

DIRECTORATE OF DISTANCE AND CONTINUING EDUCATION
Manonmaniam Sundaranar University



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M.Com

CONSUMER PROTECTION

Consumer Protection

Unit I:

Consumer-Consumerism-Types of consumers (age, sex, behaviour, place of residence, income) – objectives -Goods and services-types-evolution and growth of consumer movement in India and Tamil Nadu

Unit II:

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Unit III:

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Unit IV:

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Unit V:

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Consumer Protection

UNIT I

Consumer

Consumers are people or organizations that purchase products or services. The term also refers to hiring goods and services. They are humans or other economic entities that use a good or service. Furthermore, they do not sell on that item that they bought.

They are the end users in the distribution chain of goods and services. In fact, sometimes the consumer might not be the buyer. For example, young children are the end users of toys, but their parents buy them. Therefore, in the market for toys, the buyer and consumer are often different people.

Consumer is a term used to refer to individuals or households who purchase goods, services, or products for personal use. Consumers play a crucial role in the economy as they drive demand for goods and services, which in turn stimulates production and economic growth.

They have the power to make choices and decisions regarding what to buy, where to buy it from, and at what price.

Consumer behavior is a field of study that examines how individuals make decisions to satisfy their needs and wants. It encompasses various factors that influence consumer choices, such as personal preferences, cultural and social influences, psychological factors, and economic considerations.

With the advancement of technology and the rise of e-commerce, consumers now have access to a wide range of products and services from local and international markets. Online platforms and mobile applications have made it easier for consumers to compare prices, read reviews, and make informed decisions before making a purchase.

Consumer rights and protection are also important aspects of the consumer landscape. Governments and regulatory bodies often establish laws and regulations to safeguard consumer interests, ensure fair competition, and protect against fraud, false advertising, and unsafe products. Consumer protection agencies provide assistance and recourse to consumers who encounter issues with their purchases or face unfair business practices.

Significance of consumers

Overall, consumers play a central role in the economy and have a significant impact on businesses, industries, and market trends through their purchasing decisions and behaviours.

Consumers play a crucial role in the economy and have significant significance in various aspects.

Here are some key points highlighting the importance of consumers:

Economic Growth: Consumers are the driving force behind economic growth. Their purchasing decisions and consumption patterns directly impact businesses, industries, and overall economic activity. Increased consumer spending leads to higher demand for goods and services, which in turn stimulates production, job creation, and investment.

Market Determination: Consumers shape the market through their choices and preferences. Their demand influences the availability, pricing, and quality of products and services. Businesses closely

monitor consumer behaviour to develop effective marketing strategies and tailor their offerings to meet consumer needs and desires.

Competition and Innovation: Consumer demand encourages competition among businesses. Companies strive to attract consumers by offering better products, lower prices, and improved services. This competition drives innovation and technological advancements as businesses constantly seek ways to differentiate them and provide superior value to consumers.

Feedback and Improvement: Consumers provide feedback on their experiences with products and services. This feedback is invaluable to businesses as it helps them identify areas for improvement, address customer concerns, and enhance the overall quality of their offerings. Companies that listen to consumer feedback and adapt accordingly are more likely to succeed in the market.

Influence on Social and Environmental Issues: Consumers' choices can have a broader impact beyond the economy. They have the power to influence social and environmental issues through their consumption decisions. Increasingly, consumers are showing

preferences for sustainable and socially responsible products, which encourage businesses to adopt more environmentally friendly practices and support ethical initiatives.

Political Influence: Consumers can exert political influence through their purchasing power. By supporting or boycotting certain products or companies based on their values and beliefs, consumers can shape the behaviour of businesses and influence policy decisions. This consumer activism has the potential to drive positive change in various areas, such as human rights, labour conditions, and environmental protection.

In summary, consumers are central to the functioning of the economy. Their choices and actions have far-reaching effects on businesses, markets, innovation, and societal issues. Recognizing the significance of consumers helps businesses and policymakers better understand and respond to their needs and aspirations.

Consumerism

Consumerism is the idea that increases the consumption of goods and services purchased in the market which is always a desirable goal, and that a person's well-being and happiness depend fundamentally on obtaining consumer goods and material possessions.

In the economics sense, consumerism is related to the predominantly [Keynesian](#) idea that [consumer spending](#) is the key driver of the economy and that encouraging consumers to spend is a major policy goal. From this point of view, consumerism is a positive phenomenon that fuels economic growth.

Consumerism is a socio-economic ideology that emphasizes the acquisition and consumption of goods and services as a primary driver of individual and societal well-being. It is a phenomenon closely associated with modern industrialized societies and the rise of capitalism.

In consumerist societies, individuals are encouraged to constantly engage in buying and consuming goods and services. The consumption of material possessions is often seen as a means to achieve happiness, status, and personal fulfilment. Advertising, marketing, and media play significant roles in promoting consumerism by creating desires and shaping consumer preferences.

Consumerism is fuelled by a variety of factors, including economic growth, technological advancements, globalization, and social influences. It has both positive and negative implications for individuals and society.

Positive aspects of consumerism include:

Economic growth: Consumer spending contributes to economic growth by driving demand for goods and services, which in turn stimulates production and job creation.

Variety and innovation: Consumerism encourages businesses to offer a wide range of products and services, fostering competition and innovation. This leads to the development of new technologies and improved standards of living.

Personal choice and freedom: Consumerism provides individuals with a range of options and the freedom to make choices based on personal preferences and needs.

Negative aspects of consumerism include:

Environmental impact: Consumerism contributes to the depletion of natural resources, pollution, and waste generation. The production and disposal of goods can have harmful effects on ecosystems and contribute to climate change.

Debt and financial strain: The pursuit of material possessions can lead individuals to accumulate debt and experience financial difficulties. Overspending and the pressure to keep up with consumer trends can result in unsustainable personal finances.

Materialistic values: Consumerism can promote a materialistic mindset where the pursuit of material possessions becomes the primary focus, often at the expense of other aspects of life such as relationships, personal growth, and well-being.

Social inequality: Consumerism can exacerbate social inequality by creating disparities in access to goods and services. Those with greater financial resources can afford a higher standard of living, while others may struggle to meet basic needs.

It's important to note that not all societies or individuals adhere to consumerist ideals to the same extent. Some cultures and individuals place greater emphasis on non-materialistic values, sustainability, and alternative economic models that prioritize well-being over consumption.

TYPE OF CONSUMERS

Types of consumers (age, sex, behaviour , place of residence, income)

AGE

Age:

The age of the customers also influences their buying decisions. On the basis of age, customers can be classified into the following categories:

Infants (0-2 years old): Consumers in the early stages of development with specific needs related to nutrition, clothing, and childcare products.

Children (3-12 years old): Consumers with distinct preferences for toys, games, snacks, and children's clothing.

Children generally buy their requirements like books, pencils, pens, colour-box, sweets, biscuits, toys, toffees, etc. They also often purchase grocery items for the family. They generally lack previous experience in buying articles. They are easy type of customers. They do not argue because of innocence and age. However, at times they bargain but never insist much on that.

Teenagers (13-19 years old): Consumers who have growing independence and are interested in fashion, technology, entertainment, and personal care products.

Young adults (20-35 years old): Consumers focused on establishing their careers, pursuing education, and purchasing items such as clothing, electronics, and travel experiences. Young consumers are generally impatient as well as smart. They generally want to enjoy life by purchasing the most up-to-date and fashionable commodities. Because of their impatience, they get irritated soon. As such they take quick decisions in purchases. They are very particular about fashion, latest design and colour. They lack experience in purchasing articles and are also not argumentative.

Middle-aged adults (36-55 years old): Consumers who may be raising families, planning for retirement, and making significant purchases such as homes, vehicles, and family-oriented products.

The middle-aged customers are responsible family members earning a considerable income and having a status in the society. These types of customers are generally proud of their achievements, possession and position. Such customers, because of their age and experience are proud of themselves. They are very much conscious about the quality but not about fashion.

Seniors (55 years old and above): Consumers who may be retired, seeking healthcare products, travel services, leisure activities, and investments.

Elderly and old aged customers generally are experienced in buying goods. These customers are serious and cautious in money matters. They do not like to be advised by the salesman. They feel proud if they are given respect and consulted. They like to be appreciated for their experience and wisdom.

Some of elderly people may be physically handicapped like hard of hearing, unable to talk clearly, feeble eyesight, etc., due to old age.

Some elderly people like to look younger than what they are.

SEX

1. Male Consumers

Consumers who identify as male and have specific preferences for products such as clothing, grooming, technology, and sports-related items

Male customers are generally experienced and learned. They are not interested in shopping for longer periods. They get bored if they are compelled to stay. As such they take quick **buying decisions**. They generally do not bother for bargaining as they are more time-conscious.

They also avoid unnecessary talk with the salesman.

Male consumers are usually interested in quality and long lasting goods. In many cases it has been found that male consumers never go for the latest fashion. However, they always try to be innovative by trying out new products and finding new methods of using them.

2. Female Consumers

Consumers who identify as female and have specific preferences for products such as clothing, beauty and skincare, household items, and health-related products

There are certain peculiar characteristics of women customers. They are generally interested in the latest fashion, design, style, colour, etc. They take more time to select an article and do not believe the salesman easily.

Female consumers prefer bargaining and make their own judgement about the product. They tend to bargain by visiting different shops. They often pose vague and unnecessary questions. They are generally price conscious and status conscious. They want to look superior in comparison with others and enjoy variety. They prefer good quality articles at cheap prices.

