 not vested in it by law, or has failed to exercise a jurisdiction so vested or has acted in the exercise of its jurisdiction illegally or with material irregularity. Section 23 of Consumer Protection Act, 1986, provides that any person aggrieved by an order of National Commission may prefer an Appeal against such order to Supreme Court of India within a period of 30 days.

DO YOU KNOW? You can call to register your complaint **1800-11-4000** or **14404**
*Timing: All Days except National Holidays (09:30 AM To 05:30 PM) or SMS on this Number **8130009809***

18.07 Voluntary Organizations for Consumer Awareness

Consumer is a broad label for any individuals or households that use goods and services produced within the economy. Voluntary consumer organisations refer to the organisation formed voluntarily by the consumers to protect their rights and interests.

Objectives

1. The Department of Consumer Affairs (DCA) operates the Consumer Welfare Fund (CWF). The primary objective of the CWF is to strengthen the Consumer Advocacy Movement in India.



2. A wide network of Voluntary Consumer Organisation (VCO) is doing commendable work to raise awareness amongst consumers.
3. To strengthen consumer protection and welfare and to provide counselling, guidance and mediation services.
4. VCO's supported through CWF provides grants for diverse projects including comparative testing of products and services and dissemination of the findings
5. Steps have been taken to enhance transparency and to digitalise the government's interface with its citizens.

Accelerating Consumer Awareness/Educating Consumers

The first priority of a consumer organization is to accelerate consumer awareness towards their rights. To accomplish this task the following efforts are made:

- i. To publish brochures journals and monographs.
- ii. To arrange conferences, seminars and workshops.
- iii. To educate consumers to help themselves.
- iv. To provide special education to women about consumerism.

To maintain desirable standards, the following steps are followed:

i) Collecting Data on Different Products and testing them

These organizations collect samples of different products from time to time and test them. After that the results of the tests are declared to public. In this way, these organisations provide prior information to consumers about the authenticity of product and protect them.

ii) Filing Suit on Behalf of Consumers

Whenever a consumer fails to raise his voice of protest regarding his complaints,

these consumers' organisations come to the rescue and file a case in the court, on behalf of a consumer. By giving this service to the consumers, the consumers get a feeling that they are not alone in their struggle.

iii) Organising Protests against Adulteration etc.

The consumer's organizations play a significant role in eliminating the evil of adulteration, hoarding black-marketing and under-weight selling.

iv) Helping Educational Institutions

These organizations advice the educational institutions the way to prepare courses of study keeping in view the interests of the consumers.

v) Promoting Network of Consumer Association

Consumer organizations are trying to grow their numbers. They want to cover all the regions of the country so that consumers of all the regions are benefited by their services.

vi) Extending Support to Government

Consumer organisations keep informing the government agencies about adulteration, artificial scarcity, inferior quality produce etc. to help the government.

Procedures for Filing Complaint

A complaint can be filed by a complainant against the seller, manufacturer, or dealer of goods which are defective or against the provider of services, if they are deficient in any manner whatsoever. An unfair trade practice or restrictive trade practice can also invite complaint

Steps involved in filing Complaint in Consumer Court

The first step in filing a consumer complaint is to send a legal notice to the seller or company. A legal notice must be drafted with the help of a consumer court lawyer and include the following:



1. Details of the consumer like name, address, product or services purchase details of the company, etc.
2. Necessary details of the problem faced and describe the deficiency in service.
3. Action taken by the company in response to the customer complaint
4. Action expected from the company
5. Time period given to the company to take action
6. The legal action that will be taken upon failure by the company in sending a reply to the legal notice.

Who can make complaint?

1. A consumer as defined under Consumer Protection Act, 1986
2. A registered Voluntary Consumer Association
3. Central Government
4. State Government / Union Territory
5. One or more consumer representing numerous consumers having the same interest.

When the complaints can be made?

A complaint may be made in writing under the following circumstances:

1. Loss or damage is caused to the consumer due to unfair trade practice of a trader.
2. If the article purchased by a consumer is defective.
3. If the services availed of by a consumer suffer from any deficiency.
4. When the price paid by a consumer is in excess of the price displayed on the goods or when the price is in excess of the price fixed under any law in force.
5. Goods, which will be hazardous to life and safety, when used are being offered for sale to the public in contravention of the provisions of any law.

How to register the complaints?

