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# Protection of Consumers from Retailers: An Analysis under Consumer Protection Act

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## ABSTRACT

*This paper analyses how consumers of India are being protected under Consumer Protection Law from the retailers. Besides the protection available under the legislations, does it guarantee fair trade practices by the retailers. Descriptive research design was adopted for the study. It is concluded that only a class of consumers are protected under Consumer Protection Act.*

**Keywords:** *Consumer Protection Act, Consumers, Consumer Awareness, Consumer Protection.*

## I. INTRODUCTION

Right from the day we are born, we start consuming products such as food, clothes, medical services etc. Whether a person is a doctor, student, teacher, he is a consumer and the whole economy operates around him. Consumers help the economy to grow. They are bombarded with variety of choice, thus making their purchase decision difficult. New technologies, such as internet, credit card, ATM's have made consumers life easy. It has also posed risk of being cheated, when the consumers pay their hard-earned money to get a low-quality product or service.

Earlier there was a concept of 'Caveat Emptor' which meant 'let the buyer beware'. It implied that the consumers had to check on the quality of the product or service before purchasing.<sup>2</sup> The consumer was solely responsible for his purchase and the sellers were exempted from any fault. But as the world is moving towards globalization, variety of products are being infused. It has become very difficult for the consumer to judge the quality of the product while purchasing. Until and unless, the consumer uses the product he would not be able to make a correct decision about the product. Many sellers started selling low quality products by portraying the product as superior. This is how the consumers started getting cheated by the traders.

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<sup>2</sup> Dr.Tabrez Ahmad and Jai Mangalam, Concept of Consumerism in India: Judicial Attitude (January,31,2020,5 p.m), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1877744](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1877744)

To avoid this, another concept of 'Caveat Venditor' was brought into attention which implies 'let the seller beware'. A seller who is selling the product is accountable for providing information and details about the goods. The burden has shifted on the seller. Nowadays, the consumers are smarter and educated than ever before. They are aware of their rights as a consumer, and they know how they can obtain justice. Consumers demand quality products and services. An alert consumer is an asset to the nation and by being aware of his rights and responsibilities he can change the trend from Caveat Emptor to Caveat Venditor.

“Consumer movement may be described as the collective power of consumers to take a country forward with respect to awareness, education and development. The direction of such movements, which attempt to improve the quality of living of the people, determine the degree of development in a country”.<sup>3</sup>

John F Kennedy was the first president for raised concerns for the consumers. On 15<sup>th</sup> March 1962, he outlined a vision of consumer rights to Congress. The rights established were rights to be informed, heard, choose, and safety.

Right to consumer education was later added by President Gerald R. Ford. After that many more rights were added to the list (Right to healthy environment and Right to basic needs such as Shelter, Food and Clothing). Every year on 15<sup>th</sup> March Worlds Consumer Right Day is celebrated.

At the domestic front, the consumer movement started with the enactment of Consumer Protection Act, 1986 which aimed to provide better protection to the consumers.

'Consumer' is defined as an individual or a group of people who purchases goods or services for their personal use, and they do not purchase the product or service to resell it.

Wholesalers are the link between the manufacturers and the retailers in the supply chain. The wholesalers are in less number in comparison with the Retailers. Then comes the retailer, who purchases the products from the wholesalers in smaller quantities and sell them to the 'ultimate consumer'. In Retailing, the products are sold for self-consumption and not for resale. The number of retailers are much higher so there is cut throat competition in the world of Retailing where it is very difficult to retain and regain customers.

### **(A) Literature Review**

In the journal, *“Consumers’ subjective and objective consumerism knowledge and subsequent*

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<sup>3</sup> Dr. Poornima Sharma, Consumer Movement: Origin and Development, International Journal of Physiology, Nutrition and Physical Education, (January,6,2020, 3.15 pm), <http://www.journalofsports.com/pdf/2018/vol3issue1/Part1/3-1-62-694.pdf>

*complaint behaviour concerning consumer electronics: a South African perspective*”, the author has explained the relation between consumer’s knowledge about consumer protection and their consumer complaint behaviour. The author has also discussed about subjective consumerism knowledge and objective consumerism knowledge. The study proves that consumers have more subjective consumerism knowledge than objective. Demographic variable and subjective consumerism did not have any significant relationship while objective consumerism knowledge was related to factor of race, level of income and gender.<sup>4</sup>

In the journal, “*The right to be heard and to be understood: a conceptual framework for consumer protection in emerging economies*”, the author has developed a conceptual framework that will help us understand the consumer complaint behaviour overall. It is important that the retailers, manufacturers, consumer consultants and all those people who look after consumer complaint should understand the whole process which includes their cognitive and emotional side as well. It is also discussed the perception of consumers post complaining.

