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Contemporary Issues of Consumer Protection

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ABSTRACT

“Instead of Gutting Consumer Protection, We Should Be Expanding it” - Hillary Clinton.

“A consumer is the most important visitor in our society. They are not dependent on us. We are dependent on them. They not an interruption in our work. They are the purpose of it. We are not doing them a favour by serving them. They are doing us a favour by giving us an opportunity to do so”.

This article scrutinizes to understand the rights of a consumer. The need and importance of consumer protection marginalizes the unit of expanding at a rate of knots especially in the Indian Socio-Economic sector. However, within the present socio-economic situation we discover that the patron may be a victim of the many unfair and unethical techniques adopted within the market place. A primitive client is not a match for the businessperson promoting product and services on an organized basis and by trained professionals. There used to be a time where consumers were known as the “King of the Market”, now they have become the victim of it. The Indian Market is Dominated by The Term Called ‘Consumerism’, notable a decade from the economic reforms process.

Hence the idea put forth is to spread awareness and consciousness to make civilians aware of the laws, and to introduce the contemporary changes faced by the consumer in the market.

Keywords: *Consumer, Consumer Protection, Consumer Rights.*

I. INTRODUCTION

If you work just for money, you'll never make it, but if you love what you're doing and you always put the customer first, success will be yours.

- Ray Kroc

The days of “Caveat Emptor” have disappeared now it is “Consumer is King”. There is no shortage of sellers who wish to accomplish all of the consumer’s stresses, and cannot afford to estrange consumers with wicked provisions or products. Consumers have gears at their clearance such as consumer complaints, courts, forums, etc.

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There are a number of products in the market that are detrimental to the health of the consumer, adulteration, false weights, monopoly, and discriminating trade practice are some of the subjects that need to be undertaken and are to be addressed to guard the consumer against it.

A consumer is elucidated as somebody who acquires merchandise or services for direct use or possession instead of selling or use in production and producing. Consumer protection can be declared via non-government organizations and people as client policy. Consumer protection is the convention of safeguarding patrons of products and services, and also the public, against unfair practices within the marketplace. Consumer Protection measures are typically established by law.

Such laws are meant to forestall businesses from participating in fraud or specified unfair practices to achieve a bonus over competitors or to mislead consumers.

Consumer protection is the emergence of the concept of consumer rights and the formation of consumer organizations, which facilitates the consumer to create higher selections within the marketplace and pursue complaints against businesses. In today's dominant market the consumer remains to be known as a "Marginal Group", India is the fastest-growing hub for business goods. Ratan Tata- An Indian Industrialist quotes that "*businesses need to go beyond the interest of their companies to the communities they serve*" which is of a clear motive that consumer stands first, without consumers there is no competition and there is no business. The rural markets have nonheritable significance in countries like India and China because the overall growth of the economy has resulted in a substantial increase within the purchasing power of the agricultural community.

On account of globalization and liberalization, the agricultural area units are overwhelming an oversized amount of commercial and urban manufacture products. Consumers have to be compelled to be able to acquire accurate, unbiased data regarding the product and services they purchase. this permits them to create the simplest selections based on their interests and prevents them from being ill-treated or misled by businesses. consumer protection policies, laws, and regulations facilitate increase consumer welfare by making certain that businesses will be command responsible.

Thus, it is an obligation to protect consumerism and their requisite rights, to withhold and enhance and expand the business opportunity.

II. RIGHTS OF A CONSUMER

Customer loyalty comes from consistent experience. They learn to count on you.

- Jimmy John Liautaud

Most of the consumers are kept away from their personal rights as the consumer may be alphabetical or illiterate or may belong to a rural area. Taking advantage of this situation the producers exploit consumers by different unfair means and banned trade practices. There is an immediate need to make the consumers especially those belonging to the rural areas to make them aware of their particular rights and protection of their rights. There is an indispensable need for the protection of the consumers. The laws are made for the safety and protection of the consumer and to receive a good quality of products and services provided by the producer or the trader.

A country can experience development in the economy when the consumers have the reliance on the producers, hence the traders and producers must make sure to distribute good quality products in circulation. Therefore, for the consumers who belong to rural areas, illiterate or poor are more at the possibility of being sold the poor or damaged quality goods, Thus the consumer protection laws take into account the several challenges faced by the consumers and safeguard them from such trickery producers and traders.

The consumer protection policies play an important role in safeguarding consumers from poor or damaged goods, inappropriate advertisements, misleading products. The definition of the consumer right is the right to information about the quality, quantity price, purity, etc hence to be protected again any unethical practices consumers have to be known about their rights.

