

CONSUMER PROTECTION ACT

EAST



Presented By:
Vijay

What is Consumer

- Consumer refers to any individuals or households that use goods and services generated within the economy.
- Consumer is defined as someone who acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.

For example,

When your father buys apple for you and you consume them, your father as well as yourself are treated as consumers. The same thing applies to hiring a taxi to go to your school.



Why protect the consumers?

Reasons for Enacting the Act

- Collective Bargaining

Sellers Lobby; Forming cartels; Artificially keeping prices high!!!!

- Multiple Laws

India Contract Act; Sale of Goods Act; Essential Commodities Act

- Hurdles in the Litigation

Going to regular court; Expensive & Time Consuming

- Remedy

Punishment in the form of Punitive & Deterrent measure



CONCEPT OF CONSUMER PROTECTION

- Consumer protection means safeguarding the interest and rights of consumers. In other words, it refers to the measures adopted for the protection of consumers from unscrupulous and unethical malpractices by the business and to provide them speedy redressal of their grievances



CONSUMER PROTECTION ACT

- The Consumer Protection Act, 1986 was enacted for better protection of the interests of consumers.
- The provisions of the Act came into force with effect from 15-4-87.
- Consumer Protection Act imposes strict liability on a manufacturer, in case of supply of defective goods by him, and a service provider, in case of deficiency in rendering of its services.



HISTORY OF CONSUMER PROTECTION ACT

- The act was passed in Lok Sabha on 9th December, 1986 and it came into force from 1 July 1987. Rajya Sabha passed on 10th December, 1986 and assented by the President of India on 24th December, 1986 and was published in the Gazette of India on 26th December, 1986.



FEATURES OF CONSUMER PROTECTION ACT

- It applies to all goods, services and unfair trade practices unless specifically exempted by the Central Government.
- It covers all sectors whether private, public or co-operative.
- It provides for establishment of consumer protection councils at the central, state and district levels to promote and protect the rights of consumers and a three tier quasijudicial machinery to deal with consumer grievances and disputes.



OBJECTIVES

- To protect the consumer from abuse.
- To provide a venue for grievance /redress.
- To ensure a better quality of living by improving the quality of consumer products & services.



IMPORTANCE OF CONSUMER PROTECTION ACT

Importance from Consumer's Point of view:

- **Unorganised Consumers**-In developing countries like India, consumers are not organised. There are very few consumer organisations which are working to protect the interest of consumers. Consumer protection provides power and rights to these organisations as these organisations can file a case behalf of customer.



- **Consumer Ignorance**-It spreads awareness so that consumer can know about the various redressal agencies where they can approach to protect their interests.
- **Wide Spread Exploitation of Consumer's**-There is lot of exploitation of consumers as businessmen use various unfair trade practices to cheat and exploit consumers. Consumer protection provides safe guard to consumers from such exploitation.



Importance from Businessmen's Point of View:

- **Businessman Uses Society's Resources-** Businessmen use the resources of society. They earned profit by supplying goods and services to the members of society. They must use these resources for the benefits of consumers.
- **Social Responsibilities-**A businessman has social obligations towards customer. It is responsibility of businessmen to provide quality goods at reasonable price. Consumer protection guides businessman to provide social responsibilities.



- **Government Intervention**-If businessman want to avoid intervention of govt. then they should not involve in unfair trade practices. Businessman should voluntarily involve in the activities which protect the interest of consumer
- **Consumer is the Purpose of Business**-The basic purpose of the business is to create more and more customers and retain them and businessmen can create more customers only by satisfying the customers and protecting the interest of consumers.



SCOPE OF CONSUMER PROTECTION ACT

- Requirements to performance, composition, contents, design, construction, finish, packaging of a consumer product
- Requirements as to kind, class, grade, dimensions, weights, material
- Requirements as to the methods of sampling, tests and codes used to check the quality of the products
- Requirements as to precautions in storage, transporting and packaging
- Requirements that a consumer product be marked with or accompanied by clear and adequate safety warnings or instructions, or requirements respecting the form of warning or instructions



NEEDS OF CONSUMER PROTECTION ACT

The necessity of adopting measures to protect the interest of consumers arises mainly due to the helpless position of the consumers.

- **Social Responsibility-**

It is the moral responsibility of the business to serve the interest of consumers. Keeping in line with this principle, it is the duty of producers and traders to provide right quality and quantity of goods at fair prices to the consumers.



- **Increasing Awareness-**

The consumers are becoming more mature and conscious of their rights against the malpractices by the business. There are many consumer organisations and associations who are making efforts to build consumer awareness

- **Consumer Satisfaction-**

Father of the Nation Mahatma Gandhi had once given a call to manufactures and traders to “*treat your consumers as god*”.

Consumers' satisfaction is the key to success of business.

Hence, the businessmen should take every step to serve the interests of consumers by providing them quality goods and services at reasonable price.



- **Survival and Growth of Business-**

The business has to serve consumer interests for their own survival and growth. On account of globalisation and increased competition, any business organisation which indulges in malpractices or fails to provide improved services to their ultimate consumer shall find it difficult to continue.