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Jacolien Bernad in “*Consumer rights of the elderly as vulnerable consumers in South Africa: some comparative aspects of the Consumer Protection Act 68 of 2008*” has focused on protection of elderly consumers from CPA.<sup>6</sup>

The paper “*Measuring Consumer Satisfaction With Consumer Protection Agencies-Insights From Complainants To Cpa Offices In Anambah State*” by Nwaizugbo, Ireneus Chukwudi et al, recommends that agencies should collaborate with media, consumer groups, market, and other stakeholders to achieve consumer’s desired satisfaction.<sup>7</sup>

Dr. Ishwar Mittal in “*Consumer Awareness about Different Consumer Protection Legislations in India*” has analysed the consumer awareness towards consumer protection legislations in India which protects them. CPA 1986 and Sales of Goods Act scored the highest rank in consumer awareness.<sup>8</sup>

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<sup>4</sup> Donoghue, S., Van Oordt, C., & Strydom, N. (2016). Consumers’ subjective and objective consumerism knowledge and subsequent complaint behaviour concerning consumer electronics: a South African perspective. *International Journal of Consumer Studies*, 40(4), 385-399.

<sup>5</sup> Donoghue, S., & De Klerk, H. M. (2009). The right to be heard and to be understood: a conceptual framework for consumer protection in emerging economies. *International Journal of Consumer Studies*, 33(4), 456-467.

<sup>6</sup> Barnard, J. (2015). Consumer rights of the elderly as vulnerable consumers in South Africa: some comparative aspects of the Consumer Protection Act 68 of 2008. *International journal of consumer studies*, 39(3), 223-229.

<sup>7</sup> Nwaizugbo, I. C., & Ogbunankwor, C. E. (2013). „Measuring Consumer Satisfaction with Consumer Protection Agencies-Insights from Complainants to CPA Offices in Anambah State“. *International Journal of Small Business and Entrepreneurship Research*, 1(3), 12-28.

<sup>8</sup> Mittal, I. (2015). Consumer Awareness about Different Consumer Protection Legislations in India. *Journal of Distance Education and Management Research (ISSN: 2278-9251)*, 3.

Huong Ha, in “*Stakeholders’ Views on Self-Regulation to Protect Consumers in E-Retailing*” has given a perspective from the side of e-retailers, e-consumers, government agencies, consumer associations with respect to self-regulation for protecting the e-consumers. The finding suggests that e-retailers preferred self regulation whereas e-consumers and other stakeholders did not prefer self-regulation.<sup>9</sup>

Neelam Chawla and Basanta Kumar in “*E-Commerce and Consumer Protection in India: The Emerging Trend*” has presented views on how Indian legal legislations protect Indian consumers. The new legislation provides strong safety to online consumers and helps boosting India’s growth.<sup>10</sup>

Huaon Ha and Sue L.T Megregor in “*Role of Consumer Associations in the Governance of E-commerce Consumer Protection*” has examined protection of e-consumers from the view of e-retailers, e-consumers and other stakeholders (government, industry and consumer association).<sup>11</sup>

In “*A Study On Consumer Awareness On Consumer Rights In Dindigul District*” author R. Natrajan et al has attempted to determine the level of awareness and evolution of consumer rights. This study suggests that only 14% consumers are aware of the consumer rights in the Dindigul district. Rest 86% consumers are not much aware of their rights.<sup>12</sup>

The paper “*A Study on Evolution of Consumer Protection Act in India – CPA1986*”, by Dr. M Rajnikanth showcases evolution of consumer protection in India and also the formulation and implementation of CPA 1986.<sup>13</sup>