In India there are transparent and comprehensible laws to defend consumer rights, the particular plight of consumers of India is often declared as fully dismal. Out of the varied laws that are enforced to shield consumer rights in India, the foremost vital is that The Consumer Protection Act, 1986. inline with this law, everybody, including individuals, a sole proprietorship, a firm, a Hindu Undivided Family, and an organization, have the right to exercise their consumer rights for the acquisition of products and services created by them. It is vital that, as a consumer, one is aware of the essential rights further concerning the courts and procedures that follow with the infringement of one's rights.

Below mentioned are the rights of a consumer²-

² The Consumer Protection Act, 1986

- a) The right to be protected from all kind of hazardous goods and services
- b) The right to be fully informed about the performance and quality of all goods and services
- c) The right to free choice of goods and services
- d) The right to be heard in all decision-making processes related to consumer interests
- e) The right to seek redressal, whenever consumer rights have been infringed
- f) The right to complete consumer education

III. FUNDAMENTAL RIGHTS OF A CONSUMER

There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

- *Sam Walton*

There is total eight rights which are united within the United Nations guidelines for the protection of consumers (UNGCP). These are as follows: right to safety, right to information, right to choose, right to be heard, right to redress, right to education, right to basic needs, and right to healthy environment. The government of India additionally enclosed the above rights in its Twenty-Point Programme³. The consumer Rights No. 1 to 6 are also enshrined in the Consumer Protection Act, 1986.

1. Right to safety

The right to be safeguarded against the fraud marketing of goods and services is a fundamental right as a consumer, which is hazardous to life and property. The purchased goods and services availed of should not only meet their instant needs but also achieve extensive-term interests. Before the consumption of a product, consumers should insist on the superiority of the products additionally on the guarantee and warranty of the products and services. They should rather purchase excellence marked products such as AGMARK, ISI, etc

2. Right to be informed

The right to be informed about the quality, quantity, potency, purity, standard, and price of goods to protect the consumer against unfair trade practices. The consumer should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to turn astutely and dependably and also enable him to desist from falling

³ <http://mospi.nic.in/twenty-point-programme/twenty-point-programme-2006>

prey to high-pressure selling practices.

3. Right to choose

Right to be a certainty, anyplace providing access to a variety of goods and services at a competitive price. In the event of monopolies, it means the right to be guaranteed satisfactory eminent goods and services at a fair price. It also includes the right to basic goods and services. This is because the unobstructed right of the marginal to choose can mean a renunciation for the mainstream of its fair share. This right can be exercised in a modest market where a variety of goods are available at competitive values.

4. Right to be heard

The right to be heard is that when a consumer's welfares will receive due deliberation at appropriate forums. It also comprises the right to be represented in various forums formed to consider the consumer's welfare. The consumers should form non-radical and non-profitable consumer organizations which can be given depiction in various commissions formed by the Government and other bodies in matters relating to consumers.

5. Right to seek redressal

The right to seek redressal means the right to pursue guidance against unfair trade practices or unprincipled corruption of consumers. It also includes the right to fair settlement of the authentic complaints of the consumer. But for that consumers must make a complaint about their genuine grievances. Several times the complaint may be of small value but its influence on the civilization as a whole may be very large. They can also take the help of consumer organizations or non-governmental consumer organisations in seeking redressal of their grievances.

6. Right to consumer education

The Supreme Court of India in *C. Venkatachalam vs Ajitkumar C. Shah*⁴ added consumer education as one of the fundamental rights of the citizen. The right to acquire the information and ability to be an informed consumer throughout life is a necessity. Obliviousness of consumers, predominantly of rural consumers, is mainly responsible for their manipulation. Only then real consumer protection can be achieved in real life, part from the books.

IV. CONSUMER DILEMMA

The aim of marketing is to know and understand the customer so well the product or

⁴ 29 August, 2011

service fits him and sells itself.**- Peter Drucker**

The existing atmosphere of business is disordered, with the existence of determined competition, wherever every merchandiser is making an attempt his best to survive and thrive by dominating the market. In order to maximise profits, sellers go to great extents, which may additionally end up being unethical and subsequently harmful. In India consumers are unorganised, illiterate, ignorant, poor and backward, comparatively unknowing and specially they still have the traditional outlook and perspective to suffer in silence. On the opposite facet, businessmen and traders are union, well-informed, intelligent and competent sellers. The negative sides of our life have enabled unprincipled businessmen to use shoppers in Asian country. The consumers are in dire need of protection for the subsequent reasons:

A. Lack of Information to the Consumer

The main problems faced by consumers is the lack of statistics. Few customers do not know the sources of getting information for their awareness. When we buy a certain product, we tend to get more information of the product, if we take into account a consumable food item, we tend to check the ingredients the warranty date, but this is only possible when the food is packed, the food/ eatables sold loose provide absolutely no information to the consumer about the ingredients or the statistics of the product and the most vulnerable to these are the common consumers or the rural consumers.