Non-binary consumers: Consumers who do not strictly identify as male or female and may have unique preferences based on their personal identity and expression.

BEHAVIOUR

1. Complex buying behavior

This type of behavior is encountered when consumers are buying an expensive, infrequently bought product. They are highly involved in the purchase process and consumers' research before committing to a high-value investment. Imagine buying a house or a car; these are an example of a complex buying behavior.

2. Dissonance-reducing buying behavior

The consumer is highly involved in the purchase process but has difficulties determining the differences between brands. 'Dissonance' can occur when the consumer worries that they will regret their choice.

Imagine you are buying a lawnmower. You will choose one based on price and convenience, but after the purchase, you will seek confirmation that you've made the right choice.

3. Habitual buying behavior

Habitual purchases are characterized by the consumer having very little involvement in the product or brand category. Imagine grocery shopping: you go to the store and buy your preferred type of bread. You are exhibiting a habitual pattern, not strong brand loyalty.

4. Variety-seeking behavior

In this situation, a consumer purchases a different product not because they weren't satisfied with the previous one, but because they seek variety. Like when you are trying out new shower gel scents.

5. Impulsive buyers:

Consumers who make spontaneous purchasing decisions based on immediate desires or emotions.

6. Value-conscious buyers:

Consumers who carefully consider the price and value of products, seek discounts, compare options, and prioritize cost-effectiveness.

7. Brand loyal buyers:

Consumers who consistently prefer and purchase products from specific brands due to trust, quality, or emotional attachment

8. Environmentally conscious buyers:

Consumers who prioritize eco-friendly products, sustainable practices, and companies with a strong commitment to environmental responsibility

9. Early adopters:

Consumers who eagerly embrace new technologies, products, or trends and are often among the first to try and adopt them.

PLACE OF RESIDENCE:

Urban consumers: Consumers residing in densely populated cities and metropolitan areas, often with access to a wide range of products, services, and cultural experiences.

Suburban consumers: Consumers living in residential areas surrounding cities, generally characterized by a mix of residential and

commercial spaces, with a focus on family-oriented products and services.

Rural consumers: Consumers residing in sparsely populated areas, often with limited access to a variety of products and services, and potentially requiring specific products related to agricultural or rural lifestyles.

INCOME:

Low-income consumers: Individuals or households with limited financial resources, who may prioritize basic necessities, value-oriented products, and budget-friendly options.

Middle-income consumers: Individuals or households with average or moderate financial resources, who may have a balanced approach to spending, seeking quality and affordability in their purchases.

High-income consumers: Individuals or households with significant financial resources, who may have a propensity for luxury goods, premium experiences, and exclusive products.

It's important to remember that these consumer types are generalizations, and individual preferences and behaviours can vary greatly. Additionally, there can be overlapping characteristics among different consumer types, and the marketing strategies employed by businesses often consider multiple factors to effectively target their desired consumer segments.

Objectives of Consumerism

Consumerism refers to the ideology and social movement that promotes the acquisition and consumption of goods and services as a primary goal and indicator of personal and societal well-being.

The objectives of consumerism can vary depending on the context and perspective, but here are some common objectives associated with consumerism:

Economic Growth: Consumerism aims to drive economic growth by encouraging individuals to purchase goods and services. Increased consumer spending leads to higher demand, which in turn stimulates production, job creation, and overall economic activity.

Improved Living Standards: Consumerism seeks to enhance people's living standards by promoting the availability and accessibility of a wide range of products and services. It aims to fulfill human needs and desires by providing individuals with choices and options to improve their quality of life.

Personal Satisfaction and Self-Expression: Consumerism often emphasizes the idea that acquiring and consuming goods can bring personal satisfaction and contribute to self-expression. By purchasing products that align with their tastes, interests, and identities, individuals may feel a sense of fulfilment and self-realization.

Market Competition and Innovation: Consumerism fosters market competition, encouraging businesses to innovate and improve their products and services. Companies strive to attract consumers by offering better quality, lower prices, or unique features, leading to a dynamic marketplace with a constant stream of new and improved offerings.

Job Creation and Employment: Consumerism contributes to job creation and employment opportunities across various sectors. As demand for goods and services increases, businesses expand their operations, leading to a need for more workers. This can help reduce unemployment rates and improve economic stability.

Societal Progress and Development: Proponents of consumerism argue that it contributes to societal progress and development by driving technological advancements, infrastructure improvements, and investment in research and development. They believe that increased consumption leads to greater resources available for public services and social welfare programs.

Economic Freedom and Individual Choice: Consumerism supports the idea of economic freedom and individual choice. It advocates for individuals' right to make autonomous decisions about their purchases, allowing them to express their preferences and values through their buying behaviour.

It is worth noting that consumerism also has its critics who argue that it can lead to negative consequences such as overconsumption, environmental degradation, social inequality, and a focus on materialistic values at the expense of more meaningful aspects of life. The objectives listed above represent the perspective commonly associated with consumerism, but it is essential to consider the broader societal impacts and ethical considerations associated with excessive consumption.

GOODS AND SERVICES

Goods and services are two fundamental components of an economy. They are distinct in nature but are interconnected in the process of production, consumption, and exchange. Here's a detailed explanation of goods and services:

Goods:

Goods are tangible, physical products that can be seen, touched, and stored. They are produced through manufacturing, extraction, or agriculture and are typically sold in the marketplace. Goods can be further classified into two broad categories:

Consumer Goods: These are goods that are directly consumed by individuals for personal satisfaction or utility. Consumer goods can be further categorized into durable goods and non-durable goods.

Durable Goods: These goods have a longer lifespan and are not consumed immediately after purchase. Examples include automobiles, furniture, appliances, and electronics.

Non-durable Goods: These goods are consumed relatively quickly or have a short lifespan. Examples include food, beverages, toiletries, and clothing.

Capital Goods: Capital goods, also known as producer goods, are used in the production process to manufacture other goods or provide services. They are durable and contribute to increasing the productivity and efficiency of businesses. Examples include machinery, equipment, tools, and buildings.

Services:

Services are intangible activities that are performed to fulfill a specific need or provide assistance to individuals, businesses, or governments. Unlike goods, services cannot be stored, transported, or

physically possessed. They are typically consumed at the time they are produced. Services can be categorized into various types:

Professional Services: These services are provided by highly skilled professionals with specialized knowledge or expertise. Examples include legal services, accounting services, consulting services, medical services, engineering services, and architectural services.

Financial Services: Financial services encompass a wide range of services related to money management, investment, and banking. Examples include banking services, insurance services, investment services, financial planning, and brokerage services.

Hospitality and Tourism Services: These services are related to the travel, tourism, and hospitality industry. They include hotel accommodations, transportation services, tour guiding, restaurant services, and entertainment services.

Health and Wellness Services: Health and wellness services cater to the physical and mental well-being of individuals. Examples include healthcare services, fitness centers, spa services, counseling services, and alternative therapies.

Information and Communication Services: These services involve the exchange of information and communication through various mediums. Examples include telecommunication services, internet services, broadcasting services, publishing, advertising, and software development.

Transportation and Logistics Services: These services are involved in the movement of people, goods, and resources from one place to another. They include transportation services (air, land, and water), warehousing, freight forwarding, and logistics management.

It's important to note that the distinction between goods and services is not always clear-cut, as some products may possess characteristics of both. For example, a computer can be considered a good when sold as a physical product, but it can also involve services such as technical support or software updates. Additionally, the rise of digital goods and online services has blurred the line between the two categories even further.

Objectives of Consumer Protection Act

The assurance of the privileges of shoppers is of central significance. Independent of the sort of labor and products being presented in the market it is basic that the premium and advantage of the buyers are defended by the Government and merchants of any industry. Before the year 1986, there was no particular regulation safeguarding furthermore, protecting the freedoms and interests of the buyer from out of line exchange rehearses.

The cure if any suitable to a customer in the event of any sort of misdirection or unreasonable exchange practice was accessible under different regulations for example Indian Penal Code, CPC, Indian Contract Act, Drugs Control Act, Prevention of Food Adulteration Act, Essential Products Act, Standard loads and measures (authorization act), Sale of Goods Act, and so on.

Notwithstanding, the privileges building for a buyer in the abovementioned institutions were uncertain and muddled

Considering the disarray winning about the freedoms of a purchaser in the event of lack of products/administrations and in the

event of uncalled for exchange rehearses by an element selling its products/benefits the Government considered a requirement for particular regulation to protect the freedoms and interests of the buyers.

In light of the requirement for a particular establishment in 1986 the Legislature of India presented a bill called 'The Consumer Insurance Bill, 1986' preceding the two the place of parliament and the same was passed by the parliament lastly the said bill got the consent of President on 24th December 1986. Later the assent of the President was obtained.

Right to Protection against Hazardous Goods

The Act gives each client the option to be safeguarded against perilous merchandise and administration which are risky to life and property. Risky products incorporate for instance defiled food sources, opiate drugs; frail concrete and so on every one of these being perilous to life as well as property.

Despite the fact that administration authority has a few regulation available to them for the counteraction of showcasing of dangerous labour and products yet any purchaser who has been harmed either in his individual or property might come for security and he will have a fast and viable solution for redressal.