- **Principle of Trusteeship-**

Resources are supplied by the society. They are merely the trustees of the resources and, therefore, they should use such resources effectively for the benefit of the society, which includes the consumers.



RIGHTS OF CONSUMER

- Right to Safety
- Right to Information
- Right to Choice
- Right to be Heard
- Right to Seek Redressal
- Right to Consumer Education
- Right to Basic Needs
- Right to Healthy Environment



- **Right to Safety:** To be protected against the marketing of goods or the provision of services that are hazardous to health and life.
- **Right to Information:** To be protected against dishonest or misleading advertising or labeling and the right to be given the facts and information needed to make an informed choice.
- **Right to Choice:** To choose products at competitive prices with an assurance of satisfactory quality.
- **Right to representation:** To express consumer interests in the making and execution of government policies.



- **Right to Seek Redress:** To be compensated for misrepresentation, shoddy goods or unsatisfactory services.
- **Right to Consumer Education:** To acquire the knowledge and skills necessary to be an informed customer
- **Right to Basic Needs:** which guarantee survival, adequate food, clothing, shelter, health care, education and sanitation
- **Right to health environment:** To live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and well-being.



CONSUMER REPONSBILITY

- **Consumer must exercise his right-**The consumer must select the product according to his preferences, he must file a complaint if he is not satisfied with the quality of product.
- **Cautious Consumer-**The consumer should not blindly believe on the words of seller. He must insist on getting full information on quality,quantity,utility,price etc
- **Consumer must be quality-conscious-**According to this, consumer himself stops compromising the quality of product. While purchasing the goods or services consumer must look for quality marks such as ISI mark,Agmark,ISO,Wool Mark etc.



- **Insist on cash memo-** To file a complaint the consumer needs the evidence of purchase, and cash memo is the evidence or proof that consumer has paid for the good or service.
- **Filing complaints for the redressal of genuine grievances-** The consumer must file a complaint even for a small loss. This awareness among consumers will make the sellers more conscious to supply quality product.



FILING A COMPLAINT

Some Important Terms Defined in Consumer Protection Act

Who is a consumer?

One who buys goods or hire services for some value.

When or under what circumstance the complaints can be filed?

False by traders and manufacturers

If goods are defective

Within what period the complaint can be filed?

The complaint must be filed within 3 months of purchase and if some testing of goods is required then within 5 months.



Where the complaints can be filed?

District Forum- the value of goods and compensation claim does not exceed Rs.20 lakh.

State Commission- the value of goods or compensation is more than 20lakh but does not exceed 1crore.

National Commission-it takes up all cases exceeding the value of Rs.1crore.

Who is not a consumer?

The person who obtains goods for re-sale.

The person who uses the goods without the approval of the buyer.

The person who obtain goods, hires or avails of any services without consideration



Three tier consumer grievances machinery under the Consumer Protection Act, 1986 and their Jurisdiction

- District Forum
- State Forum
- National Forum



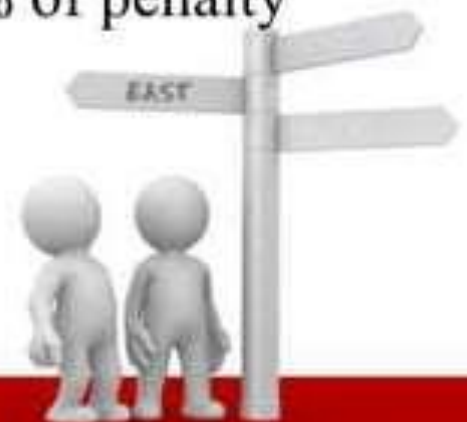
DISRICT FORUM

It consists of a president and two other members. The president can be a retired or working judge of District Court. They are appointed by state govt. In 1986, it had jurisdiction to entertain complaints where the value of goods or services does not exceeds Rs.5,00,000 but now the limit is raised to Rs.20lakh. The agency sends the goods for testing in lab. If the aggrieved party is not satisfied by the judgment of district forum then they can file an appeal in State Commission within 30 days by depositing 25000 or 50% of penalty amount whichever is less.



STATE FORUM

It consists of a president and two other members. The president must be a retired or working judge of high court. They all are appointed by state govt. In 1986, it had a jurisdiction to entertain complaints when the value of goods or services exceeds Rs.5lakh but now the limit is raised upto Rs.1crore. The State Commission sends the goods for testing in lab if required. If the upset party is not satisfied with the judgment then they can file an appeal in National Commission within 30 days by depositing Rs.3500 or 50% of penalty amount whichever is less.



NATIONAL FORUM

It consists of a president and four members one of whom shall be women. They are appointed by Central Govt. In 1986, it had jurisdiction to entertain complaints where the value of goods or services exceeds Rs.20lakh but now exceeds Rs.1crore. .The National Commission sends the goods if required. If aggrieved party is not satisfied with the judgment then they can file a complaint in Supreme Court within 30 days.



Thank You!