B. Consumers from Rural or Underdeveloped Areas

The consumers from the rural or underdeveloped areas have absolutely no protection in the case of fraud or misrepresentation of the good purchased due to lack of education. The shop establishments in those areas tend to be of the powerful local people, hence the consumers or the villagers fear to resist the wrongs done to them.

C. Unfair Returns

The phrase quoting 100% refund and 30-day return whilst shopping frequently, especially online shopping, the consumers tend to buy the product, which is not a need but a greed, that can nevertheless be returned. Therefore, the consumer cannot claim refund if they are not satisfied with the particular product, but when one tries and contacts and places a request to return the product, the seller tends to point that major flaws in the post product guidelines and which further leads to consumer exploitation.

D. Quality and Quantity Issues

The darkest truth of the market is that consumers get cheap quality products in huge quantity or wholesale and high-quality products in a very less quantity. The hidden cost is nothing but a hoax for a consumer. They are unforeseen expenses added on to purchases. They can be minor, such as in booking a flight ticket, or they can be major, such as the various closing costs added on when buying a home

E. Malpractices by the Seller

The common business malpractices which prevail in the market are:

1. Sale of adulterated goods which means the addition of inferior substances to the product being sold.
2. Sale of sub-standard goods meaning the sale of goods which do not conform to the prescribed quality standards.
3. Use of false weights and measures leading to losses.
4. Supply of defective goods.
5. Misleading advertisements, that is the advertisements falsely claiming a product or service to be of superior quality, grade or standard.
6. Sale of spurious goods, which means selling something of little value instead of the real product.
7. Sale of duplicate goods.
8. Hoarding and black-marketing which leads to scarcity and rise in prices.
9. Charging more than the maximum retail price (MRP) fixed for the product.
10. Supply of inferior services, that is the quality of service is lower than the quality agreed upon.

F. Duplicate Goods

Counterfeit consumer goods are goods, often of inferior quality, made or sold under another's brand name without the brand owner's authorization. Sellers of such goods may infringe on either the trademark, patent or copyright of the brand owner by passing off its goods as made by the brand owner.

G. Misrepresentation

misrepresentation is a false statement of a material fact made by one party which affects the

other party's decision to buy or not to buy product, the seller misrepresents the specifications of the product.

Some of the common methods adopted by the manufacturers and traders to exploit the consumer are as follows:

A. Underweight or under-measurement

The goods sold in the market are sometimes not measured or weighted correctly. In many Shops, shopkeepers use fake weights often lower than the actual value, for example if a weight is marked 1 kg it could be 700 grams. This could really affect the life of consumers; they are paying for more but getting less.

B. Goods or services of substandard quality

Substandard and falsified medical products may cause harm to patients and fail to treat the diseases for which they were intended

C. Overpricing

Overpricing is the act of setting a price over the actual value of the product with an intension for profit gaining.

Overpricing examples can be as follows:

1. Movie Theatre eatables
2. Hotels providing eatables and supplies in the minifridges/minibars.
3. Local and international products at airport.
4. Articles harmful for health

D. Unsatisfactory after-sales services

After sales services are important to the protection of consumers from fake or manufacturing defected products. Hence, few producers tend to misrepresent and conciliation of facts.

D. Payment Disillusionment

Payment disillusion in a type of misrepresentation to the customers. To avail black money, to gain more profits, the manufacturers suggest different unlawful payment ideas so as to gain more profits.

V. SOLUTION TO DILEMMAS

I have always been very confident and very upbeat about the future potential of India. I think it is a great country with great potential.

- Ratan Tata

Consumer manipulation refers to the gesture of taking advantage of buyers. This occurs due to the inadequate and inappropriate information available about the product, for instance the warranty and guarantee of the product, The terms and conditions of purchase. Illiterate consumers are especially vulnerable to this consequently, they are presumably to be cheated into paying more and even purchasing a counterfeit merchandise.

When few producers produce an item, the competition is limited whereas the leading producers selflessly regulate the price and availability of the product and thereby manipulate the buyer. Especially the most exploitation is caused by the leading producers in the market, and the limit availability of the product lead to a subsequent boost in prices.

Consumers are entitled to a certain value for their money, including right quality, right quantity, right prices and right information about the product. However, many market giants exploit consumers with malpractices of varying magnitude. Manufacturers make false claims about what a given product does to lure consumers into buying it. Typical examples include the claim that a particular cooking fat is cholesterol-free, or that a particular product can cure baldness in a couple of days. Some manufacturers produce low-quality products, then fail to honour the accompanying warranties in case of a malfunction.

Consumer rights laws protect people who buy goods and services. Consumers can report such cases as faulty products, counterfeit goods, poor service, and problems with contracts and builders.

