



## CONSUMER PROTECTION IN INDIA

**Dr. Yellaswamy Ambati**

Lecturer in Commerce, TS Model Junior College, Jangaon.  
Warangal, Telangana State.

### ABSTRACT

*Consumer Protection Act of 1986 and National Consumer Disputes Redressal Commission In India, consumer protection is specified in The Consumer Protection Act, 1986. Under this law, Separate Consumer Dispute Redress Forums have been set up throughout India in each and every district in which a consumer can file his complaint on a simple paper with nominal court fees and his complaint will be decided by the Presiding Officer of the District Level. The complaint can be filed by both the consumer of a goods as well as of the services. An appeal could be filed to the State Consumer Disputes Redress Commissions and after that to the National Consumer Disputes Redressal Commission (NCDRC). The procedures in these tribunals are relatively less formal and more people friendly and they also take less time to decide upon a consumer dispute[2] when compared to the years long time taken by the traditional Indian judiciary. In recent years, many effective judgment have been passed by some state and National Consumer Forums.*

**Key words:** Consumer Protection, Consumer Rights, Consumer Law, Consumer Protection Act, 1986, National Consumer Disputes Redressal Commission.

### INTRODUCTION

Consumer protection is a group of laws and organizations designed to ensure the rights of consumers, as well as fair trade, competition, and accurate information in the marketplace. The laws are designed to prevent the businesses that engage in fraud or

specified unfair practices from gaining an advantage over competitors. They may also provide additional protection for those most vulnerable in society. Consumer protection laws are a form of government regulation that aim to protect the rights of consumers. For example, a government may require businesses to disclose detailed information about products—particularly in areas where safety or public health is an issue, such as food.

Consumer protection implies assurance against anti-consumer trade practices by the producers or traders. Anti-consumer trade practices include adulteration, sub-standard quality, fractional weights and measures, overcharging, misleading, claims in advertisements, etc. Naturally, curbing such practices through legislative and other measures and taking action against the procedures and traders indulging in such practices is the essence of consumer protection.

## **OBJECTIVES**

### **The following are the objectives of the Study**

1. To study the Consumer Law
2. To study the Important Consumer Rights
3. To study the Need for Consumer Protection
4. To study the Important Methods of Consumer Protection
5. To study the Consumer Co-operatives
6. To study the Government Role in Consumer Protection

### **1. Consumer Law**

Consumer protection law or consumer law is considered an area of law that regulates private law relationships between individual consumers and the businesses that sell those goods and services. Consumer protection covers a wide range of topics, including but not necessarily limited to product liability, privacy rights, unfair business practices, fraud, misrepresentation, and other consumer/business interactions. It's a way of preventing fraud and scams from service and sales contracts, bill collector regulation, pricing, utility turnoffs, consolidation, personal loans that may lead to bankruptcy.

## **2. Important Consumer Rights**

The following are the important consumer rights:

### **1. The Right to be heard:**

The consumer has the right to be heard if he has any complaint or grievance regarding the good or service received. This implies that consumers' complaints and grievances must receive due attention and consideration at an appropriate forum.

### **2. The Right to safety:**

The consumers are entitled to protection of their health and safety from the goods and services they buy. They should not be supplied goods or services which are hazardous to their health and safety.

### **3. The Right against exploitation:**

This covers right to protection from unfair trade practices and unscrupulous exploitation of consumers by charging excessive prices by suppliers of goods or services.

### **4. The Right to be informed:**

This implies that consumers should be given correct and full information about the quality of goods that they buy. They should be provided information about the ingredients of the product, freshness of the product, any side effects that may occur as a result of consumption of a commodity. This right applies especially to the drug manufacturers and suppliers.

### **5. The Right to choose:**

This implies that consumers should be provided a variety of products from which they can make a choice of their liking. The opportunity to choose from limited options restricts their right to choose.

## **3. Need for Consumer Protection**

Consumers are largely denied their due rights, especially in developing countries such as India. The consumers are spread widely all over a country and are poor, illiterate and are generally not aware of their rights, though their awareness has recently increased. The

manufacturers and suppliers of goods or services often exploit consumers by adopting a number of unfair and restrictive trade practices. They often merge and also form tacit cartels to raise prices for maximising their profits at the expense of consumers.

For instance, in case of drugs manufacturers generally charge high prices which are much above their cost of production. Some pharmaceutical companies misuse their patent rights to exploit consumers. They therefore need protection from unfair and restrictive trade practices of producers and suppliers of goods or services. Misleading advertising is another means by which the producers deceive the consumers. Advertisement is of two types. One is informative advertisement which informs the consumers about the availability of certain products at certain prices. This is not objectionable as it provides information to the consumers.

However, more often the purpose of advertisement by the manufacturers and suppliers is to mislead the ill-informed consumers about the quality and contents of their products and services. They indulge in what is called persuasive advertisement to compete away customers from their rivals. Such persuasive advertisements serve no useful social purpose and lead to deception of consumers.

The cost of advertisement is added to the cost of production and this leads to very high prices being charged from the consumers. The Indian readers will be knowing well that crores of rupees are spent on film actors and cricket players as brand ambassadors and on advertisements on print and electronic media to promote the sale of their products.