Ishawar mittal and Dr. Ravi Kumar Gupta in “*Awareness as an Instrument to Utilize Consumer Rights: A Consumer Protection Perspective*” has analysed the consumer awareness and how much consumer rights are utilised under CPA. It was found that highly educated and high-income consumers had a greater knowledge about consumer rights than from low income and poor educational consumer. 3/4<sup>th</sup> of the consumer were not aware of how to proceed to

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<sup>9</sup>Ha, H. (2017). Stakeholders' Views on Self-Regulation to Protect Consumers in E-Retailing. *Journal of Electronic Commerce in Organizations (JECO)*, 15(3), 83-103.

<sup>10</sup> Chawla, N., & Kumar, B. (2021). E-Commerce and Consumer Protection in India: The Emerging Trend. *Journal of Business Ethics*, 1-24.

<sup>11</sup> Ha, H., & McGregor, S. L. (2013). Role of Consumer Associations in the Governance of E-commerce Consumer Protection. *Journal of Internet Commerce*, 12(1), 1-25.

<sup>12</sup> Natarajan, R., Porkodi, T., Rengarajan, V., Vijayanand, V., Auxilian, A., & Murugan, P. (2018). A Study on Consumer Awareness on Consumer Rights in Dindigul District. *International Journal of Pure and Applied Mathematics*, 119(10), 1529-1540.

<sup>13</sup> Rajanikanth, M. (2017). A Study on Evolution of Consumer Protection Act in India–CPA1986. *International Journal of Application or Innovation in Engineering & Management*, 6(4), 133-138.

consumer forums in case of any grievances.<sup>14</sup>

In the book, *Legal Aspects of Business*, Daniel Albuquerque has explained different laws related to consumer protection. He has briefly explained the Consumer Protection Act, 1986, the redressal mechanism and other allied consumer laws.<sup>15</sup>

In the book, *Consumer Protection in India*, Suresh Mishra and Sapna Chadha has explained in detail about provisions of Consumer Protection Act and various other laws for consumer welfare. This book has addressed issues which are prevailing in our country despite enactment of CPA.

In the book, *Consumer and the Market*, Sheetal Kapoor has explained how long-lasting relationship with consumers will help the traders in creating superior customer value and satisfaction. This book also explains the change in buying behavior of consumers and preventive measures which should be taken by the consumers to avoid being cheated.<sup>16</sup>

In the book, *Consumer Protection in India Some reflections*, S.S Singh and Sapna Chadha, has highlighted the significance of CPA and how the traders and consumers should understand the need for co-existence. It also highlights the remedies available under Consumer Protection Law which would be beneficial for the consumers if it is operated genuinely and with a sense of commitment.

The book, *Consumer Legal Encounters*, D. Naresh Kumar has attempted to present emerging issues of consumer law with its intersection with competition law.<sup>17</sup>

## **(B) Hypothesis**

After a thorough evaluation of literature review, the scholars have shown a consensus that Consumer Protection Laws are required to protect the consumers from the fraudulent retailers and manufacturers. Therefore, we state our first hypothesis:

H1: *Consumer Protection Law is not useful for consumers*

Consumer Protection Act in India, provides compensatory relief to its consumers but still there are a lot of malpractices like adulteration, poor quality product, misleading advertisement happening. This leads to our second hypothesis:

H2: *Consumer Protection Act does not guarantee fair business practices*

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<sup>14</sup> Mittal, I., & Gupta, R. K. (2013). Awareness as an Instrument to Utilize Consumer Rights: A Consumer Protection. *Sandesh-Mastnath Journal of Management (ISSN: 0975-6515)*, 8(1-4).

