

CONSUMER PROTECTION

1. Name the act which is used for safeguarding interests of consumers in India.

Ans. Consumer protection Act, 2019

2. Which quality certification mark is used for agricultural products?

Ans. Agmark.

3. Name the component of product mix that helps the consumer to exercise the right to information

Ans. Quality certification of product

4. Which complaints are to be entertained by National Commission , according to Consumer protection act 2019.

Ans. National Commission has a jurisdiction to entertain complaints where value of goods or services paid as consideration exceeds ten crores of rupees.

5. What is the importance of consumer protection from the viewpoint of consumer as well as that of businessman ?

Ans. From Consumers' point of view:

The importance of consumer protection from the consumers' point of view can be understood from the following points:

(i) Consumer Ignorance: In the light of widespread ignorance of consumers about their rights and reliefs available to them, it becomes necessary to educate them about the same so as to achieve consumer awareness.

(ii) Unorganised Consumers: Consumers need to be organised in the form of consumer organisations which would take care of their interests. Though, in India, we do have consumer organisations which are working in this direction, adequate protection is required to be given to consumers till these organisations become powerful enough to protect and promote the interests of consumers

(iii) Widespread Exploitation of Consumers: Consumers might be exploited by unscrupulous, exploitative and unfair trade practices like defective and unsafe products, adulteration, false and misleading advertising, hoarding, black- marketing, etc. Consumers need protection against such malpractices of the sellers.

From the point of view of Business:

A business must also lay emphasis on protecting the consumers and adequately satisfying them. This is important because of the following reasons:

(i) **Long-term Interest of Business:** Enlightened businesses realise that it is in their long-term interest to satisfy their customers. Satisfied customers not only lead to repeat sales but also provide good feedback to prospective customers and thus, help in increasing the customer-base of business. Thus, business firms should aim at long-term profit maximisation through customer satisfaction)

- (ii) **Business uses society's Resources:** Business organisations use resources which belong to the society. They, thus, have a responsibility to supply such products and render such services which are in public interest and would not impair public confidence in them.
- (iii) **Social Responsibility:** A business has social responsibilities towards various interest groups. Business organisations make money by selling goods and providing services to consumers. Thus, consumers form an important group among the many stakeholders of business and like other stakeholders, their interest has to be well taken care of.
- (iv) **Moral Justification:** It is the moral duty of any business to take care of consumer's interest and avoid any form of their exploitation. Thus, a business must avoid unscrupulous, exploitative and unfair trade practices like defective and unsafe products, adulteration, false and misleading advertising, hoarding, black marketing, etc.
- (v) **Government Intervention:** A business engaging in any form of exploitative trade practices would invite government intervention or action. This can impair and tarnish the image of the company. Thus, it is advisable that business organisations voluntarily resort to such practices where the customers' needs and interests will well be taken care of.

6. Explain the rights of a consumer, explained in Consumer protection act.

Ans. 1. Right to Safety: The consumer has a right to be protected against goods and services which are hazardous to life, health and property. For example, electrical appliances which are manufactured with substandard products or do not conform to the safety norms might cause serious injury. Thus, consumers are educated that they should use electrical appliances which are ISI marked as this would be an assurance of such products meeting quality specifications.

2. Right to be informed: The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use, etc. It is because of this reason that the legal framework in India requires the manufactures to provide such information on the package and label of the product.

3. Right to be assured: The consumer has the freedom to access variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc. and allow the consumer to make a choice from amongst these.

4. Right to be heard: The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason that many enlightened business firms have set up their own consumer service and grievance cells. Many consumer organisations are also working towards this direction and helping consumers in redressal of their grievances.

5. Right to seek redressal: The consumer has a right to get relief against unfair trade practice of restrictive trade practices or unscrupulous exploitation in case the product or a service falls short of his expectations. The Consumer Protection Act 2019 provides for redressal to the consumers including replacement of the product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer, etc.

6. Right to Consumer Education: The consumer has a right to acquire knowledge and to be a well informed consumer throughout life. He should be aware about his rights and the reliefs available to him in case of a product or service falling short of his expectations. Many consumer

organisations and some enlightened businesses are taking an active part in educating consumers in this respect.

