

35. CONSUMER PROTECTION ACT, 1986

The Consumer Protection Act, 1986 is a social welfare legislation which was enacted as a result of widespread consumer protection movement. It was enacted to provide a simpler and quicker access to redressal of consumer grievances. Indian government has passed this act on 24th December 1986, and this date is declared as National Consumer Day. It is a kind of government regulatory body which protects the rights of consumers.



Fig. : 35.1 Postal Stamp

Objectives of Consumer Protection Act :

- (i) Provide best protection to consumers.
- (ii) This law is not punitive as the current laws; there is a facility of indemnity in its provisions.
- (iii) There is a system for redressing grievances of consumers in an easy and simple manner in this act.
- (iv) There is a facility of establishing three staged Quasi judicial system at national, state and district level.
- (v) Importance has been given to the consumer rights.
- (vi) There is a provision to promote and protect the rights of consumers at central and state levels.

Areas of Act

- (a) This act is applicable for all items except those which are free.
- (b) It is applicable for every private or government areas.
- (c) It is not applicable for the products or services purchased for business purpose, for instance, if a person buys a car and uses it as a taxi than in that case he cannot apply for the indemnity. While if the same car is used for the personal purpose than this act will protect his right.

This act provide following rights to the consumers:

1. **Right to safety :** Consumer has the right to be protected against product and services which are injurious to health or life. For example; food colors, electrical appliances, cosmetics, soap, etc. You have right to be protected from all harmful substances.
2. **Right to fulfill basic needs :** The basic requirements of the consumer which are essential for living are not only those which can help to survive a normal life, they should also be compulsorily satisfied, such as food, clothes, housing, electricity services, safe water, education, and clean environment, etc. In order to fulfill these requirements, appropriate

opportunities should provide so that consumers can use these products and services without any harassment.

3. **Right to be informed :** Consumer has the right to be given adequate information to buy wisely. Under this act there is a provision to know quality, quantity, purity, standardization and cost of the product. Every consumer has a right to know who & how the product is made, guarantee etc.
4. **Right to choose :** The consumer has the right to select products of varying qualities, prices, sizes and designs and to choose according to his needs and wants. Don't buy things from retailers, who displays few things from which profit is more.



Fig. : 35.2 Right to choose

5. **Right to be heard :** Consumer has the right to fight against consumer exploitation in the society.



Fig. : 35.3 Right to be heard

6. **Right to redressal :** The consumer has the right to receive compensation for faulty consumer goods or services
7. **Right to live in a healthy environment :** The consumer has the right to live in a safe protected environment that will enhance the quality of life.
8. **Right of consumer education :** In our previous chapters we have already read that consumer education is how much important in consumer protection. Hence, every consumer has a right to have full knowledge and ability to do good and intelligent shopping.

Who are consumers : According to Consumer Protection Act 1986, individual who buys goods and services for his personal use, is called as consumer. Every individual is a consumer in some form.

Features of the act:

(a) To address consumer complaints, a three-level quasi judicial mechanism has been established under this act. These three levels depend upon financial limitations of compensations. These three levels are shown in the following table :

Table 35.1

S. No.	Level	Judicial system	Financial limitations
			(in Rs.)
1	District	District forum	20,00,000
2	State	State commission	20,00,000–1 million
3	National	National commission	More than 1 million

(b) State government is responsible for district forum and state commission.

(c) Under this Act, the complaints of consumer are quickly disposed so that the consumer does not have to wait for a long time to get satisfactory redressal and get justice on time. In the act, within 90 days of receiving the complaint, there is a provision to settle the dispute.

(d) Complaint launched against protection is free of cost in this act,. Hence, consumers from low socio-economic background can also get compensation without additional expenditure.

Steps to use the act :

(a) Who can complaint :

- (i) Consumer itself, members of a recognized consumer organization, complaint can also be lodged through central or state government.

DRAFT FOR FILING COMPLAINT IN DISTRICT FORUM

To,
The chairman,
District forum, consumer protection,
Udaipur (Raj.)

- Name and address of the complainant
- Name and address of the opposite party
- The brief fact leading to the present complaint
- The supportive documents as above (enclose all the documents in support)
- Relief which complainant seeks

Date :

Signature

Attach the copies of affidavit of total number of opposite party. One should attach the affidavit on a plain paper to support the complaint in which all the brief facts should be repeated. Affidavit should be attested. The format of affidavit is as above:

FORMAT OF AFFIDAVIT

To,
The chairman,
District forum, consumer protection,
Udaipur (Raj.)
Case no:
Complainant

Affidavit

I son/wife age resident of
Request.....