<sup>15</sup> Daniel Albuquerque, *Legal Aspects of Business*, 400-419(2 ed. Oxford Higher Education)

<sup>16</sup> Sheetal Kapoor, *Consumer and the Market* (The Indian Institute of Public Administration, 2005)

<sup>17</sup> D. Naresh Kumar, *Consumer Legal Encounters* (1<sup>st</sup> edition, Amicus Books, The Icfai University Press, 2008)

The consumers after purchasing a defective product are in a dilemma that whether they should approach the retailer or the brand manufacturer for their redressal. Thus , we state our third hypothesis:

H3: *Consumers in retail are less benefitted*

### **(C) Research Design**

The first part of the research deals with consumer protection law, for this secondary research has been used. As the data available was studied by the researcher, it was understandable that much thought has been put into the framing of the laws from the government side and consumers are less knowledgeable and aware about the laws and rights pertaining to their protection. While the government is making amendments in the act to provide more provisions with the changing technological world, the consumers who are purchasing the products from retailers are being protected by the present laws. Are the consumers truly being protected and benefitted is the question to be answered through this research? No considerable work was found by the researcher for this. Secondary research was used to study the consumer protection law. Primary research in form of case laws has been discussed to understand whether consumers are actually being protected by the remedies available under Consumer Protection Act 2019.

## **II. BACKGROUND OF CONSUMER PROTECTION ACT 1986**

Consumer Protection Act, 1986 was established for better protection of the consumers in our country. The main objective of CPA 1986 was to set a better standard for the consumers and where the consumers to reap for their grievances and get compensated in return. The enactment of Consumer Protection Act 1986 was designed to protect the consumers of our country. It brought a sea change and provided justice which was less formal, with less paper work, slow delay and less expensive. The CPA received broad recognition in India as it provided easy justice to its consumers.

### **(A) Objectives of the Act**

The consumer Protection Act was established to protect the consumers from fraudulent behaviour and unfair dealings of the traders or manufacturers and also to establish various consumer councils and authorities where the problems of the consumers can be settled. This Act is compensatory in nature unlike other Acts which are punitive and preventive in nature.

### **(B) Salient features of the Consumer Protection Act 1986**

- a. It provides redressal and Consumer Council at three levels district, state and national

level to protect and educate the consumers

- b. It implies for all the products and services
- c. It includes all the sectors private and public
- d. It provides relief and compensation to the consumers

### **III. AMENDMENTS**

The Act was amended in 1991, 1993, 2002, 2010. The old Consumer Protection Act 1986 has been replaced by Consumer Protection Act 2019. Since the world has moved toward better technology and a lot of purchasing and transaction is being done virtually or through online media, it had become utmost important to upgrade the Act and make it more effective. With the arrival of E-commerce, the brand owners are trying to safeguard their place where the market is on the edge of widespread fake and counterfeit products.

### **IV. BACKGROUND OF CONSUMER PROTECTION ACT 2019**

The Consumer Protection Act 2019 replaces the CPA 1986 Act. In addition to the CPA 1986 Act, the point which are added are mentioned below:

- a. The Act provides establishment of an executive agency to promote, protect the rights of consumers, to prevent any damage caused by unfair trade practices; to enforce refund, return of products or product recall. This authority is known as Central Consumer Protection Authority (CCPA).
- b. The Bill also anticipates provisions for “Product Liability” on account of harm caused by a defective product or by deficiency in services.
- c. There is also a provision of “Mediation” as an Alternate Dispute Resolution Mechanism.
- d. The Bill also provides several provisions for simplifying the consumer disputes, and providing consumers to file complaints electronically.

#### **(A) Key Highlights of CPA 2019**

CPA 2019 provides new measures and strengthens the previous rules to further safeguard the rights of consumers. Some of the key highlights of the new Act are:

- i. Introduction of Central Regulator known as Central Consumer Protection Authority (CCPA) which was absent in the previous Act.
- ii. Strict penalties for misleading advertisements
- iii. Guidelines for e-commerce and electronic service providers.

- iv. The Act has also increased the pecuniary jurisdiction, which means now the courts can take cases depending on the value of the case.
- v. Now the amount paid on buying the product till that time will be considered instead of previously taking the total value of the purchased product/service.
- vi. Allows consumers to file complaint from anywhere.
- vii. Enables consumer to seek redressal from video conferencing, thus saving his time and money both.
- viii. “Product Liability” available where the consumers can seek compensation for harm caused by a product or service.
- ix. Now courts can refer settlement through “Mediation” which was absent in the previous Act.