Right to data

Each purchaser has the privilege to be educated about the quality, amount, strength, virtue, standard and cost of products or administration, by and large, he purchases or profits of. Right to data has been given to the clients to safeguard them from unjustifiable exchange rehearses. The term unjustifiable exchange practice has been portrayed in Section 2 (1) (r).

Unreasonable exchange rehearses incorporate a bogus portrayal that labour and products are of specific norm, quality, grade and so on; any misleading guarantee or assurance of execution of the labour and products; distribution of ad available to be purchased or supply of merchandise or administration at a deal value that isn't expected to be made available for purchase or supply at the deal value; presenting of

gifts, prizes or different things with the aim of not giving them as offered or making a feeling that something is being offered for nothing when it isn't the case truly.

Right of Access to Variety of Goods and Services at Competitive Prices

Each purchaser has an option to get to assortment of labour and products at serious costs. This should be possible just when there is an association of market and obsession of market costs so that all sellers are provided with assortment of merchandise for advantage of the buyer and the products are being presented at serious costs.

This obligation of bringing association of endlessly market costs has been provided reason to feel ambiguous about the Central Consumer Protection Council by the Act.

Certain freedom has been given to the businesspeople in regard of promoting so labour and products of assortment might open up at serious costs. At the point when a matter is brought to the notification of the Monopolies Commission that a retailer is demanding his clients to purchase merchandise of one sort just, leaving them with no decision,

the Commission will ask into whether the businessperson is restricted by a maker so it can free him to have his decision as to stock-in-exchange. This power has now likewise been given to the Central Consumer Protection Council by sec. 6(c).

Right to be Heard and Receive Due Consideration at Appropriate Forums

Each client has the option to be heard and got due thought at suitable gatherings. The Central Consumer Protection Council has been accused of the obligation of guaranteeing that every client question and conflict is heard appropriately and of guaranteeing that buyer's advantage will get due thought at suitable gatherings.

Right against Unfair or Restrictive Trade Practices, Unscrupulous Exploitation

Each client has the privilege to look for redressed against uncalled for exchange rehearses or prohibitive exchange rehearses or deceitful abuse. This obligation has likewise been given to the Central Consumer Protection Council.

At the point when products are showcased with ISI mark however truly they don't compare with the essential standard, where the cash for the acquisition of a vehicle is kept ahead of time yet no vehicle is given inside the endorsed time, where the grass is reserved for marriage on non-refundable store yet on the rescheduling of the marriage date the yard isn't made accessible for marriage when as a matter of fact it was free that day, selling old remodelled merchandise as new, selling oil which can fix hairlessness or prescriptions or which can fix leucoderma when truth be told they are not equipped for relieving these issues, are completely remembered for unjustifiable exchange rehearses.

Right to Consumer Education

Each shopper has an option to schooling which implies that each purchaser should be made mindful of his privileges as well as his lawful cures.

VM Shukla has seen in the prelude of his book Legal Remedies that where individuals don't practice their legitimate cures, the arrangement of cures will in general become rusted.

Individuals ought to know about their privileges and the accessibility of legitimate cures when such freedoms are diminished.

By segment 6(f) the Central Consumer Protection Council has been accused of the obligation of giving appropriate training to individuals as far as their cures under the Consumer Protection Act.

Each individual is a shopper. At the point when every one of them is made mindful of their freedoms, they might help themselves against double-dealing by produces and merchants.

Consumer goods and services

Consumer good, in economics, any tangible commodity produced and subsequently purchased to satisfy the current wants and perceived needs of the buyer. Consumer goods are divided into three categories: durable goods, nondurable goods, and services.

Consumer durable goods have a significant life span, often three years or more (although some authorities classify goods with life spans of as little as one year as durable). As with capital goods (tangible items

such as buildings, machinery, and equipment produced and used in the production of other goods and services), the consumption of a durable good is spread over its life span, which tends to create demand for a series of maintenance services. The similarities in the consumption and maintenance patterns of durable and capital goods sometimes obscure the dividing line between the two.

The longevity and the often higher cost of durable goods usually cause consumers to postpone expenditures on them, which makes durables the most volatile (or cost-dependent) component of consumption. Common examples of consumer durable goods are automobiles, furniture, household appliances, and mobile homes.

Consumer nondurable goods are purchased for immediate or almost immediate consumption and have a life span ranging from minutes to three years. Common examples of these are food, beverages, clothing, shoes, and gasoline.

Consumer services are intangible products or actions that are typically produced and consumed simultaneously. Common examples of consumer services are haircuts, auto repairs, and landscaping.

Evolution of Consumer Movement in India

Many factors contributed to the start of the Indian consumer movement. It began as a social power with the need to safeguard the purchasers against unreasonable and untrustworthy exchange works being trailed by numerous retailers and makers. These included making fake deficiencies, storing grains and other horticultural items, dark showcasing of merchandise, and contamination of preparing oils and food things. Till 1986, buyer associations were featuring issues by composing articles in papers and magazines about these terrible acts of vendors.

Evolution of Consumer Movement

Accelerating Consumer Awareness/Educating Consumers

The primary goal of a shopper association is to speed up purchaser mindfulness towards their freedoms.

To achieve this undertaking following endeavors are made:

- To distribute pamphlets, diaries, and monographs.
- To orchestrate meetings, courses, and studios.
- To teach customers to help themselves.
- To give a custom curriculum to ladies about industrialism.
- To urge to observe positive utilization guidelines.

Data Collection on Different products and testing them

Gathering tests of various items every now and then, testing them by the associations. After that, the consequences of the tests are announced to the public. Along these lines, these associations give

earlier data to customers about the genuineness of items and safeguard them. Aside from this, these associations additionally work in leading examination/research on customers' concerns.

Filing Suit on Behalf of Consumers

Whenever a purchaser neglects to speak more loudly of dissent in regards to his grievances, these purchasers' associations act as the hero and record a case in the court. By delivering this support to the buyers, the purchasers get a feeling that they are in good company in their battle. They likewise run wilful protest habitats for the direction of purchasers.

Organizing Protests against Adulteration and so on

Testing is done once in a while by the associations of various items. After that, the after effects of the tests are proclaimed to the public. Along these lines, these associations give earlier data to buyers about the legitimacy of items and safeguard them. Aside from this, these associations likewise work in directing examination/research on buyers' concerns.

Helping Educational Institutions

These associations advise the instructive foundations of the method for planning courses of study while keeping in view the interests of the customers. They stress the way that an exceptional article on purchasers' advantage ought to constantly be added to the courses on broad review.

The job of instructive establishments in purchaser insurance development may not authentically be denied on any possible ground. Fact that educational establishments need to make it recommended assuming a powerful part in purchaser arousing and granting data with respect to associations working for the consumer's interest.

Different systems ought to be taken on by the instructive establishments, for example, sorting out courses, studios, addresses, conversations, colloquiums, paper rivalries, tests, and so forth in the space of shopper insurance and government assistance to give support to the buyer assurance development in the country. Shopper schooling trains people to be more talented purchasers and empowers them to know what the worth is of cash. Buyer schooling along these lines

ought to happen in the study halls, workplaces, public venues, and homes.

Promoting Network of Consumer Associations

Customer associations are attempting to develop their numbers. They need to cover every one of the areas of the nation so shoppers of the multitude of districts are benefited from their administrations. Their work is to frame a league at the summit level and afterward with the help of the alliance arrive at the state and region level.

To battle this awful component of the business firms, the purchaser needs to stand together against them and battle for their right. As of now, there are different Non-Profit Organizations that are making progress toward these shopper undertakings – Consumer Guidance Society of India, Common Cause, and Voice. These associations are managing the worries looked at by buyers. They have been embracing different measures to accomplish this.

Extending Support to Government

Buyer associations by illuminating the public authority offices about defilement, fake shortage, substandard quality items, and other such wrongs help the public authority. This thusly assists the public authority with directing procedures in time.

Every individual with their restricted assets might want to satisfy their necessities and needs and attempt to get the greatest fulfilment; by this, they drive interest for labour and products. Without any of their interest, makers would come up short on key inspiration to create.

Consequently, one can say that buyer assumes a significant part in the economy of any country, which permits us to get by and flourish. Here it is likewise vital to recollect significant words said by our father of the country Gandhiji in the radiance of the significance of shopper”.

A client (customer) is the main guest on our premises. He isn't reliant upon us, we are subject to him. He isn't a break in our work – he is the reason for it. By serving him we are not helping him. He is helping us out by offering us the chance to serve him.

In this way, from the above obviously in one-way Consumer is sovereign and the client is the lord, and simultaneously due to different reasons, these ideas are just legends in the current situation especially in the creation of social orders like India because of multiple factors.

EVOLUTION AND GROWTH OF CONSUMER MOVEMENT IN INDIA

The consumer movement in India has evolved and grown significantly over the years, driven by various factors such as globalization, economic reforms, and increasing awareness among consumers about their rights and responsibilities. Here is a detailed answer outlining the evolution and growth of the consumer movement in India:

Pre-Independence Era: The roots of the consumer movement in India can be traced back to the pre-independence era when leaders like Mahatma Gandhi emphasized the importance of fair trade and consumer rights. Gandhi's Swadeshi movement promoted the use of Indian-made goods and encouraged consumers to be aware of the quality and value of products they purchased.

Post-Independence Period: After India gained independence in 1947, the focus shifted towards nation-building and economic development. The government enacted the Monopolies and Restrictive Trade Practices (MRTP) Act in 1969 to prevent the concentration of economic power and protect consumers from unfair trade practices.