The complaint should be registered by the following ways:

1. Complaint can be registered within 2 years from the date on which the cause of action has arisen, to the date on which the completion from the deficiency in service.
2. Stamp paper is not required for declaration
3. Complaint can be registered, in person, by the complainant or through his authorised agent or by post addressed to the Redressal Agency.
4. Advocates are not necessary.

What are the particulars that should be furnished along with the complaint?

The complaint should contain the following particulars:

1. The name and complete address of the complainant
2. The name and complete address of the opposite party/parties
3. Date of purchase of goods or services availed
4. Amount paid for the above purpose
5. Particulars of goods purchased with number or details of services availed
6. The details of complaint, whether it is against Unfair Trade Practices/supply of defective goods/deficiency in service provided/ collection of excess price, should explicitly be mentioned in the complaint petition.
7. Bills/receipts and copies of related correspondence, if any.

Relief to the Consumers

The District Forum / State Commission can order the following reliefs to the consumers:

1. To remove the defects in the goods pointed out
2. To replace the goods
3. To return to the complainant the price of the goods
4. To pay such amount of compensation for the loss or injury suffered by the consumer
5. To discontinue the unfair trade practice or not to repeat it

6. To withdraw the hazardous goods from being offered for sale
7. To provide the cost of expenditure incurred by the complainant

What is the appeal provision?

1. Aggrieved by the orders issued by the District Consumer Redressal Forum appeal, petition can be filed before State Consumer Dispute Redressal Commission within 30 days from the date of receipt of orders
2. Aggrieved by the orders issued by the State Consumer Dispute Redressal Commission appeal petition can be filed before National Consumer Dispute Redressal Commission within 30 days from the date of receipt of orders
3. Aggrieved by the orders issued by the National Consumer Dispute Redressal Commission appeal petition can be filed before Supreme Court of India within 30 days from the date of receipt of orders
4. No fee is charged for registering an appeal petition before State / National Consumer Dispute Redressal Commissions
5. The appeal petition has to be filed with the grounds for appeal with copies of orders of the lower redressal agencies and registering procedures are same, as is being done in the case of registering complaint.



The International Organisation of Consumers Unions (IOCU) was first established in 1960 to create cross-border campaigns and share knowledge; it has over 250 member organisations in 120 countries. Its head office is based in London, England, with regional officers in Latin America, Asia, Pacific, Middle East and Africa.

Key Words

Grievance Redressal Mechanism	District Forum
Consumer Voluntary Organisation	Consumer Welfare Fund
Three Tier Court	Consumer Awareness



For Future Learning

STUDENTS CONSUMER CLUB

Students may create "Students Consumer Club". They may create awareness about the Products and Services. They can motivate the parents about the consumer awareness of the following

1. MRP of the Product.
2. Expiry of the Product
3. Quality of the Product (ISI, ISO and Agmark, etc.)



Exercise



I. Choose the Correct Answers:

1. The Chairman of the National Consumer Disputes Redressal Council is _____
 - a) Serving or Retired Judge of the Supreme Court of India.
 - b) Prime Minister
 - c) President of India
 - d) None of the above
2. The Chairman of the State Consumer Protection Council is _____
 - a) Judge of a High Court
 - b) Chief Minister
 - c) Finance Minister
 - d) None of the above
3. The Chairman of the District Forum is _____
 - a) District Judge
 - b) High Court Judge
 - c) Supreme Court Judge
 - d) None of the above



4. The State Commission can entertain complaints where the value of the goods or services and the compensation, if any claimed exceed

- a) ₹ 2 lakhs but does not exceed ₹ 5 lakhs
- b) ₹ 20 lakhs but does not exceed ₹ 1 crore
- c) ₹ 3 lakhs but does not exceed ₹ 5 lakhs
- d) ₹ 4 lakhs but does not exceed ₹ 20 lakhs

5. The International Organisation of Consumers Unions (IOCU) was first established in

- a) 1960
- b) 1965
- c) 1967
- d) 1987

Answers:

1	a	2	a	3	a	4	b	5	a
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II. Very Short Answer Questions:

1. What do you mean by Redressal Mechanism?
2. What do you know about National Commission?
3. State the meaning of the term State Commission.
4. What is an term District Forum?

III. Short Answer Questions:

1. Who are the members of the National Commission?
2. Who are the members of the State Commission?
3. Write a note on the Voluntary Consumer Organisation.

IV. Long Answer Questions:

1. Explain the overall performance of National Commission.
2. Explain the overall performance of State Commission.

References:

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2. Consumer Behaviour Dr L. Natarajan, Margham Publications, Chennai
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