## **V. COMPARATIVE ANALYSIS: CPA 1986 & CPA 2019**

The researcher would like to highlight the changes which are in the CPA 1986 & CPA 2019. The new CPA 2019 came after 30 years of the initial CPA 1986. Since, the world has evolved more technologically in recent years, the old Act did not suffice. There was an urgent need of the new Act.

*First*, the new CPA 2019 brought the online purchases under the ambit of the Act which was missing in the old CPA 1986. The 2019 Act explicitly includes all the online and offline transactions

*Second*, the 2019 Act has made endorsers of any product or service answerable for misleading or false advertisement. In the 1986 Act, only the manufacturers and the service provider were held responsible for any misleading or false advertisement.

*Third*, disclosing a consumer’s personal information is also considered an offence under the new Act.

*Fourth*, inclusion of Chapter VI named ‘Product Liability’ in which a product manufacturer, or service provider and also a product seller will be liable to compensate for any harm caused by a defective product. The retailers are also under the ambit of CPA 2019.

*Fifth*, the redressal agency has also seen some major changes in the 2019 Act. In 1986 Act, the commission had to either accept or reject a complaint within 21 days of receiving it, but in 2019 CPA if the commission does not take any action within 21 days, then the case is considered to be admitted.

*Sixth*, the pecuniary jurisdiction of the district, state and national commission has also increased in the new Act. Now the cases upto Rs 1 crore can be filed at the District Commission, cases upto Rs. 10 crores can be filed at State Commission and cases above Rs 10 crore can be filed at National Commission. In the 2019 Act, the consumers have the flexibility of filing the case from the home state which was not the case in 1986 Act. There the consumers had to go the place of the sellers and then file the case.

## VI. LEGAL ISSUES

### (A) *Sh. Ajay Sood vs IFB Industries Ltd. & Anr. On 4<sup>th</sup> May, 2020*<sup>18</sup>

#### **Fact**

##### *Complainant side:*

This is a case file by the petitioner Ajay Sood, a consumer complaint under Consumer Protection Act and the opposite party is the retailer namely M/S Ravi Radios, The Mall Shimla. Here, the complainant has purchased a washing machine from the retailer on 21/06/2006. The company IFB Industries had given an annual maintenance to the complainant for the period of 20/12/2010 to 19/12/2011 for a consideration amount. The complainant had taken another annual maintenance for the period 15/03/2014 to 14/03/2016. In the month of January 2015, the washing machine developed some fault and the complainant asked for service to the opposite party. The opposite party did not rectify the fault in the washing machine despite receiving consideration amount for the same, thus committing deficiency in service. Complainant thus sought damage to Rs.1 lakh for mental and physical agony.

##### *Opposite side:*

The opposite party pleaded that the complainant has not approached the consumer court with clean hands. They further pleaded that there was no proof by the complainant that the problem in the washing machine was because of any manufacturing defect. They also pleaded that there was no office of the opposite party in the territorial jurisdiction of the complainant, hence the complaint is not maintainable. The opposite party further pleaded that there was no complaint launched by the complainant to them and no technician was deputed for handling the fault related to the washing machine. Hence, they pleaded that no deficiency in service has been committed by them.

#### **Decision:**

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<sup>18</sup> Sh. Ajay Sood. vs Ifb Industries Ltd. & Anr. on 4 May, 2020, <https://indiankanoon.org/doc/9902570/>

The decision taken by the court was in favor of the complainant. The opposite party was ordered to pay Rs.25,000 along interest @ 9% per annum from institution of complaint till actual payment to the complainant in compensation to the mental agony and harassment. The opposite party was also ordered to pay litigation cost to the complainant of Rs. 10,000.

**Reason:**

The company IFB industries lost the case because they committed deficiency in service. After taking the consideration amount of annual maintenance they did not provide their consumer with adequate service. In this case, we observe that the complainant had bought the washing machine from M/S Ravi Radios, The Mall Shimla. But after selling the product to its consumer, when the consumer was facing issue with the product, he approached the company and after experiencing deficiency in service he had to file a case against retailer.