Emergence of Consumer Organizations: In the 1970s, consumer organizations began to emerge in India. The Consumer Guidance Society of India (CGSI) was one of the first organizations dedicated to protecting consumer rights. These organizations aimed to create awareness among consumers, provide guidance on consumer-related issues, and advocate for consumer-friendly policies and laws.

Legal Framework for Consumer Protection: The Government of India recognized the need for a comprehensive legal framework to protect consumer rights. In 1986, the Consumer Protection Act (CPA) was enacted, establishing consumer courts at the district, state, and national levels. This act empowered consumers to seek redressal for

grievances and provided provisions for compensation, product recalls, and penalties for unfair trade practices.

Strengthening Consumer Organizations:

The 1990s witnessed the strengthening of consumer organizations in India. Non-governmental organizations (NGOs) such as Consumer Unity & Trust Society (CUTS) and voluntary consumer organizations played a crucial role in raising awareness, conducting consumer education programs, and advocating for stronger consumer protection laws.

Globalization and Market Liberalization:

With the onset of economic reforms in the 1990s, India embraced globalization and market liberalization. This led to an increase in foreign investments, multinational companies, and a wider range of products and services. The consumer movement in India responded to these changes by demanding better quality, safety standards, and fair pricing.

Information Technology and Consumer Empowerment:

The rapid growth of information technology, particularly the internet and social media, has played a significant role in empowering consumers in India. Consumers now have access to product information, reviews, and price comparisons, enabling them to make informed choices and hold businesses accountable for their actions.

Consumer Awareness and Activism:

Over the years, consumer awareness has grown substantially in India. Consumers are becoming more conscious of their rights, quality standards, and the importance of sustainable consumption. Consumer activism has gained momentum through social media campaigns, online petitions, and collective action against unfair trade practices.

Strengthening Regulatory Bodies:

The Indian government has taken steps to strengthen regulatory bodies responsible for consumer protection. The establishment of

agencies like the Bureau of Indian Standards (BIS), Food Safety and Standards Authority of India (FSSAI), and the Telecom Regulatory Authority of India (TRAI) has improved product quality, safety standards, and consumer redressal mechanisms.

Expansion of Consumer Rights:

Over time, consumer rights in India have expanded beyond traditional concerns of product quality and safety. The focus has broadened to include issues such as data privacy, e-commerce regulations, and protection against misleading advertisements. The introduction of the Goods and Services Tax (GST) regime in 2017 aimed to streamline taxation and ensure fair practices in the market.

In conclusion, the consumer movement in India has evolved from its early beginnings

EVOLUTION AND GROWTH OF CONSUMER MOVEMENT IN TAMILNADU

The consumer movement in Tamil Nadu has witnessed significant evolution and growth over the years. It has played a crucial role in advocating for consumer rights, ensuring fair business practices, and empowering consumers in the state. Here is a detailed answer outlining the evolution and growth of the consumer movement in Tamil Nadu:

Emergence of Consumer Awareness: The consumer movement in Tamil Nadu began to gain momentum in the 1970s and 1980s when people became increasingly aware of their rights as consumers. This awareness was fuelled by various factors such as the spread of education, media coverage of consumer issues, and the influence of consumer protection organizations.

Formation of Consumer Organizations: Several consumer organizations were established in Tamil Nadu during the 1980s and 1990s.

These organizations, such as the Tamil Nadu Consumer Protection Association (TNCPA), Consumers Association of India (CAI), and Tamil Nadu Consumer Federation (TNCF), played a vital role in addressing consumer grievances, providing legal assistance, and organizing awareness campaigns.

Legal Framework: The enactment of the Consumer Protection Act, 1986, provided a solid legal framework for consumer protection in Tamil Nadu. The act established consumer courts at the district, state, and national levels to resolve consumer disputes efficiently. The availability of legal recourse empowered consumers to seek justice and hold businesses accountable for unfair trade practices.

Awareness Campaigns and Education: Consumer organizations in Tamil Nadu have been actively involved in conducting awareness campaigns and educational programs to educate consumers about their rights and responsibilities. These campaigns include seminars, workshops, public lectures, and

distribution of educational materials. Such initiatives have played a crucial role in creating a vigilant consumer base in the state.

Consumer Helplines and Grievance Redressal: The establishment of toll-free consumer helplines by the government and consumer organizations has been instrumental in providing assistance to consumers and addressing their grievances promptly. Consumers can report complaints, seek information, and receive guidance regarding their rights and legal options.

Role of Media: The media has played a significant role in raising awareness about consumer issues in Tamil Nadu. Print, electronic, and digital media platforms have highlighted cases of consumer exploitation, fraudulent practices, and substandard products. Media coverage has not only exposed such malpractices but also encouraged consumers to assert their rights and demand accountability.

Strengthening Consumer Protection Laws:

Over the years, consumer protection laws in Tamil Nadu have been strengthened to enhance consumer rights. The government has introduced amendments to the Consumer Protection Act, making it more robust and consumer-friendly. These amendments have increased the penalties for offenses, expanded the definition of unfair trade practices, and introduced provisions for class-action lawsuits.

Active Role of Consumer Forums:

Consumer forums, such as the Tamil Nadu State Consumer Disputes Redressal Commission and the District Consumer Disputes Redressal Forums, have played a pivotal role in resolving consumer complaints. These forums ensure speedy and cost-effective resolution of disputes, providing relief to aggrieved consumers.

Consumer Empowerment and Participation:

The consumer movement in Tamil Nadu has empowered consumers to make informed choices and actively participate in shaping consumer policies. Consumer organizations have encouraged consumers to voice their concerns, provide feedback, and participate in public consultations on consumer-related matters. This active participation has influenced policy decisions and helped in the formulation of consumer-friendly regulations.

Collaboration with Government and NGOs:

Consumer organizations in Tamil Nadu have collaborated with the government and non-governmental organizations (NGOs) to strengthen consumer protection measures. They work closely with regulatory bodies, such as the Tamil Nadu Civil Supplies Corporation, Food Safety and Standards Authority of India, and the Drug Control Administration, to ensure the availability of safe and quality products to consumers.

In conclusion, the consumer movement in Tamil Nadu has evolved significantly over the years.

Importance of Consumer Movements

Consumer movements play a crucial role in shaping markets, influencing businesses, and driving societal change. They are collective actions taken by consumers to advocate for their rights, voice their concerns, and demand changes in the products, services, and practices of businesses and industries. Here are some key reasons why consumer movements are important:

Empowering Consumers: Consumer movements empower individuals by providing them with a platform to express their opinions and concerns. They give consumers a collective voice, enabling them to influence policies and practices that directly affect their lives. By organizing themselves, consumers can challenge unfair business practices, demand transparency, and push for greater accountability from companies.

Promoting Consumer Rights: Consumer movements help raise awareness about consumer rights and ensure their protection. They

advocate for fair pricing, product safety, truthful advertising, and ethical business practices. Through consumer movements, consumers can learn about their rights, make informed choices, and seek redress when their rights are violated.

Driving Market Changes: Consumer movements have the power to shape markets. When a significant number of consumers express their preferences for sustainable, ethical, or socially responsible products and services, businesses are compelled to respond. Consumer demand can drive innovation, leading to the development of new products and services that align with consumer values. This can create market opportunities for businesses that embrace sustainable practices and drive positive change.

Influencing Business Practices: Consumer movements have the ability to influence business practices by putting pressure on companies to adopt responsible and ethical behaviour. Through boycotts, campaigns, and public pressure, consumers can demand improvements in areas such as environmental sustainability, labour rights, and supply

chain transparency. Companies often respond to consumer demands to protect their reputation and maintain market share, leading to positive changes in their operations.

Fostering Social and Environmental Change: Consumer movements often extend beyond individual consumer interests to broader social and environmental issues. They can address concerns such as climate change, human rights violations, animal welfare, and fair trade. By advocating for change in these areas, consumer movements contribute to a more just and sustainable society.

Holding Businesses Accountable: Consumer movements serve as a check on businesses and hold them accountable for their actions. They can expose corporate misconduct, unethical practices, and misleading marketing claims. Through activism, consumer movements can raise public awareness, prompt regulatory actions, and encourage companies to adopt responsible practices.

Strengthening Democracy: Consumer movements are an essential component of a vibrant democracy. They promote citizen participation, civic engagement, and collective action. By mobilizing consumers, these movements contribute to a more democratic society where the voices and concerns of individuals are heard and addressed.

In conclusion, consumer movements are of significant importance as they empower consumers, promote consumer rights, drive market changes, influence business practices, foster social and environmental change, hold businesses accountable, and strengthen democracy. They play a pivotal role in shaping a fair, responsible, and sustainable marketplace that reflects the values and aspirations of consumers.

UNIT II

Exploitation of consumer-Pricing, adulteration, information and labeling, duplication , artificial demand , Spurious goods , late deliveries , advertising , poor after sales service , warranty and services , fitness , not honouring terms and conditions , for sale and services , financial frauds , credit card frauds and product risks.

Exploitation of Consumer

The act of exploiting customers is known as consumer exploitation. It arises due to a lack of product information, such as warranties on purchasing terms. Illiterate consumers are particularly vulnerable to exploitation; as a result, they are more likely to be duped into paying more or buying counterfeit goods.

When a few companies produce a product, competition is limited, allowing producers to set the cost and product availability, exploiting the buyer. A limited supply of a product results in hoarding and, as a result, a price increase.