(Facts in the affidavit should be written in a sequence if opposite party have replied anything or complainant want to justify anything should be written in affidavit)

Date

Signature

Verification

I son/wife age resident of declares
that fact mentioned in the affidavit from column one to last are true and right in my knowledge.

Date

Signature

(Affidavit should be on plain paper and should be attested from commissioner or notary)

- (ii) If the complaint has been filed equally by many consumers, then the consumer organization can file a single complaint of everyone. For example, if 10 people have purchased same product from a same shop and everyone has a similar complaint, then a complaint can be lodged together.

(b) When a complaint can be lodged :

- (i) When there is a defect in product or service.
- (ii) When you experience loss by the trader through the wrong and controlled business.
- (iii) When merchants ask you to price more than the maximum retail price.
- (iv) You can file a complaint within 2 years of the date of purchase of the item.

(c) Where to lodge a complaint:

There is a provision of three- level quasi judicial mechanism, in this act. Consumer can lodge complaint at different level according to the total redressal amount. Consumer can file a complaint at the place from where the product has been purchased. According to the amount of compensation consumer can file complaint at different level. See table 35.1.

(d) How to lodge a complaint :

- (i) Documents should be collected by the consumer before lodging the complaint (bill of the shop, guarantee card, warranty card, answer given by business correspondence) through which consumer complaint can be verified.
- (ii) Prior to lodging the complaint in consumer court, it would be appropriate that the consumer send a letter to the opposition party by the registered A.D, in which it describes the complaint and write it for redress. For this, give him at least 15 days of time, because a good trader must resolve the complaint made by the consumer, and he does not feel the need to go to the consumer court. If he refuses to do so, than dispute's conclusion can be obtained by the consumer court.

(Affidavit is to be given on plain paper and it is necessary to verify with an oath commissioner or notary.)

(e) Process upon receipt of complaint:

- (i) Giving a counter-complaint to the opposition party by the district forum, it is instructed to give its statement about the matter in a stipulated period.
 - (ii) If the opposition denies charges than in that case, district forum will do proceedings to solve the dispute.
 - (iii) If the item is malfunctioned and the probe is required then the sample of this object is sealed and sent to the laboratory by the district forum and it is instructed to the laboratory officer that the test report of the item should be sent to the District Forum within 45 days.
 - (iv) The fee for the complaint should be deposited in the district forum by the consumer. The deposited amount used in the laboratory for analysis. The reports received from the district forum are sent to the opposition party. Consumer recovers the deposited amount by the opposition party.
 - (v) If still the opposition party opposes than they will get a chance to show their side.
- (f) Decision of district forum :**
- (i) To complete or correct the faults of the product presented in the laboratory.
 - (ii) To change or replace the faulty product with same standard.
 - (iii) Redressal to the consumers
 - (iv) To pay such amount that has been given by the consumer due to negligence of the opposition party.
 - (v) On rejecting the conclusion of district forum, the opposition party may be punished by the court or may have to pay a penalty.

Consumer is not satisfied by the decision of district forum than he may apply further in state commission, against the decision of state commission in national commission, and against the results of national commission he may apply further in Supreme Court. Complaint are free of cost. The process of filing an appeal is the same, with the application form for lodging the complaint, the order of the state

commission and the national commission in the district has to be attached. The complete process of using this act can be easily understood by the example which is an incident.

Uttar Pradesh State Commission in its decision to soap manufacturing company, ordered to pay compensation for the damage to the consumers Saraswati Narayana, for loss due to use of soap made by the company.

Shmt. Saraswati Narayan purchased a laundry soap named 'Uttam' worth Rs. 22.50. On the use of it, ulcer on his hands appeared and started burning. In this regard, libel was presented by libeler in district forum Etawa. No one was present on behalf of the opposition even if the notice was issued. District forum had announced the decision in favor of petitioner and asked the opposition to redress Rs.100.

