CONSUMER AWARENESS REGARDING CONSUMER PROTECTION AND CONSUMER PROTECTION ACT 1986 – AN EMPIRICAL STUDY

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ABSTRACT

The paper has been written to study the general awareness among consumer regarding consumer protection and specially awareness of provisions of Consumer Protection Act 1986. It specifically studies the level of awareness with regard to procedural formalities to be completed while filing a complaint in consumer forum. It also explains the important theoretical points related to protection of consumer's interest. For this purpose a sample of 100 respondents has been taken. Data has been collected through well structured questionnaire. Analysis and interpretation of data have shown very interesting, alarming and informative results and findings. At the end some recommendations have been given for strengthening the present setup more effective.

To understand the meaning of customer it is important to mention here the words of Mahatma Gandhi. He had said, "Customer is the most important visitor in our premises. He is not dependent on us. We are dependent upon him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business, he is part of it. We are not doing him a favour by serving him; he is doing a favour by giving us an opportunity to do so."

The history of the customer in the sense of one, who consumes anything, may be said to be have started with the history of mankind. The legal, technical or perfect definitions of the consumer have been given in the consumer protection Act. 1986. Under this Act, the term 'consumer' has been defined into two categories:

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a) Consumer of goods:- Consumer of goods means a person who buys any goods for a consideration and includes the user of goods. Under this Act a consumer is one who has paid or promised to pay the consideration or partly paid and partly promised to pay or under any deferred payment system such as hire purchase system or installment system.

But it does not include a person who buys the goods for resale and for any commercial purpose.

(b) Consumer of Services:- Consumer of Services means a person who 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. But it does not include a person who avails of such services for any commercial purposes.

For the purpose of this clause 'commercial purpose' does not includes use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood by means of self – employment. For example, if a person earns by purchasing computer, taxi, Photostat machines etc. that will be called consumer of goods.

Here it is also important to mention that service has been clearly defined in the Act. It includes the services like banking, financing, insurance, transportation, processing, supply of electrical and other energy, boarding and lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, educational institutions etc., but does not includes the rendering of any service free of charge or under a contract of personal service.

CONSUMER EXPLOITATIONS OR PROBLEMS:-

Today an average Indian consumer is poor, illiterate, ignorant, passive, unaware, unorganised and sometimes helpless. Due to illiteracy, unawareness, traditional or passive outlook consumer is being exploited in different ways. The manifestation of consumer neglect are evident in the adulterated food we eat, the spurious, unsafe and substandard product we buy, the repeated shortage of essential commodities accompanied by black marketing and profiteering, the hazardous drugs (banned in some of the countries) that are pushed through the counter, the glossy, unethical and manipulative advertisements with which we are bombered, the humiliation, indignity and harassment that we are subjected to by public sector undertakings such as railways, transport corporations, nationalized banks insurance companies, hospitals, etc. and the polluted water we drink and air we breathe.

Business firms spend huge amount of money on advertising their products and services. Most of these advertisements contain exaggerated and unprovable claims. Commonly seen advertisements of tooth-pastes, cosmetics, tonics, body-building, figure improving and height increasing instruments makes claims in very attracted way and catchy way. Through these advertisements do not explain how the claimed qualities of the products produce the benefits, the consumer believes them because of the appealing way of presentation, ultimately the consumer feel cheated at last.

Although the above points clearly states the problems exploitation of consumer, but some other points can also be mentioned in support of these. These exploitation are in the forms of : (i) unfair trade practices (ii) spiraling prices (iii) adulteration (iv) poor quality products (v) deceptive packing (vi) deficiency in services (vii) monopolistic trade practices etc.

CONSUMER PROTECTION:-

Consumerism/consumer Awareness in India is growing. The growing feeling among them that they are ruthlessly exploited and taken for a ride which has organized the consumer movement. Many sellers even do not response to the genuine grievance of consumers and many products fails to satisfy the requisite quality and safety standards. Due to all these consumer have been more critical/aware of the policies and practices of business houses in the recent years than ever before. Consumers are organizing themselves for the protection of their interests. Such a move to better the protection offered to the consumer is called 'consumerism', which in other word is also called consumers protection awareness. In simple words consumer protection is a form of social action which is created to attain the well being of consumers. In this context it is necessary that the various groups of society such as Government, Judiciary, and Voluntary Associations of consumers play their role to protect and promote the consumer-interests – economic, social, and environmental.