Consumers need to spend a particular amount of value for money, including the proper quality, quantity, prices, and product information. On

the other hand, many market behemoths take advantage of consumers through various forms of deception. To persuade customers to buy a product, manufacturers make deceptive claims about its capabilities.

The promise that certain frying oil is cholesterol-free or that a certain product will cure baldness in days are two common instances. Some manufacturers develop low-quality products and fail to fulfil the warranties that come with them if something goes wrong.

The exploitation of consumers refers to unfair or unethical practices employed by businesses or individuals to take advantage of consumers for their own financial gain. These practices can manifest in various ways and can occur in both physical and digital marketplaces.

Here are some detailed examples of consumer exploitation:

False Advertising:

Companies may engage in misleading or false advertising to deceive consumers into purchasing their products or services. This could involve exaggerating product features, making false claims about health benefits, or using deceptive imagery. Such practices manipulate

consumer perceptions and lead to purchasing decisions based on inaccurate information.

Price Manipulation:

Businesses may exploit consumers by manipulating prices. This can include price gouging during times of crisis or monopolistic practices that eliminate competition and allow companies to set inflated prices. Additionally, hidden fees, surcharges, or undisclosed costs can be added to the advertised price, misleading consumers into paying more than they originally anticipated.

Predatory Lending:

In the financial sector, predatory lending occurs when lenders take advantage of vulnerable consumers by offering loans with exorbitant interest rates, unfair repayment terms, or hidden fees. These practices can trap borrowers in cycles of debt and financial instability, disproportionately affecting low-income individuals or those with limited financial knowledge.

Unfair Contract Terms:

Companies may exploit consumers through unfair contract terms buried in lengthy agreements or contracts. These terms may include binding arbitration clauses, which restrict consumers' ability to take legal action, or unilateral changes to contract terms without consumer consent. Such practices limit consumers' rights and empower businesses to engage in exploitative behaviours.

Data Privacy Violations:

In the digital age, consumer exploitation frequently occurs through the unauthorized collection, use, and sale of personal data. Companies may employ deceptive tactics to obtain consent for data collection, leading to privacy breaches and exposure of sensitive information. This data exploitation can result in targeted advertising, identity theft, or manipulation of consumer behaviour.

Product Safety Negligence:

Manufacturers or sellers who prioritize profit over consumer safety may produce or distribute products that are defective, dangerous, or do not meet quality standards. This includes selling counterfeit goods that mimic popular brands but pose health risks or fail to deliver the promised benefits. Exploitation in this context puts consumers at physical risk.

Manipulative Marketing Techniques:

Businesses often use manipulative marketing techniques to exploit consumer psychology. This can involve creating artificial scarcity, employing high-pressure sales tactics, or utilizing persuasive messaging that exploits emotional vulnerabilities. These strategies are designed to induce impulse purchases and maximize profits at the expense of informed consumer decision-making.

Exploitation of Vulnerable Groups: Certain segments of the population, such as the elderly, children, or individuals with limited

cognitive abilities, are particularly susceptible to consumer exploitation.

Scammers may target these vulnerable groups through fraudulent schemes, misleading advertisements, or by selling unnecessary products or services at inflated prices.

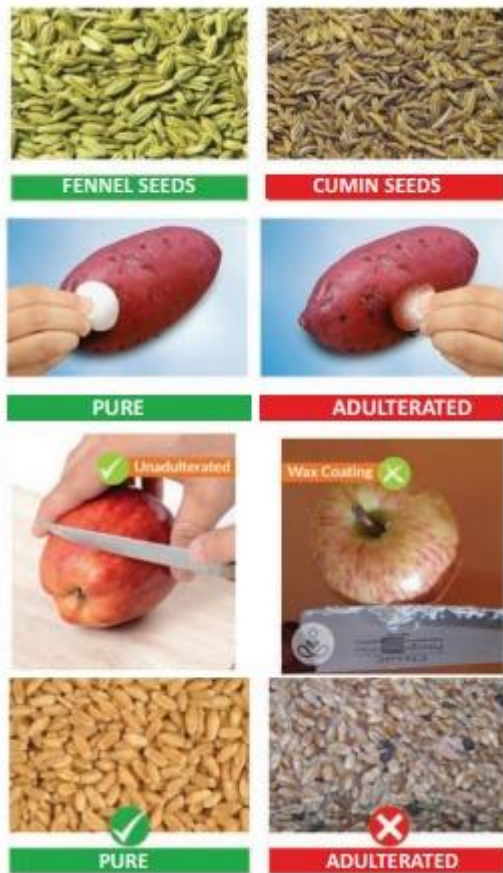
It is important to note that consumer exploitation is not limited to these examples and can take various forms depending on the industry and market dynamics. Governments and regulatory bodies play a crucial role in enforcing consumer protection laws, promoting transparency, and holding businesses accountable for exploitative practices. Additionally, consumer awareness, education, and advocacy are essential in empowering individuals to make informed decisions and protect themselves against exploitation.

1. Selling at Higher Price

The price charged by the seller for a product service may not be commensurate with the quality but at times it is more than the fair price. Even though sellers have surplus or adequate goods they create artificial scarcity in the market with an intent to push up the prices. As a result, consumers are forced to buy the short supply of goods at higher prices in the black market.

2. Adulteration

It refers to mixing or substituting undesirable material in food. This causes heavy loss to the consumers. This will lead to monetary loss and spoil the health. But adulterators make illegitimate profit while prudent businessmen aim at normal profit whenever unscrupulous traders seek to reap higher profit out of greed; they seek to adulterate the products. Adulteration is quite common in food articles. It is a crime which cannot be pardoned as it spoils the very health of consumers.



Example:

1. Chemicals, detergent chalk, urea caustic soda, etc. are added to make the milk dense and white.
2. Mixing of stones with grains
3. Mixing of coconut oil with palmolein
4. Honey is adulterated with water and table sugar to enhance the quantity
5. Powdered rice/wheat is adulterated with starch

6. Coffee powder is adulterated with tamarind seed
7. Spices like turmeric powder is adulterated with methanol
8. Papayas seed is added to black pepper
9. Chilli powder is adulterated with brick powder



3. Duplicate or Spurious goods

Duplicate products of popular products are illegally produced and sold. Duplicates are available in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, jewellery, clothes and even for currency notes. Duplicate medicines are sold in large measure, from

Cape to Kashmir. A consumer is not in a position to distinguish duplicate from the original.

4. Artificial Scarcity

There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store. In such situations consumers who are desperate to buy such goods have to pay hefty price to buy those goods and thus earning more profit unconscientiously. Even in Cinema houses, board may hang in the main entrance 'House Full' while cinema tickets will be freely available at a higher price in the black market.

5. Sub-standard

On opening a packet or sealed container one may find the content to be of poor quality. If defective or damaged items are found in a pack, a consumer finds it difficult to exchange the defective one for good one and consumers have to blame for lack of attention one cannot return it and the consumers have tendency to blame their carelessness or fate for having bought such sub-standard product. Whenever goods are

bought, seller try to avoid raising bill or consumers do not demand bill as a matter of right. This prevents the consumers from escalating the complaint against the seller where the product happens to be sub-standard. Some seller give bills which contain a stipulation that goods sold cannot be taken back. Thus gullible consumers are easily and legally cheated.

6. Product Risk

Whenever the usage of goods is likely to cause danger or hurts to customers, manufactures have to forewarn the consumers of various sources of dangers involved in the products and the precautionary measures to be taken by the consumers. In absence of such information or warnings consumers are more likely to encounter risks while using the risky products.

7. Warranty and Services

In case of consumer durable goods like televisions, washing machines, refrigerators, cars, two wheelers and air conditioners etc. free service is guaranteed only for few years called warranty period. But in

reality free service are denied on flimsy grounds even during the warranty period. Customer care service is likely to be rendered the shorter warranty period only for select few items which the manufacturers know pretty well that they do not get damaged during such period .Warranty service may not be extended to many parts/components of the product sold. Thus consumers may be charged exorbitant charges in the name of repair costs.

8. Unsuitability of Products

The product quality, durability and suitability may come under the category of product fitness. What is claimed by the product advertiser must correspond to the products sold. But in actual practice, it is not so. Items unsuitable for human consumption are sold in the market. Some items marked as “unbreakable” break while using them. Battery having a label ‘leak proof’ is more likely to leak. In all these eventualities users/consumers have to bear the consequences while producers/manufacturers escape utilising the loopholes in the legal system.

9. False Advertisements

The main purpose of advertisement is to educate the consuming public and customers of various aspects of the products/service. In reality, advertisements convey very little information about the product. Many times it makes false representation about the quality, price, grade, composition, utility guaranteed, performance etc. Consumers who buy the products on the faith of claims made in advertisements are cheated.

10. Duplicate Goods

Many sellers sell the goods in the name of branded goods. They change the quality and material and puts the name and logo of different brands. This is misrepresentation and unethical to practice in business.

11. Under Measurement

The quantity printed in the packet is not always accurate. Also, the material which is measured while purchasing is not correct. Sometimes, sellers sell under measured goods and ask for the original quantity price.

12. Black Marketing

When there is a high demand for a certain product, sellers start stocking the product and they will pretend that there is a scarcity of the product due to which the price will be increased and people will buy it because they need it. This happens especially for essential commodities.