**(B) Harbans Lal & Anr. Vs Proprietor C.L Mehra & Sons & Anr.** <sup>19</sup>

**Fact:**

***Complainant side:***

In this case, name of the complainant is Shri Harbans Lal who has filed a consumer case under Consumer Protection Act. He pleaded that he bought a Samsung LED TV from the showroom of the opposite party No. 1 on 15/11/2017. While paying for the purchased TV, the ATM/Debit card of complainant No. 1 did not work. As his friend who was accompanying him while purchasing, he offered his Debit Card to make the payment. It is further pleaded that the Retail Price of the LED TV was Rs. 39900 but the opposite party charged an amount of Rs. 40698 by his ATM/Debit Card. It is pleaded that the opposite party No.1 has committed unfair trade practice and committed deficiency in service. Complainant sought relief of Rs. 798 which has been charged extra by the retailer along with 12% interest per annum from 15/11/2017. Complainant also sought relief of Rs. 5000 as compensation for mental torture and harassment. In addition to this, complainants sought relief of payment of Rs. 25000 in favor of voluntary consumer organization or Legal Aid of State and also Rs. 5000 as litigation cost.

***Opposite side:***

The opposite party No. 1 pleaded that complainant have suppressed the material facts and did not approach the Consumer Court with clean hands. They admitted that the complainant had purchased the LED TV worth Rs. 39900. It is further pleaded that the actual MRP of the TV was Rs. 41500 and that a discount of Rs. 1600 was given to the complainant. It is further

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<sup>19</sup> Harbans Lal v C.L Mehra & Sons, CC/18/160

pleaded that the complainant asked for a home delivery at place Marathu. It is further pleaded by the opposite party that Rs. 750 was charged as the transportation facility and Rs. 48 was charged for ATM swiping machine charges. It is further pleaded that the opposite party did not commit any unfair trade practice and there was no deficiency in service.

**Decision:**

Justice P.S Rana, President Sunita Sharma, Member R.K Verma, passed a judgement on 03/06/2020, ordering the opposite party No. 1 C.L Mehra & Sons through proprietor shall return Rs. 750 charged as transportation cost of LED TV to the complainant No. 1 i.e Shri Haribans Lal alongwith interest @9% per annum from the date of institution of consumer complaint till actual payment. It is further ordered that opposite party will pay Rs. 10,000 to the complainant for mental agony and harassment and also Rs. 5,000 as litigation cost.

**(C) My Lifestyle Pvt. Ltd. Vs Pankaj Chandgothia on 18<sup>th</sup> March, 2019<sup>20</sup>**

**Fact:**

***Complainant Side:***

The Complainant Mr. Pankaj while shopping in Lifestyle, went to the billing counter and got the billing done, the cashier on the counter handed the purchased item to the customer without putting it in the carry bag. When asked about the same, the complainant was told to pay Rs. 5 for the carry bag. It is stated that nowhere in the premises of the store it was written that the carry bag will be charged. It was further stated that when the complainant has no option left, he had to pay Rs. 5 for the carry bag. He further pleaded deficiency in service and unfair trade practice by the opposite party.

***Opposite side:***

The opposite party pleaded that since the ban of plastic bags by the Government, they had to use paper bags which was costly than the plastic bags which were provided to the customers on payment basis. The opposite party further pleaded that there was no legal obligation for them to provide paper bags for free to their customers. It was further pleaded that there was no deficiency in service or any unfair trade practice by the opposite party. They also argued that as per Rule 10 of The Plastic Waste (Management and Handling) Rules, 2011, no carry bags had to be made free by the retailers to their consumers.

**Decision**

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<sup>20</sup> My Lifestyle Pvt. Ltd. Vs Pankaj Chandgothia on 18th March, 2019, <https://indiankanoon.org/doc/137941130/>

Justice Jasbir Singh gave the judgement; the retailer has to provide free carry bags to all its customers and refund of Rs. 5 which was wrongly charged from the complainant for the carry bag. It was also ordered to pay Rs. 1,500 towards compensation of mental harassment and agony. Rs. 10,000 to be deposited by the opposite party in Consumer Legal Aid Account.