CONSUMER PROTECTION MEASURES/METHODS

Consumer protection measures/methods can be understood by dividing them into two categories:

A) Self-Regulation:-

In this part, two types of association come to the rescue of customers and business-community namely consumer-associations and business associations.

1 Consumer – Associations:-

It is a fact that every one of us is a consumer and it is therefore important that we should unite together to protect our interests. The consumer associations are ideal set up to come together to provide collective resistance against all kinds of associations. The main function of consumer associations are : (i) to educate consumers, (ii), to collect samples of products and test them, (iii) to file suit on behalf of the customers (iv) to raise voice against rising prices, (v) to prevent adulteration, (vi) to help educational institutions regarding awareness campaign. Many consumer associations are playing an active role in the direction of consumer protection. Some of them are : Consumer Guidance Society of India (Bombay), Consumer Education and Research Centre (Ahmedabad), The Akhil Bhartiya Grahak Panchayat, (Mumbai), …. Etc.

2 Business Associations:

Another part of self- regulation is Business associations. Self regulations by business community through fair-deal to reseller and consumers does wonders. It can create healthy atmosphere in the society especially in relation to consumer protection. Consumer and sellers confrontations can be eradicated if business community behave, property through the Chamber of Commerce and Trade Associations. Oppositions, complaints, criticisms are to be accepted sprotively and democratically as the part of the game for their betterment and benefits.

B) Government Interventions or legislative measure:

As we all know that consumers constitutes the largest unorganised public body in the country and protection of their interests and rights is of vital importance in a well regulated and independent mechanism to provide quality goods, services and utilities to the satisfaction of consumer. The government has enacted more than 50 Acts/ laws which can be interpreted in favour of consumers. This enactments have empowered the government to control production, supply, price, distribution and quality of a large no. of goods and services. Most of these types of power or practices are mentioned in a number of business laws aimed at regulating trade and providing justice to consumers and protecting their rights and interests. Some of them are being mentioned here : The Indian Penal Code 1860, Indian contract Act 1872, Sale of Goods Act 1930, Agricultural produce grading and marking act 1937, Drugs and Cosmetics Act 1940, Drugs and Remedies (objectionable Advertisements) Act, 1954, Essential Commodities Act 1955, Trade and Merchandise Act 1958, Standards and Weights

and Measures Act 1976, Supplies of Essential Commodities Act 1980, The Bureau of Indian Standard Act 1986, The Environment (protection) Act-1986, Banking Regulation Act 1949, Railways Act 1989, etc... These are just some names, the list is so long to be mentioned and described here. All these Acts/laws shows that government has a well - established system or a approach for the protection of consumer's interests and for creating an healthy business environment.

But at the end, still it can be said that the interests of the consumer were not being safeguarded due to many reasons. A number of objectives of the above pieces of legislations overlap. The multiplicity of laws for trade regulations and consumer protection has been characterised by weak implementation as a result of which unfair and exploitative practices abound in the Indian markets. Most of the legislations are punitive in nature and none of them is compensatory in nature. In spite of all these there was no separate mechanism for the redressal of consumer grievances and it were covered under civil courts, which are known for expensive, time - consuming, complex and inordinate delays.

All these points show that there was a strong need in the economy, to set-up a Independent Act for the settlement of consumer grievances. So in order to overcome these limitations in different legislations and implementing machinery and keeping in view the UN guidelines, Consumer Protection Act 1986, came into existence, which proved to be the milestone in the sovereignty of the customers.

CONSUMER PROTECTION ACT 1986

INTRODUCTION :-

The Consumer Protection Act 1986, (herein after to be referred to as 'Act') is one of benevolent social legislation intended to protect the large body of consumer from exploitation. The Act has come as a panacea for consumers all over the country and has assumed the shape of practically the most important legislation enacted in the country during the last few years. It has become vehicle for enabling people to secure an inexpensive redressal of their disputes. With the enactment of this law, the consumer now feel that they are in a position to declare" sellers beware" whereas previously the consumers were at the receiving end and generally told 'buyer beware'.

The Act postulates establishment of central consumer protection council and state consumer protection councils for the purpose of spreading consumer awareness. Central council is headed by minister, incharge of the consumer affairs in the Central Government and in the

state it is the minister incharge of the consumer Affairs in the state government who heads state council.