For instance, the increase in the price of tomatoes in the market but in reality, they were stored in the warehouse. This is an essential commodity and people have to buy it. Earlier, tomatoes were sold at Rs. 20/- per kg but later on the price was increased to Rs. 80/-. This is hoarding and black marketing.

13.Lack of after Sale Service

A seller has the duty and responsibility towards customer providing after-sale service. Manufacturing and selling are not the only activity to be performed, if any customer faces any kind of problem after using the product, then the problems must be heard and shall be solved.

14.Lack of Information

The ingredients used, manufacturing date, harm, and consequence of the product, etc. are the information that should be disclosed to the customers otherwise they might face problems that will leave a negative impact on the market.

Thus consumerism has emerged and evolved out of outcome of sufferings and exploitation of consumers, whose sole aim is to secure protection from commercial terrorism and exploitative practices and thereby safeguarding their interest by establishing the rights and powers against producers and sellers.

Consumer Exploitation:

Consumer exploitation refers to situations where businesses or individuals take advantage of consumers through unethical or unfair practices. It can involve misleading advertising, deceptive pricing, poor product quality, hidden fees, or other tactics that harm or deceive consumers. Examples of consumer exploitation include pyramid schemes, predatory lending, false advertising, and price gouging. Governments and consumer protection agencies often have laws and regulations in place to prevent or address consumer exploitation.

Consumer exploitation refers to practices or actions by businesses or individuals that take advantage of consumers for personal gain, often resulting in unfair or unethical treatment. While there are various forms of consumer exploitation, duplication is not typically associated with this concept. Duplication generally refers to the act of replicating or copying something, such as products or content, without authorization or proper attribution. While unauthorized duplication can be a violation of intellectual property rights, it does not necessarily constitute consumer exploitation unless it leads to harm or deception.

Consumer exploitation can take different forms, including:

Price gouging: Businesses inflate prices significantly during times of high demand or during emergencies, taking advantage of consumers' urgent needs.

False advertising: Companies make false or misleading claims about their products or services, deceiving consumers into making purchases based on inaccurate information.

Hidden fees: Businesses intentionally conceal additional charges or fees, making it difficult for consumers to fully understand the true cost of a product or service.

Unfair contract terms: Companies include unfair or one-sided terms in contracts, giving them an unfair advantage over consumers and limiting their rights or options.

Low-quality or unsafe products: Manufacturers produce and sell products that are of poor quality or pose health and safety risks to consumers.

Exploitative lending practices: Predatory lenders impose exorbitant interest rates, fees, or unfair repayment terms on vulnerable consumers, trapping them in cycles of debt.

Misuse of personal data: Companies collect and exploit consumers' personal information without their consent, leading to privacy breaches or targeted advertising without transparency.

It's important for consumers to be aware of their rights, exercise caution, and report any instances of exploitation or fraudulent behavior to the appropriate authorities or consumer protection agencies.

Pricing - Exploitation of consumers

The issue of pricing and the exploitation of consumers is a complex and multifaceted topic. Exploitation of consumers refers to situations where businesses take advantage of consumers by charging excessive prices, engaging in unfair business practices, or misleading consumers about the value or quality of their products or services. Here are some key points to consider when discussing pricing and the exploitation of consumers:

Monopolistic practices: In some cases, a lack of competition in a market can lead to exploitative pricing. When a single company or a small group of companies dominate a market, they have the power to set prices without fear of losing customers. This can result in artificially inflated prices, leaving consumers with limited options and little choice but to pay higher prices.

Information asymmetry: Exploitation can occur when businesses possess more information than consumers, allowing them to manipulate prices. For example, if a seller misrepresents the quality or benefits of a product, consumers may end up paying more than the product is worth. In some cases, consumers may not have access to accurate price information, preventing them from making informed purchasing decisions.

Predatory pricing: Predatory pricing is a strategy where a company intentionally sets prices below cost to drive competitors out of the market. Once competitors are eliminated, the company can raise prices

to exploit the lack of competition. This harms consumers in the long run as they end up with limited choices and potentially higher prices.

Price discrimination: Price discrimination occurs when businesses charge different prices to different customers for the same product or service. While price discrimination itself is not necessarily exploitative, it can be if certain groups of consumers are systematically charged higher prices based on factors like race, gender, or socioeconomic status.

Hidden fees and surcharges: Some businesses engage in deceptive practices by advertising low prices upfront but adding hidden fees or surcharges at checkout. This can mislead consumers and result in them paying more than they initially anticipated.

Exploitation in essential goods and services: Exploitation is particularly concerning when it affects essential goods and services that consumers rely on for their well-being, such as healthcare, housing, or utilities. In these cases, consumers may have limited options and be forced to pay exorbitant prices for basic necessities.

To address the issue of pricing and the exploitation of consumers, governments often implement regulations and consumer protection laws. These regulations aim to promote fair competition, prevent monopolistic practices, ensure transparency in pricing, and protect consumers from deceptive business practices. Additionally, consumer advocacy groups play a vital role in raising awareness, advocating for consumer rights, and pressuring businesses to act ethically.

It's important to note that while exploitation of consumers does occur, not all businesses engage in such practices. Many businesses prioritize fair pricing, customer satisfaction, and ethical conduct. Consumers can also protect themselves by being informed, comparing prices, reading reviews, and reporting any suspected exploitative practices to relevant authorities.

Adulteration - Exploitation of consumers

Adulteration refers to the practice of adding impure or inferior substances to products, often with the intention of deceiving consumers and maximizing profits. It is a form of exploitation that can have serious consequences for consumers, both in terms of health and economic impact. Here are some key points to consider regarding adulteration and its exploitation of consumers:

Health risks: Adulterated products can pose significant health risks to consumers. Substances added during adulteration may include toxic chemicals, contaminants, or low-quality ingredients that can cause allergic reactions, illness, or long-term health issues.

Economic impact: Consumers who unknowingly purchase adulterated products may suffer financial losses. They end up paying for an inferior or misrepresented product at the same price as a genuine one. This economic exploitation can affect individuals and families, particularly those with limited financial resources.

Product misrepresentation: Adulteration involves misrepresenting the quality, purity, or composition of a product. For example, food products might be diluted with cheaper substances or artificial coloring added to make them appear fresher or more appealing. This deceptive practice undermines consumer trust and confidence in the market.

Unfair competition: Adulteration can be driven by a desire to undercut competitors by offering lower-priced products that are, in reality, of lower quality. This unethical business practice allows unscrupulous manufacturers or sellers to gain an unfair advantage in the market, often at the expense of reputable businesses that prioritize consumer safety and product integrity.

Regulatory challenges: Adulteration can be difficult to detect and prevent, requiring robust regulatory measures and inspections. However, inadequate enforcement, corruption, or weak regulations can create loopholes that allow adulteration to persist. This lack of oversight further exacerbates the exploitation of consumers.

Trust and consumer confidence: Adulteration erodes consumer trust in the integrity of products and the market as a whole. When consumers are repeatedly deceived or exposed to harmful substances, they may become skeptical about the safety and authenticity of various products, leading to a loss of confidence and reluctance to purchase.

Addressing adulteration requires a multi-faceted approach involving consumer awareness, strict enforcement of regulations, regular testing of products, and severe penalties for offenders. Additionally, empowering consumers with knowledge and promoting transparency in supply chains can help combat the exploitation caused by adulteration.

Information and Labelling - exploitation of consumers

The exploitation of consumers refers to practices by businesses or individuals that take advantage of consumers for their own gain, often at the expense of the consumers' well-being or financial interests. One aspect of this exploitation can be related to information and labeling,

where deceptive or misleading information is provided to consumers to manipulate their purchasing decisions.

Here's some information on this topic:

False or misleading advertising: Companies may engage in false or exaggerated claims about their products or services to attract consumers. This can involve misrepresenting the product's features, benefits, or quality, which can lead consumers to make purchasing decisions based on inaccurate information.

Hidden fees and charges: Some businesses may intentionally hide additional costs associated with a product or service. They may advertise a low price to attract consumers but then add hidden fees during the checkout process. This lack of transparency prevents consumers from making fully informed decisions and can result in unexpected expenses.

Incomplete or unclear product labeling: Product labels are essential sources of information for consumers, but they can be intentionally vague or misleading. Businesses might omit important details about ingredients, potential health risks, or environmental impacts to make their products appear more appealing or safer than they actually are.

Fine print and complex terms and conditions: Companies sometimes bury important information or unfavourable terms in the fine print or complex legal jargon of their contracts or terms and conditions. Consumers may unintentionally agree to unfavourable terms or conditions without fully understanding the implications, leading to exploitation or unfair treatment.

Unregulated or unsafe products: In some cases, products may be sold to consumers without proper testing, certification, or compliance with safety standards. This puts consumers at risk of harm or financial loss due to faulty or dangerous products, especially when there is insufficient information available to make an informed decision.

To address these issues and protect consumers, many countries have established consumer protection laws and regulations. These laws aim to promote fair competition, require truthful advertising, mandate clear and accurate labelling, and impose penalties for fraudulent or deceptive practices. Consumer advocacy organizations also play a crucial role in raising awareness, conducting investigations, and pressuring companies to adopt ethical business practices.

Exploitation of Consumers -Duplication:

Duplication, in a general sense, refers to the act of creating copies or replicas of something. In the context of consumer goods, duplication can refer to counterfeit products. Counterfeit goods are imitations of branded products that are made and sold without the authorization or approval of the original brand owner. Counterfeit items are often of lower quality and can deceive consumers who are expecting genuine products. Counterfeit goods are illegal in many jurisdictions and can lead to financial losses for both consumers and legitimate brand owners.