## VII. ANALYSIS AND INTERPRETATION

1. The present study **disproves** the major hypothesis that **Consumer Protection Law is not useful for consumers**. The consumers who filed the cases against the retailers did get justice and were compensated for the frauds done on them. But it is also true that CPA only protects a Class of Consumers. The consumers who have been cheated with a high amount of money; they only bother to file a case against the opposite party. The Class Consumers who can afford the litigation fees, and who can invest much time. The lower-class consumers are not even aware of their rights and frauds taking place by retailers for small consideration and it is often ignored by this class.

2. The study **proves** the second hypothesis that the **Consumer Protection does not guarantee fair business practices by retailers**. As the CPA enactment has been done for more than 30 years, we can still see many cases where traders and service providers are still using unfair trade practices, deceptive products, high pricing, duplicate products to lure the innocent consumers. This proves that despite of current CPA, it does not imply stringent policies and check on traders, and the principle of 'Caveat Venditor' is clearly violated in today's scenario.

3. The study also **proves** the third hypothesis that the **consumer is less likely benefitted in retail**. Unorganised retail which occupies greater space is more likely to cheat consumers.

In research, interpretation is drawing inferences from the collected facts after an analytical study of the data. It is a device through which the study done by the researcher can be better understood and which can provide guidance for further study or researches.<sup>21</sup>

According to LeCompte and Schensul, research data analysis is "*a process used by researchers for reducing data to a story and interpreting it to derive insights. The data analysis process helps in reducing a large chunk of data into smaller fragments, which makes sense.*"<sup>22</sup>

## VIII. HOW MUCH CONSUMER PROTECTION ACT IS BENEFICIAL TO THE CONSUMER?

In today's time, the law is evolving day by day and is adapting to the changes taking place. Our

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<sup>21</sup> C R Kothari and Gaurav Garg, Research Methodology 407 (3 ed. New Age International Publisher 1985)

<sup>22</sup> Adi Bhatt, Data Analysis in Research (June 13,2020), <https://www.questionpro.com/blog/data-analysis-in-research/>

society has evolved with exponential increase in the population, because of which the world has seen tremendous rise in the demand of products and services. Consumers have become value conscious in their purchases.

CPA 1986 has been amended and the new CPA 2019 has a lot more benefit for its consumers as compared to the previous one. CPA 2019 has added a chapter named **“Product Liability”** under which complaint against any defect in product or deficiency in services by a product manufacturer, product service provider or a product seller will come under the purview.

*But the actual question is how far the consumer is getting benefitted?*

As we see in the above cases the consumers do get justice, but what about those consumers who are not aware of the consumer rights? What about those consumers who do not know that they have been cheated and manipulated by the retailers or the brand owners or by the misleading advertisement? What about those consumers who are misled for mere Rs.10 or Rs.20? Where do these consumers redress their grievances?

The answer for the above question is that CPA is only beneficial for a class of consumers. Consumers who have been cheated for a large amount of money generally is seen to appeal for the compensation.

But since the economy is developing, the consumers have also become more vulnerable to unfair trade practices. We can take examples from our daily lives only where we are cheated on a daily basis. When we go to purchase for vegetables or fruits to our local vendors, we often face high prices issues. We do not have any alternative to buy these products, hence we are forced to buy them at high price. Many a times, if a consumer asks for 1 kg of a vegetable, he receives a little less than that. The vendor cheats the consumer by weighing and measuring wrongly.

Nowadays, the market is full of duplicate products. A good quality product is often replicated in its local variant which is of substandard quality and sold to consumers at the original price with an assurance of good quality. Since, the consumer at the time of purchase cannot determine the quality of the product, he gets deceived for the same.

In rural areas, mostly the consumers are uneducated, hence more vulnerable to unfair and fraudulent practice. They are surrounded by lookalike products from famous brands.

So, CPA is beneficial to the class consumers, but the common consumers are not much benefitted by this. If the fraud is of less money, then the consumers tend to ignore the fact and move on. They have adapted themselves to these kinds of frauds. In this fast-moving world,

the consumers cannot go and register for complaint against these small unorganised retailers.