To provide cheap, speedy and simple redressal to consumer disputes, quasi-judicial machinery is set up at each District, State and National level called District Forums, State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commission respectively. At present there are 604 District Forums, 35 state commissions, with apex body as a National Consumer Disputes Redressal Commission (NCDRC) having its office at Janpath Bhawan, A wing, 5th floor Janpath, New Delhi.

Important information shows that the Act has started working in the right - direction. Total no. of cases filed, before National commission since inception of National commission up to 05.08.11were 70787 out of which 61484 (86.86%) were disposed off. Further total no. of Complaints filed, before state commissions since inception of state commissions were (up to 05.08.11) 546134 out of which 446440 i.e. 81.75% were disposed off. Whereas total no. of cases complaints filed before district forums since their inception (up to 05.08.11) were 3010281, out of which 2755418 (i.e., 91.53%) were disposed off.

SOME IMPORTANT PROVISIONS OF THE ACT

Who Can File Complaint

The followings can file a complaint under the Act : (i) A consumer, (ii) Any voluntary consumer organisation registered under the Registration of Societies Act, 1860 or under the companies Act, 1956 or under any other law for the time being in force, (ii) The central Government (iv) The state Government or Union Teritory Administration, (v) One or more consumers on behalf of numerous consumers who are having the same interests.

What Constitute a Complaint

Under the Act 'Complaint' means any allegation in writing made by complainant in regard to one or more of the following:

i) Any unfair trade practice or a restrictive trade practices adopted by any trader.

ii) The goods bought by him or agreed to be bought by him suffer from one or more defects.

iii) The services hired or availed of or agreed to be hired or availed of by him suffer from deficiency in any respect.

iv) A trader charging excess of price as compared to : (a) fixed by or under any law for the time being in force or (b) displayed on goods, (c) displayed on any packet containing such goods, or (d) agreed between the parties.

Where to File a Complaint

A written complaint as amended by consumer (Amendment) Act, 2002 can be filed :

- If the cost of the goods or services and compensation asked for is upto Rs. 20 lakh, then the complaint can be filed in District Forum which has been notified by the state Government for the district where the cause of action has arisen or where the opposite party resides. A complaint can also be filed at a place where the branch office of the opposite party is located.
- If the cost of goods or services and compensation asked for is more than Rs. 20 lakh, but less than Rs. 1 crore, then the complaint can be filed before the state commission notified by the state commission or UT concerned.
- If the cost of goods or service and compensation asked for exceed Rs. 1 crore then the complaint can be filed before the National Commission at New Delhi.

How to File a Complaint

Procedure for filing complaints and seeking redressal are simple. There is no prescribed performa for the submission of complaint. However it must be written. It may be submitted directly or by post. A nominal amount of fees is also required to be deposited for making complaints before Distt. Forum. A complaint should contain the following information: (i) Name and address of the complainant, (ii) Name and address of the opposite party or parties, (iii) Description of the fact of the complaint, (iv) Documentary evidence collaborating the complaint, (v) Relief expected as redressal of complaint, (vi) Signature of the complainant or his authorised agent.

The complaint can be filed within two years from the date on which cause of action has arisen. Complainant can plead his case/complaint on his own, this means that he is not under compulsion to hire the services of lawyer.

Relief Available to the Consumer

If after the proceedings conducted under section 13, the District Forum is satisfied that the goods complained against suffer from any of the defect specified in the complaint or that any of the allegation contained about the services are proved, it may give orders for one or more of the following reliefs : (i) removal of defects from the goods, (ii) replacement of the goods,

(iii) refund of price to the complainant, (iv) award appropriate compensation for the loss or injury suffered (v) Removal of deficiencies from service, (vi) discontinuance of unfair trade practices, (vii) to cease manufacturing of hazardous goods (viii) award for adequate costs to parties (ix) removal of misleading advertisement.

Procedure for Filing Appeal

Any person aggrieved, by an order made by District Forum may prefer an appeal against such order to the state commission within a period of 30 days from the date of order, in such form and manner as man be prescribed. No appeal shall be entertained by the state commission unless the appellant has deposited in the prescribed manner 50% of that amount in terms of an order of the District Forum or Rs. 25000, whichever is less. Further any person aggrieved, by the order made by the state commission, may prefer an appeal, against such order to the national commission within a period of 30 days from the date of the order in such form and manner as may be prescribed. In this situation appellant has to deposit in the prescribed manner 50% of the amount or Rs. 35000 whichever is less. Appeal against the order of the National commission can be filed before the Supreme Court within a period of 30 days. At this stage the appellant is required to deposit in the prescribed manner 50% of that amount or Rs. 50000 whichever is less.