7. Explain consumers' responsibilities, explained in Consumer Act

Ans. A consumer should keep in mind the following responsibilities while purchasing, using and consuming goods and services —

- (i) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
- (ii) Buy only standardised goods as they provide quality assurance. Thus, look for ISI mark on electrical goods, FPO mark on food products, Hallmark on jewelry, etc.
- (iii) Learn about the risks associated with products and services, follow manufacturer's instructions and use the products safely.
- (iv) Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc.
- (v) Assert yourself to ensure that you get a fair deal.
- (vi) Be honest in your dealings. Choose only from legal goods and services and discourage unscrupulous practices like black-marketing, hoarding, etc.
- (vii) Ask for a cash memo on purchase of goods or services. This would serve as a proof of the purchase made.
- (viii) File a complaint in an appropriate consumer forum in case of a shortcoming in the quality of goods purchased or services availed. Do not fail to take an action even when the amount involved is small.
- (ix) Form consumer societies which would play an active part in educating consumers and safeguarding their interests.
- (x) Respect the environment. Avoid waste, littering and contributing to pollution.

8. Explain the three tier mechanism of consumer protection act 2019 for consumer grievances redressal.

Ans. consumer grievances are redressed by the three tier machinery:

1. District Commission: District commission has a jurisdiction to entertain complaints where value of goods or services paid as consideration does not exceed one crore rupees. Either on the first hearing or at any later stage, it appears to district commission that there exists elements of settlement which may be acceptable to the parties, it may direct them to give their consent for settlement of dispute through mediation within five days. In case the parties agree for settlement by mediation and give written consent, the district commission refers the matter for mediation and the provisions relating to mediation shall apply. However, in the event of failure of settlement by mediation proceeds with the complaint. If the complaint alleges defect in goods which cannot be determined without proper analysis or test of goods, the commission obtains the sample of goods, seal it and refer to the appropriate authority for analysis. In case of services, the dispute is settled based on the basis of evidence brought to its notice by the complainant and can ask for any required information document or records from the service provider for settlement. If any of the parties are not satisfied by the order of District Commission can appeal against such order to the State Commission on the grounds of facts or law within a period of forty five days from the date of order.

2. State Commission: It is established by the respective state government and ordinarily function at the state capital. State Commission has a jurisdiction to entertain complaints where value of

goods and services paid as consideration exceeds one crore but does not exceed ten crore rupees. If any of the parties are not satisfied by the order of State Commission can appeal against such order to the National Commission within a period of thirty days of such order.

3. National Commission: The National Commission has territorial jurisdiction over the whole country. National Commission has a jurisdiction to entertain complaints where value of goods or services paid as consideration exceeds ten crores of rupees. If any of the parties are not satisfied by the order of National Commission can appeal against such order to the Supreme Court of India within a period of thirty days of such order.

9. What reliefs are available for consumers in the case of performing unfair trade practices by seller.

Ans. Relief Available:

Where District or State or National Commission is satisfied about defect in goods, or deficiency in services on any unfair trade practice or claim for compensation under product liability, issues an order:

- (i) To remove the defect in goods or deficiency in service.
- (ii) To replace the defective product with a new one, free from any defect.
- (iii) To refund the price paid for the product, or the charges paid for the service.
- (iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.
- (v) To pay punitive damages in appropriate circumstances.
- (vi) To discontinue the unfair/ restrictive trade practice and not to repeat it in the future.
- (vii) Not to offer hazardous goods for sale.
- (viii) To withdraw the hazardous goods from sale.
- (ix) To cease manufacture of hazardous goods and to desist from offering hazardous services.
- (x) Compensate for any loss or injury suffered by consumer under product liability action and withdraw hazardous products from being offered for sale etc

10. What is the role of consumer organizations and NGOs' in safeguarding the interests of consumers.

Ans. Consumer organisations and NGOs perform several functions for the protection and promotion of interest of consumers. These include:

- (i) Educating the general public about consumer rights by organising training programmes, seminars and workshops.
- (ii) Publishing periodicals and other publications to impart knowledge about consumer problems, legal reporting, reliefs available and other matters of interest.
- (iii) Carrying out comparative testing of consumer products in accredited laboratories to test relative qualities of competing brands and publishing the test results for the benefit of consumers.
- (iv) Encouraging consumers to strongly protest and take an action against unscrupulous, exploitative and unfair trade practices of sellers.
- (v) Providing legal assistance to consumers by way of providing aid, legal advice etc. in seeking legal remedy.
- (vi) Filing complaints in appropriate consumer courts on behalf of the consumers.

- (vii) Taking an initiative in filing cases in consumer courts in the interest of the general public, not for any individual.
- (viii) Consumer unity and Trust Society (CuTS), Jaipur