Dissatisfied with the decision made by the District Forum, the petitioner appealed to the UP State Commission. While hearing the appeal, the Hon'ble State Commission also observed that after having been agreed by the district forum for the disadvantages caused to the petitioner by the use of 'Uttam' soap, it is less than just giving Rs. 100 for the loss. Petitioner told the total expense of Rs. 110. In that Rs. 22.50 is soap price, Rs. 24 for registration letter sent to the opposition party, Rs. 12 of affidavit, Rs. 50 for typing and Rs. 1.50 for stamp were spent. Commission accepted that petitioner should be given Rs. 500 for the loss and Rs. 500 for the libel. Commission has also ordered to pay Rs. 1000 for appeal expense.

So as you have seen Shmt. Saraswati Narayan is a conscious consumer and has complete knowledge about consumer protection. Hence, producer cannot cheat these consumers.

It's been 16 years since the consumer protection laws has been made but still the consumers are not getting its benefits. Consumers from rural areas need to be educated about these laws because rural consumers are most exploited in the absence of education.

Like consumer protection law 1986, Indian government has implemented 'right to be informed' in

2005. Under this law every citizen of India has a right to know following information:

- (a) Can ask questions from government or any registered organization.
- (b) Getting copies of any document
- (c) Investigation of any document
- (d) Investigation of any work
- (e) Get the sample of material used for executing any work.

Rajasthan government has set Rs.10 for getting any information. Deposit fee or postal order can be submitted with the application form for obtaining information in the institute. The Public Information Officer will have to inform the applicant within 30 days of receipt of the application.

Important points :

- 1. Consumer protection law, 1986 provides protection to all the Indian citizens.
- 2. Under this law consumers rights are being considered.
- 3. This law applies on every product and services. Only free items and services do not fall within its scope.
- 4. If a person buys goods or services purchased for sale or for business purposes, then this act will not apply to it.
- 5. There is a provision for establishing three level quasi judicial mechanisms for redressing the problems of consumers under this Act, .
- 6. This act takes very little time to compensate the consumers.
- 7. No fee is taken by the court for filing a complaint i.e. it is free.
- 8. Consumer protection law made in 1986 have not been successful in benefiting the public even today, so excessive information about this law should be brought to normal consumption.
- 9. The Government of India has enacted 'Right to Information Act 2005' in 2005 under which every citizen has the right to receive information from any government and non-government organization. Every citizen can become aware

and take advantage of this important law as required. This act will prove useful in consumer protection.

Questions :

1. Choose a correct answer from the following:
 - (i) The Consumer Protection Act was implemented in the year.
 - (a) 1956 (b) 1965
 - (c) 1986 (d) 2001
 - (ii) The main objective of consumer protection law.
 - (a) Making items available at cheap prices.
 - (b) Merging of counterfeit goods
 - (c) To provide consumer protection
 - (d) All of the above
 - (iii) In which situation this law will not be applicable.
 - (a) The item has been purchased for sale or business.
 - (b) Any defect was found in the product
 - (c) Consumer consuming goods and services by themselves
 - (d) The price of the product has been asked more
 - (iv) Under the Consumer Protection Act, there is a provision of the following.
 - (a) Establishment of quasi judicial system
 - (b) Indemnify the consumer
 - (c) To solve the complaints of consumers in a simple and short time and with less expenses.
 - (d) All of the above
 - (v) Different degrees of quasi judicial system depend on.
 - (a) Amount of product or service
 - (b) Type of compensation
 - (c) Financial limits of compensation
 - (d) Limits of the product areas

2. Fill in the blanks:
 - (i) National consumer day is celebrated on.....
 - (ii) Opposition party may get on refusing the conclusions of district forum.
 - (iii) Along with complain consumer has to give.....
 - (iv) Regarding conformation of your complaint you should have all the necessary
 - (v) If the compensation amount is less than 20,00,000 than complaint can be lodged at.....
 - (vi) When a product or service found than one should complaint.
3. Write short notes on the following :
 1. Right to security
 2. Right of consumer education
 3. Controlled business policies
 4. Quasi judicial system
4. When a consumer can file a complaint?
5. What steps a consumer should take before lodging a complaint?
6. How a Consumer can get better protection by consumer protection law?
7. Even after so many years of the introduction of consumer law, consumers are not able to get benefit from this. Confirm the reasons behind this?

Answers :

1. (i) c (ii) c (iii) a (iv) d (v) c
2. (i) 24 December (ii) Punishment
(iii) Affidavit (iv) Documents
(v) District forum (vi) defects