### **IX. HOW FAR THE CONSUMERS GET PROTECTED FROM RETAILERS UNDER CPA?**

Retailers are the backbone of the supply chain industry. They are the last point in the supply chain of goods and services. CPA 2019 a clause named 'Product Liability' has been added under which a product seller/ a retailer practices substantial control over the designing or labelling which can cause harm to the consumer. If the retailer has altered the product and such alteration has caused harm to the consumers or has made any extended warranty which is not given by the manufacturer and such product caused some harm to the consumer. The product which has been sold by the retailer does not have any mention of the manufacturer. The retailer will also be held responsible if he fails to exercise reasonable care in assembling, inspecting or maintaining such product.

### **X. SHOULD THERE BE A LOCAL AUTHORITY TO PROTECT THE CONSUMERS FROM RETAILERS?**

There should be a local authority in each and every marketplace who keeps a check on the frauds committed by the retailers. There should be an easy access to the consumers so that they can launch a complaint in the vicinity of the retailer and their problems are solved then and there only. In this fast-changing world, people don't usually have time to launch a complaint for small number of frauds which are done by the retailers. If the consideration amount is large, mostly then the consumers consider to launch a complaint against the retailer. Otherwise, they also tend to ignore the fact that they have been cheated. The consumers just decide himself of not visiting that retailer again.

There should be a 'Consumer Watch' in each marketplace so that they can educate and make the consumers aware of their rights. It should be established to promote and protect the consumers from fraudulent and unfair trade practices. The consumers can get timely redressal and all the retailers will be under the purview of that particular 'Consumer Watch' and it will help in fulfilment of the principle of 'Caveat Venditor', where the retailers will be beware and will be in constant watch.

### **XI. CONCLUSION, SUGGESTION, LIMITATIONS AND FUTURE RESEARCH**

#### **(A) Conclusion**

Consumers are the base of any business. Because of consumer's constant need and demand, manufacturers and traders get opportunities to produce goods and services. This study has been carried out with the basic objective to understand which set of consumers are being protected

under Consumer Protection Act. In which way the retailers are benefitting from the consumers and how can we protect the common consumers from being deceived. The study proves that Consumer Protection Act 1986 is by far the best consumer laws in the country. But since not many consumers are aware of their rights, so the effectiveness is comparatively low. When it was implemented that time, it showed growth in public and private sector. But gradually consumer started losing interest as the remedies were insufficient. After the widespread penetration of e-commerce and Covid -19 has compelled consumers to purchase products online. Earlier consumers were hesitant to buy online since there was lack of trust about the quality of products and manufacturers/sellers. But now the legislation has implemented Consumer Protection Act 2019 and Consumer Protection (E- Commerce) Rules, 2020 which was effective from July,2020. The new regulations tighten the bond between the consumers and retailers and gives more trust to the consumers. “The Consumer is the King Now”.

### **(B) Suggestions**

The researcher has given some suggestions and recommendations for more effective consumer protection which should be adopted by the concerned authorities:

- The Consumer Protection Act is one of the important and simple enactments by the Constitution of India, but people are not aware of the mechanism. Government should make consumers aware about redressal machinery so that the consumers do not buy inferior goods.
- Government should establish a ‘Consumer Watch’ in each and every market so that it would be convenient for all the consumers to address their grievances then and there.
- Consumers should be taught about taking the cash receipts/memos, check the manufacturing and expiry date at back of the product, check the MRP, ask for Guarantee/Warranty card.
- Consumer education about pleading their cases themselves should also be imparted as hiring lawyers may be expensive for many people.
- Government should implement harsher penalties for manufacturers and retailers so that they think twice before adopting any unfair trade practice.
- The Government should have a strict invigilation in rural areas so that no substandard products are available for rural consumers which causes harm to their health.
- The education department should include a topic of consumer protection in school so that students can learn and teach their family members about the consumer rights.

- Consumer should be more responsible in gaining knowledge about their consumer rights.

**(C) Limitations**

A limitation of this study is the case laws discussed in the study are from India only. So, we do not get a global perspective on the issue. This limitation suggests that future research can be done from an international perspective which will give us a clearer picture.

**(D) Future Research**

Further study can be done on the effectiveness of Consumer Protection Act, 2019 and Rule, 2020 after few years of being operationalised. New issues faced by consumers in e-commerce retail. Researcher can also study whether consumer feel more protected in shopping from physical store or e-commerce stores.

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### **(C) Statutes/Codes**

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