Exploitation of consumer - artificial demand

The exploitation of consumer artificial demand refers to the manipulation or creation of demand for products or services that may not be genuinely necessary or beneficial to consumers. It involves various tactics used by businesses or marketers to stimulate consumer desires and generate sales, often without providing substantial value.

Here are some common strategies used to exploit consumer artificial demand:

Advertising and Marketing:

Companies invest heavily in advertising and marketing campaigns to create a perceived need or desire for their products. Through persuasive messaging, emotional appeals, and manipulation of consumer insecurities or aspirations, they aim to convince people that they require a particular item, even if it may not be essential.

Planned Obsolescence:

Some manufacturers intentionally design products with a limited lifespan or outdated features to encourage frequent upgrades or replacements. By making products less durable or incompatible with new technologies, they create artificial demand by forcing consumers to keep buying newer versions.

Psychological Manipulation:

Businesses employ various psychological techniques to influence consumer behaviour. This includes exploiting cognitive biases, such as scarcity (creating a sense of urgency by limiting supply) or social proof (suggesting that everyone else is buying a particular product), to induce consumers to make impulse purchases.

Influencer Marketing:

With the rise of social media, influencer marketing has become a popular method to exploit artificial demand. Companies collaborate with influencers who promote products or services to their followers, often

blurring the lines between genuine recommendations and paid endorsements. This can create a false sense of popularity and desirability, leading consumers to purchase items they may not actually need.

Manipulative Pricing:

Businesses may use pricing strategies like discounts, flash sales, or limited-time offers to create a sense of urgency and encourage immediate purchases. By artificially inflating original prices or applying deceptive pricing techniques, they make consumers believe they are getting a better deal than they actually are, driving artificial demand.

It is important for consumers to be aware of these tactics and critically evaluate their purchasing decisions. Developing a mindful approach to consumption, considering genuine needs and product value, and researching independently can help individuals avoid falling victim to exploitation of consumer artificial demand.

Exploitation of consumers - sale of spurious goods

The exploitation of consumers through the sale of spurious goods refers to the unethical practice of selling counterfeit or fake products that mimic genuine brands or items. This type of exploitation can have various negative consequences for consumers, businesses, and the economy as a whole. Here's an overview of the issue:

Definition of spurious goods: Spurious goods are products that are deliberately made to imitate legitimate brands or items. They are often of inferior quality and lack the same standards, safety measures, and durability as the genuine products they imitate. Spurious goods can include counterfeit designer clothing, electronics, pharmaceuticals, cosmetics, automobile parts, and more.

Consumer harm: Consumers who unknowingly purchase spurious goods may experience a range of negative consequences. These can include health risks from counterfeit medications or cosmetics, financial losses from purchasing items that do not function as intended or quickly

break down, and potential safety hazards from using substandard automobile parts or electronic devices.

Damage to legitimate businesses: Spurious goods not only harm consumers but also legitimate businesses. Counterfeit products undercut the market for genuine goods, leading to revenue losses for legitimate manufacturers and retailers. This can result in decreased investments in research and development, job losses, and a decline in innovation within industries.

Economic impact: The sale of spurious goods also has wider economic implications. It contributes to an underground economy that operates outside the tax system, depriving governments of revenue. It can also lead to reduced foreign investment as companies may be hesitant to enter markets where counterfeiting is prevalent.

Organized crime and illicit trade: The production and distribution of spurious goods are often linked to organized crime networks and illicit trade. Counterfeit goods are manufactured in unregulated facilities,

sometimes using child labour or exploitative working conditions. Profits from the sale of counterfeit goods can be used to fund other illegal activities such as drug trafficking and human trafficking.

Addressing the exploitation of consumers through spurious goods requires a multi-faceted approach. This includes stronger enforcement of intellectual property rights, collaboration between governments, law enforcement agencies, and businesses to identify and prosecute counterfeiters, public awareness campaigns to educate consumers about the risks of counterfeit products, and stricter regulations and penalties for those involved in the production and sale of spurious goods.

Consumers can also protect themselves by purchasing from reputable sources, being cautious of unusually low prices, checking for authentic labels, trademarks, or holograms, and reporting suspected counterfeit products to the relevant authorities.

Exploitation of consumers through late deliveries

The exploitation of consumers through late deliveries can occur in various industries, particularly in e-commerce and retail sectors. When businesses consistently fail to deliver products or services on time, it can negatively impact consumers in several ways:

Inconvenience: Late deliveries can disrupt consumers' plans and cause inconvenience, especially when they are relying on the timely arrival of goods or services. This can be particularly frustrating for time-sensitive items like gifts, perishable goods, or urgent supplies.

Missed opportunities: Delays in deliveries can result in missed opportunities, such as missing out on time-limited deals, promotional offers, or sales events. Consumers may also experience difficulties in rescheduling appointments or events dependent on the timely arrival of the products.

Financial losses: Late deliveries can lead to financial losses for consumers. For example, if a product or service was purchased to meet a specific deadline or to complete a project, delays can result in additional expenses or missed revenue opportunities.

Loss of trust: Repeated instances of late deliveries can erode consumer trust in a business. When consumers experience consistent delays, they may question the reliability and competence of the company, which can impact their willingness to make future purchases.

Emotional distress: Late deliveries can cause emotional distress, particularly when they are important or highly anticipated items. Consumers may experience frustration, disappointment, or anxiety due to the uncertainty surrounding the arrival of their purchases.

To address these issues, it is crucial for businesses to prioritize timely deliveries and establish efficient logistics and supply chain management systems. Open communication with customers regarding delivery timelines, potential delays, and proactive efforts to resolve any

issues that arise can help mitigate the negative impact on consumers. Additionally, providing compensation or alternative solutions to customers affected by late deliveries can help restore trust and customer satisfaction.

Exploitation of consumers in advertising

The exploitation of consumers in advertising refers to unethical or manipulative practices employed by companies or advertisers to deceive or take advantage of consumers for their own gain. This can occur in various ways, including:

False or misleading advertising: Advertisers may make false claims about their products or services to entice consumers into making a purchase. This can involve exaggerating product benefits, using deceptive imagery, or providing inaccurate information about pricing, discounts, or promotions.

Manipulative messaging: Advertisers may use psychological techniques to manipulate consumers' emotions, desires, or fears in order to influence their purchasing decisions. This can involve creating a sense of urgency, exploiting insecurities, or appealing to consumers' aspirations and desires.

Targeting vulnerable populations: Some advertisers specifically target vulnerable populations, such as children or the elderly, who may be more susceptible to manipulation or less able to make informed decisions. This can involve using persuasive tactics or exploiting cognitive or emotional vulnerabilities.

Invasion of privacy: Advertisers may collect and misuse consumers' personal information, such as browsing history or location data, without their consent. This information can be used to target individuals with personalized and potentially intrusive advertisements.

Unfair pricing practices: Companies may engage in price gouging, deceptive pricing, or hidden fees to exploit consumers. This can involve

charging excessively high prices for products during times of high demand, displaying misleading pricing information, or adding undisclosed charges at the point of purchase.

Product placement and endorsements: Advertisers may use product placement in movies, TV shows, or other media to subtly promote their products without clearly disclosing the commercial intent. Similarly, endorsements by influencers or celebrities may be deceptive if they fail to disclose their financial relationships with the products or companies they are endorsing.

It is important for consumers to be aware of these exploitative practices and to exercise critical thinking when engaging with advertisements. Regulatory bodies and consumer protection agencies also play a role in monitoring and addressing exploitative advertising practices to ensure fair and transparent interactions between businesses and consumers.

Exploitation of consumers through poor after-sales service

The exploitation of consumers through poor after-sales service is an unethical business practice that can harm customers and damage a company's reputation. After-sales service refers to the support and assistance provided to customers after they have purchased a product or service. It includes activities such as product repairs, warranty claims, technical support, and customer assistance.

When a company engages in exploitation through poor after-sales service, it typically involves the following aspects:

Lack of responsiveness: The company may fail to promptly address customer queries, complaints, or requests for assistance. Customers may be left waiting for extended periods without any resolution or response, leading to frustration and dissatisfaction.

Inadequate warranty support: Companies may offer warranties on their products but fail to honour them fully. This could involve denying

legitimate warranty claims, imposing unreasonable conditions for warranty coverage, or making the warranty process unnecessarily complicated.

Subpar product repairs: If a product requires repair or servicing, the company may provide low-quality or inadequate repair services. This can result in the customer experiencing recurring issues with the product or receiving poorly executed repairs that do not fully address the problem.

Lack of customer support: Insufficient or ineffective customer support channels can leave customers feeling stranded and unsupported. Companies may provide limited access to support representatives, use automated responses that do not address specific concerns, or fail to provide adequate solutions to customer issues.

The exploitation of consumers through poor after-sales service is detrimental to customers in several ways. It can lead to financial losses if customers have to bear the cost of repairs or replacements that should

be covered by warranties. It can also cause inconvenience, wasted time, and frustration when customers are unable to use a faulty product or when the company fails to resolve their issues.

Moreover, such practices harm the company's reputation and customer trust. Negative experiences spread through word-of-mouth, online reviews, and social media, potentially deterring potential customers from purchasing the company's products or services. This, in turn, can have a long-term impact on the company's bottom line.