From whom such heavy costs incurred on advertising are recovered? Such heavy advertising expenditures just enable the manufacturers at the most to maintain their market shares of the product without adding much to its total output. The consumers need protection from such deception of persuasive advertisements. The government should not allow such heavy advertising cost to be incurred as valid cost for calculation of taxable profits of the firms.

The other and highly injurious practice by the suppliers, especially in India, is widespread practice of adulteration of commodities. The adulteration by private sector can take place right from the manufacturing point to the ultimate supplier of the products to the consumers.

It has been found that small pebbles and dust are mixed with wheat, maize, jawar and bajra to increase weight, sand is mixed with cement, leaves and barks of some trees are mixed with tea leaves. Again Vanaspati is often mixed with Desi ghee and butter, etc. All these practices of adulteration are hazardous to health and life of the consumers and they need

protection from them. But the most injurious is the widespread practice in India by manufacturers and dealers of spurious drugs which do immense harm to the health and life of the people.

It is due to the above practices of the manufacturers and suppliers which have resulted in consumer protection movement and have forced the governments to enact legislation to protect the consumers.

#### **4. Important methods of Consumer Protection**

How to ensure consumer protection from unfair, restrictive, deceptive and exploitative practices of manufacturers and suppliers?

The important ways for consumer protection are:

1. Imposition of self-regulation and discipline by the manufacturers and suppliers of goods and services for working in the interests of consumers.
2. The role of government which can enact laws for the protection of consumers and make arrangements for their enforcement.
3. Voluntary organisation of consumers to form groups such as NGO, cooperative societies to safeguard the interests of consumers.

The important way for consumer protection is the voluntary imposition of self-regulation and discipline by the manufacturers and others engaged in supplying and distributing goods and services. If they are self enlightened, they would pay due attention to the consumer rights. Of course, producers' main aim is to maximise their profits but this should be achieved by raising their efficiency in production and quality of their products rather than deceiving and exploiting consumers.

#### **5. Consumer Co-operatives**

1. Since these cooperatives purchase commodities in bulk and generally directly from the manufacturers they are able to provide goods to the consumers at reasonable prices.
2. Secondly, the consumers themselves control the cooperatives. They are therefore assured of standard quality and unadulterated goods.
3. Correct weights and measures are used by the cooperative societies and therefore consumers are saved from any deception in this regard.
4. In India consumer cooperatives are especially engaged in distributing essential commodities at controlled prices.

## 6. Government Role in Consumer Protection

The government can play an important role for protection of consumers. It can enact various legislations for protection of consumers. According to the UN Guidelines for Consumer Protection, “the government role in consumer protection is vital and finds expression through policy making legislations and establishment of institutional authority for its enforcement. To provide a legal basis for its enforcing basic consumer rights every country needs to have irreducible minimum of consumer protection legislation covering physical safety, promotion and protection of consumers’ economic interests, standards for the safety and quality of goods and services, distribution facilities, redress, education and information programmes. Governments also require the necessary machinery to enforce such legislation.”

In both the developed and developing countries the governments have taken several measures to protect consumers. Laws relating to cooperative societies have been enforced in India for quite some time now. Besides, consumers have been sought to be protected by enactment of several laws by government. The important laws have been passed by the government to protect consumers and uphold their rights.

These laws include:

- (1) Prevention of Food Adulteration Act, 1954,
- (2) the Essential Commodities Act, 1985,
- (3) Agricultural Produce (Grading and Marketing) Act,
- (4) Drugs Control Act,
- (5) Drugs and Cosmetics Act,
- (6) Standards of Weights and Measures Act,
- (7) Drugs and Magic Remedies (Objectional Advertisement) Act,
- (8) Water (Prevention and Control of Pollution) Act,
- (9) Prevention of Black Marketing and Maintenance of Essential Commodities Act, and
- (10) Air (Prevention and Control of Pollution) Act.

Besides, Monopolistic and Restrictive Trade Practices (MRTP) Act was passed in 1969 to check monopolistic and restrictive trade practices. This Act was based on the economic theory that control of monopolies and prevention of mergers will lead to competition among the manufacturers and suppliers of goods and therefore cause expansion in their output and will therefore also provide benefits to the consumers. Under Section 12B of the MRTP Act, MRTP Commission has been given the necessary powers to award compensation in the matter of unfair trade practices.

Above all, in 1986, the Indian government passed Consumer Protection Act. Under it the consumers have the right to approach appropriate consumer forum or commission set up under the Act to get their complaints redressed. In what follows we will explain the provisions of Consumer Protection Act 1986.

Consumers in the developed countries such as the USA and UK are much more conscious of their rights. But in countries such as India consumers are quite a vulnerable lot due to their poverty, illiteracy and lack of awareness of legal rights. As a result, manufacturers and suppliers of goods and services generally exploit the consumers by adopting unfair and restrictive trade practices.

## **CONCLUSION**

However, consumer awareness is constantly increasing in India too and the consumers who have been deceived or exploited are increasingly approaching the consumer forums or councils set up by the government for redressal of their complaints and settlement of their claims for damages.

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