VI. PRESENT SCENARIO

We have rules about the environment and rules about worker safety and rules about consumer protection. *- Sherrod Brown*

The Consumer Protection Act 2019 came into action on 20th July 2019 by replacing the Consumer Protection Act of 1986. The Act states about consumer settlement disputes in India. The act also implements severe penalties, including imprisonment for misleading and adulteration.

The Key Points of the Consumer Protection Act concerning the 2019 act, are:

1. The Citizens who are the consumers of the particular good and services can file a complaint if there is a defect in the product from her home rather than going to the trader or the shopkeeper. The Act allows you to file an e-complaint(online) as well.
2. No type of fee is to be submitted if the complaint is below Rs. 5 lakhs.
3. The consumer has an option to hire a lawyer or he/she can even fight their case.

4. Introduction of product liability has been put forward by the current Act, in which if there is any sort of negligence done by the service provider then the consumer can claim compensation.
5. A class-action suit can be filed by a group of consumers to reduce the price or to improve the redressal of the product.
6. Manufactures or Sellers who are selling counterfeited good may be punished with imprisonment.
7. Manufactures or sellers who have misled the consumers are punished with imprisonment. If any celebrity is misleading a product by advertisement then he/she might not get imprisoned but can be banded for misleading the consumers.
8. Companies that are selling their products online have to disclose all the information about their products and have to solve all of the problems of the consumer.
9. To save time and resources the new act allows the process of mediation to settle the dispute between consumers without going to court.
10. A number of protected rights have been given to the consumers which are the right to safety, information, choice, redressal as well as the right to be heard, to be educated as a consumer, and to a mediated settlement.
11. The Act states that there should a formation of the Central Consumer Protection Authority which will be dealing with unfair trade practices on e-commerce platforms.
12. Corporates who cater to the consumers will have to increase taking care of the consumers and also have to ensure their quality, quantity, and safety of their products.
13. A Consumer Affair Committee has to be there where boards of cooperates who trade consumer goods have to review consumers' complaints from time to time. This committee has to offer mediated settlements to the consumers by conducting an online mediation.

VII. THE CONSUMER PROTECTION ACT 2019

It is not the employer who pays the wages. Employers only handle the money. It is the customer who pays the wages. ***- Henry Ford***

The definition of the consumer has evolved, with various cases like *Morgan Stanley Mutual Fund v. Kartick Pas*⁵ and *S.P. Goel vs. Collector of Stamps Delhi*⁶ defining the word consumer.

⁵ (1994) 4 SCC 225.

⁶ (1996) 1 SCC 573

In simple words, a consumer is any person who purchases a product and uses it for personal use. A consumer is an individual that consumes the good or service being offered by the seller. The Consumer Protection Act, 1856 under the section 2(1)(d) stresses on the shade of the definition. It defines consumer as a person who:

- a. *buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose;*⁷ or
- b. *hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such services other than the person who hires or avails the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person but does not include a person who avails of such services for any commercial purpose.*⁸

The Act hypothesis establishment of Central Consumer Protection Council and the State Consumer Protection Council for grounds of spreading awareness. Central Council is headed by Minister-in-charge of the consumer Affairs in the Central Government and in the State, it is the Minister-in-charge of the Consumer Affairs in the State Government who heads the State Council. A separate Department of Consumer Affairs was also created in the central and State Governments to exclusively focus on ensuring the rights of consumers as enshrined in the Act.

VIII. CONCLUSION

A satisfied customer is the best business strategy of all.

- *Michael LeBoeuf*

The resourceful and operative programme of Consumer Protection is of superior implication to we, as consumers because we all are consumer, in some or the other way. Even a manufacturer or provider of a service is a consumer of some other goods or services. If both the producers and consumers realize the requirement for co-existence, adulterated products,

⁷ The Consumer Protection Act, 2019

⁸ The Consumer Protection Act, 2019

bogus goods and other insufficiencies in services would be of a past.

The vigorous engrossment and involvement from all accommodations that is the central and state governments, the NGO's, the educational Institutions, the print and electronic media and the adoption the service providers are necessary to see that the consumers get their owing. The need of the hour is for total obligation to the consumer cause and social receptiveness to consumer needs. This should advance in a melodious manner so that the culture becomes a better place for all of us to live in without any duplicitous. Consumer education is to develop a sympathetic understanding about their errands as consumers. Consumer should establish composition to develop the strength and influence to promote and protect their own interest. Government should make and most importantly implement rules of punishment punitive so that producer and shopkeeper think twice before implementing deceitful practices. A campaign can be set in gesticulation to involve the consumers for making them more cognizant and aware of their right and responsibilities. Government, consumer agencies and the NGOs should make efforts in the course of propaganda and profile-raising of district forum, the state and The National judiciary conventional for consumer protection so as to make the consumers aware about technology for their greater participation and to seek justice in case of criticisms. Redressal practice should be made more reasonable and resourceful, easy enough to be understood by a large number of consumers especially the rural consumers.