The Six Consumer Rights

Another important point which is the most important is the rights of the consumer specifically mentioned (chapter II, Sec. 6) in the act. The Act which was enacted in India in 1986 very soon after the adoption of the U.N. guidelines for consumers in April, 1985, is considered as one of the most unique legislations of the world for consumer protection. The Act enriches six rights to the consumers which are: (i) Right to safety, (ii) Right of Choice, (iii) Right to be informed (iv) Rights to be heard (v) Right to seek redressal and (vi) Right to consumer Education.

All that a consumer is required to acquire and use these rights is to have knowledge of these rights.

OBJECTIVES OF THE STUDY

Important objectives of the present study are:

1 To understand the concept of consumer and its problems, to have a glimpse on the concept of consumer protection and on measures / methods of consumer protection.

2 To study the general awareness among consumers regarding consumer protection measures.

3 To specifically study the awareness among consumers regarding the various important procedural formalities for filling complaints under Consumer Protection Act 1986.

4 To draw some conclusions and give some recommendations for strengthening the consumer awareness programme more effective.

RESEARCH METHODOLOGY / DATA COLLECTION

The study is mainly based on primary data. The primary data has been collected from 100 consumers, through a well - structured questionnaire. Consumers have been selected from the various parts of the District Yamuna Nagar of Haryana State. This was purposive-cum-convince sampling method. In addition to primary data, secondary data also have been used. Various journals, magazines, books, electronic sources have also been consulted. Web-sites related to consumer affairs like www.fca.miniinic.in, www.ncdrc.in, etc. have also been searched for collecting relevant and appropriate data.

General Profile of the Customers (Under Study)

As stated above that the study has been confined to the sample size of 100 customers. The age group of most of the respondent is 30-40 years. All of them belongs to urban area. Most of them are highly qualified i.e. P.G. or more. Most of them are having at their home all the electronic items like T.V., Fridge, D.V.D. Player, and Washing Machine and other electric kitchen appliances also. Most of them spends a moderate amount for availing the services of doctors. Some of them visit to restaurants frequently. Their income group can be classified in the range of 25000 to 40000 p.m. These feature shows that it is the study of high middle income group which are highly qualified and remain in touch with media on regular basis.

Data Analysis & Interpretation

Table - 1

General Awareness regarding consumer - protection

N = 100

	Question	Response	
		Yes	No
➢	Have you Heard about the term 'Jago Grahak Jago'	100 (100%)	--
➢	Have you seen any advertisement in relation to consumer Awareness	100 (100%)	--
➢	Have you heard about consumer rights	100 (100%)	
➢	Have you heard the terms like ISI, ISO, Agmark, Hall-mark etc.	100 (100%)	--
➢	Have you Heard about 'Consumer Protection Act 1986'	100 (100%)	

N = Number of respondents.

Table - 1 highlights the general awareness regarding consumer protection among 100 respondents. It shows that all the respondents are fully aware about the concept of consumer protection. The entire respondent are aware about the term, 'Jago Grahak Jago', the special punch line used by the government to create consumer awareness among society, All of them have listened or seen some or more advertisement on this theme. Everyone is aware regarding qualitative aspects related to products and services. Consumer protection act 1986 is a known Act for all of them. Table has shown that 100% response in relation to general awareness regarding consumer protection.

Table-2

Consumer exploitation situations (Defects in products/ Deficiency in Services)

N = 100

Question	Response	
	Yes	No
Have you faced any situation of consumer - exploitation during last 2 years	100 (100%)	--

N = Number of Respondents

After having a look on their awareness level, respondents were asked about the various situations of consumer problems/exploitation. More than 20 problems/options in the questionnaire were shown to them. Some of these were like excessive electricity bill/telephone bill, delay in repair of dead land-line phone, no replacement of product in

guarantee period, not proper services after sale, negligence in medical services, not proper services in hotels while staying or eating there, charging more than MRP displayed on product, wrong transaction in pass-book, delay in settlement of insurance claims etc..... 100% respondent has stated that they have faced those situations of consumer exploitation. All most all of them have faced these types of problems for more than 4 to 5 times during the period under study.

Table-3

Procedural - Awareness Regarding COPRA-1986

N=100

	Extend of Awareness			**No. of Respondents**
	FE	**SE**	**LE**	
Are you aware about the location of district consumer forum	20(20%)	--	80(80%)	100
Are you aware about you the jurisdiction of consumer forums	20(20%)	30(30%)	50(50%)	100
Are you aware about the levels of consumer forums	20(20%)	30(30%)	50(50%)	100
Do you know the procedure for filing complaint	20(20%)	30(30%)	50(50%)	100
Do you know what relief can be given to you	20(20%)	20(20%)	60(60%)	100
Are you aware about the time-limit for filing complaint	20(20%)	--	80(80%)	100
Are you aware about the services of lawyer required or not	20(20%)	--	80(80%)	100
Are you aware about the time bound decision limit imposed on forums	20(20%)	--	80(80%)	100
Are you aware about the 'Appeal'	20(20%)	--	80(80%)	100

N = Number of respondents

LE = least extent, FE = Full extent, SE = Some extent,

Table 3 shows the results of awareness regarding procedural formalities related to filing of complaint in consumer - forum age in case of dispute. The results are very surprising and almost in contrast to the Table 1 which shows that consumers are aware about their rights. When respondents were asked about the location of consumer forum, procedure for filing complaint, levels of consumer forum, jurisdictions of consumer forums, only 20% of the respondents have been found fully aware on these provisions. 50% respondents are least

aware on these very significant points. 20% to 30% respondents are aware to some extent only and only on some rules. As per as appeal against the decision of consumer forum 80% showed unawareness in this regard. Time limit for filing complaint and time limit for settlement of dispute is also another area where 80% customers are leas aware. This clearly shows that inspite of high level of general awareness, most of the respondent are not aware even about the basic procedure for filing complaint in case of exploitation.

Table-4

Alarming Data

(N=100)

	Yes	**No**
Have you ever filed any complaint in consumer forum	10(90%)	90(90%)
Have you ever used national consumer helpline	--	100(100%)
Have you ever attended any seminar regarding consumer protection	--	100(100%)
Do your cable network/local newspaper gives special coverage to consumer awareness programme	--	1000(100%)

N = number of respondents

Above table gives very alarming results. Almost 100% respondents have faced the situations of consumer exploitation in one way or other, but only 10(10%) have filed case in this regard. This is a very serious matter which requires a serious thought. National Consumer Helpline (Toll Free No. 1800-11-4000) have never been used by any respondent. This help line guides to customer on each and every aspect related to their problems. No one has attended any type of consumer awareness programmes in their area. Their local cable T.V. network also shows very casual approach on this front.

FINDINGS AND SUGGESTIONS

Consumerism/Consumer Awareness in India is growing day by day. Consumer Associations, Business Associations and Government Legislations are working to safeguard the interests of the consumers. The consumer protection Act 1986 is the benevolent social legislation intended to protect the large body of consumers from exploitation. It has become vehicle for enabling consumers to secure speedy and inexpensive redressal of their disputes. It clearly specify the concept of goods, services, defect, deficiency etc. It clearly explains the procedure

for filing complaint, relief available, appeals etc. It is working as a three tier system (District, State, National) as a quasi-judicial machinery.

The survey clearly shows that all the respondents are having general awareness in relation to consumer protection. They are well-versed with the term 'Jago Grahak Jago' almost in all respect. Quality parameters/standards like ISI, ISO, Agmarks etc. are also not new for them. But in contrast to these the procedural awareness or practical implication are showing some different result. Only 20% of the respondents are well-equipped in all respect. 20% to 30% are having incomplete idea for these whereas 50% of the respondent showed totally unawareness in this regard. All the respondents have face the situation of consumer exploitation in one way or other. Study shows that only 10% have approached to the consumer forum for justice. No one have used National Consumer Helpline. Another surprising finding is that local newspaper/cable network is not giving due weightage to this concept. Same is the case with Consumer Association.

To overcome this unawareness it is hereby suggested that although huge amount is being spended by the government for creating awareness, but the procedural part is not being shown in the advertisements. Special advertisements should be created to educate the consumers regarding procedure for filing complaint, where to file complaint, when to file complaints etc. Local newspaper, cable-operators should also come forward to educate the consumers on these points. NGO's/Consumer Association should also come forward to should work more and more to aware the consumers to raise voice against exploitation. Last but not the least; the consumers must educate himself/herself about his/her rights and availability of redressal mechanisms.

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