To combat the exploitation of consumers, it is important for companies to prioritize and invest in robust after-sales service. This includes establishing efficient customer support channels, training staff to handle customer concerns effectively, honoring warranties and providing prompt and reliable repair services. By prioritizing customer satisfaction and addressing after-sales service issues promptly and fairly, companies can build trust, loyalty, and a positive brand image.

Exploitation of consumer warranties and services

The exploitation of consumer warranties and services refers to unethical practices or deceptive tactics employed by businesses to take advantage of customers who have purchased products or services with warranties or service agreements. Here are some examples of how such exploitation can occur:

False promises: Businesses may make false claims about the coverage and benefits of warranties or services to entice customers into making a purchase. They may exaggerate the level of protection offered or misrepresent the terms and conditions.

Limited coverage: Some businesses may intentionally design warranties or service agreements with numerous loopholes or restrictions, making it difficult for customers to claim benefits or receive repairs or replacements.

Hidden fees: Companies may advertise warranties or services as free or included with a product but impose hidden fees or charges when customers attempt to make use of them. These fees may not be adequately disclosed upfront, leading to unexpected expenses for consumers.

Denial of claims: Unscrupulous businesses may employ various tactics to deny or delay legitimate warranty claims or service requests. They may argue that the issue is not covered under the warranty, demand excessive documentation or proof, or impose unreasonable conditions for claim approval.

Poor service quality: Some companies may provide subpar repair or service experiences to customers with warranties or service agreements. They may use inferior parts, fail to adequately address the issue, or prolong the repair process, causing inconvenience and frustration for consumers.

Voiding warranties: Companies may employ strategies to invalidate warranties, such as claiming that the customer's actions or usage of the product violated the terms and conditions. This can be done even when the customer's actions have no bearing on the actual issue.

Nonexistent service providers: In some cases, businesses offering extended warranties or service contracts may collaborate with fictitious or unreliable service providers. When customers attempt to utilize the services, they find that there is no actual provider available or that the provider is unable to fulfill the promised repairs or services.

These are just a few examples of how consumer warranties and services can be exploited. It's essential for consumers to carefully read and understand the terms and conditions of any warranty or service agreement before making a purchase, and to be cautious of businesses that engage in deceptive practices.

Exploitation of consumer- fitness of Products & Services

The exploitation of consumer fitness in products and services refers to situations where companies take advantage of consumers' desire to improve their physical fitness and well-being for their own profit, often at the expense of the consumer's health or financial well-being. This can occur in various ways, including:

False or misleading advertising: Companies may make exaggerated claims about the effectiveness of their products or services in helping consumers achieve fitness goals. They may use deceptive marketing tactics to create a false sense of urgency or make unrealistic promises, leading consumers to purchase products or services that do not deliver the desired results.

Hidden fees and contracts: Fitness-related services, such as gym memberships or fitness classes, may have hidden fees or long-term contracts that are not clearly disclosed to consumers. This can make it difficult for consumers to cancel or opt out of the service, resulting in unexpected costs and financial burdens.

Ineffective or unsafe products: Some companies may sell fitness products that are ineffective or even unsafe for consumers to use. These products may not undergo proper testing or meet safety standards, putting consumers' health at risk. Additionally, the lack of regulation in the fitness industry can make it easier for unscrupulous companies to sell subpar products without consequences.

Expensive and unnecessary supplements: The supplement industry is known for exploiting consumers' desire to improve their fitness by selling expensive and often unnecessary products. Some supplements may make false claims about their benefits or contain ineffective or potentially harmful ingredients. Consumers may end up spending significant amounts of money on supplements that do not provide the desired results.

Manipulative pricing strategies: Companies may use pricing strategies to take advantage of consumers' fitness goals. For example, they may offer introductory discounts or free trials that automatically

convert into expensive subscriptions without clear notification. This can lead to consumers unknowingly paying high prices for products or services they no longer wish to use.

To protect themselves from such exploitation, consumers should research products and services, read reviews, and be skeptical of exaggerated claims. It is essential to carefully read contracts and terms of service before committing to any fitness-related service or purchasing products. Consulting with professionals, such as fitness trainers or nutritionists, can also help consumers make informed decisions. Additionally, regulatory bodies and consumer protection agencies play a crucial role in monitoring and addressing exploitative practices in the marketplace.

Exploitation of consumer- not honouring terms and conditions

The exploitation of consumers, particularly through the disregard or violation of terms and conditions, is an unethical business practice. Companies are expected to adhere to the terms and conditions they establish with their customers, as these agreements define the rights

and obligations of both parties involved. When a company fails to honor the terms and conditions, it can lead to various negative consequences for consumers, including financial losses, privacy breaches, and a loss of trust in the company.

There are several ways in which the exploitation of consumers by not honoring terms and conditions can occur:

Hidden or unfair clauses: Companies may include complex or deliberately ambiguous terms and conditions that are difficult for consumers to understand fully. These hidden clauses can be used to exploit consumers by imposing unfair obligations or restrictions or by denying them their rights.

Privacy violations: Companies may collect personal data from consumers without their informed consent or may misuse the data they have collected. This can include sharing or selling personal information to third parties without explicit permission, leading to privacy breaches and potential harm to consumers.

False advertising or misrepresentation: Companies may make false claims or misrepresentations about their products or services in their terms and conditions. This can mislead consumers into purchasing products or services that do not meet their expectations or promised standards.

Unreasonable cancellation or refund policies: Companies may have excessively strict or unfair cancellation or refund policies that make it difficult for consumers to exercise their rights. This can result in financial losses or dissatisfaction when consumers are unable to obtain refunds or cancel their agreements.

Changes without notice: Companies may modify their terms and conditions without providing adequate notice to consumers. This can prevent consumers from being aware of changes that could affect their rights or obligations, leaving them at a disadvantage.

It is essential for companies to act responsibly and ethically by honouring the terms and conditions they establish with their customers.

This promotes trust, transparency, and fairness in business transactions, which are crucial for maintaining a healthy and sustainable consumer-business relationship. In cases where consumers believe their rights have been violated, they can seek legal recourse or report the issue to relevant consumer protection authorities.

Exploitation of consumer- for sale and services

The exploitation of consumers for sale and services refers to unethical or unfair practices employed by businesses or individuals to take advantage of consumers for financial gain. These exploitative practices can occur in various forms and industries, and they often involve deceptive, manipulative, or coercive tactics that undermine consumer rights and well-being.

Here are a few examples of consumer exploitation:

False Advertising: Companies may engage in misleading advertising by making false claims about their products or services, exaggerating their benefits, or omitting important information. This can

lead consumers to make purchasing decisions based on inaccurate or incomplete information.

Price Gouging: During times of crisis or high demand, some sellers may significantly raise prices on essential goods or services. This exploitative practice takes advantage of consumers' urgent needs and can lead to inflated prices that are unfair and unaffordable.

Unfair Contract Terms: Businesses may include unfair or one-sided terms in their contracts, such as hidden fees, excessive penalties, or terms that limit consumers' rights or remedies. This imbalance of power between businesses and consumers can leave individuals vulnerable to exploitation.

Fraudulent Schemes: Scammers and fraudsters employ various tactics to deceive consumers and extract money or personal information from them. This can include phishing scams, pyramid schemes, fake charities, or identity theft. These fraudulent activities exploit consumers' trust and can result in significant financial losses or harm.

Predatory Lending: In the financial industry, predatory lenders target vulnerable consumers with high-interest loans, hidden fees, or complex terms that borrowers may not fully understand. These lenders take advantage of individuals who are in desperate need of financial assistance, trapping them in cycles of debt.

Unethical Sales Practices: Some salespeople may use aggressive or manipulative tactics to pressure consumers into making purchases they don't need or can't afford. This can include high-pressure sales pitches, up selling unnecessary products or services, or misrepresenting the quality or value of a product.

Consumer exploitation is generally regarded as unethical and is often regulated by consumer protection laws in many countries. These laws aim to prevent and penalize unfair practices, protect consumer rights, and promote fair competition in the marketplace. Consumers should be aware of their rights, exercise caution when making

purchasing decisions, and report any suspected instances of exploitation to relevant authorities or consumer protection agencies.

Exploitation of consumer- financial frauds

Consumer financial frauds refer to deceptive practices that target individuals or households with the aim of unlawfully obtaining their money, personal information, or financial assets. These fraudulent activities can take various forms and occur through different channels, such as online scams, telemarketing fraud, identity theft, and more. Consumer financial frauds are a form of exploitation that preys on the vulnerabilities of individuals and their trust in financial systems.

Here are some common examples:

Phishing Scams: Fraudsters send deceptive emails or messages pretending to be from legitimate financial institutions, asking recipients to provide their personal information, such as passwords, credit card details, or Social Security numbers. This information is then used for fraudulent purposes.

Identity Theft: Criminals steal personal information, such as Social Security numbers, driver's license details, or credit card information, and use it to commit fraud, including opening unauthorized accounts, making fraudulent purchases, or applying for loans in the victim's name.

Ponzi Schemes: Fraudsters promise high investment returns and use funds from new investors to pay off earlier investors. These schemes eventually collapse, leaving many participants with significant financial losses.

Fake Charities: Scammers create fake charitable organizations or misrepresent existing ones to exploit people's generosity. They solicit donations for a cause that either doesn't exist or diverts the funds for personal gain.

Credit Card Fraud: Criminals use stolen credit card information to make unauthorized purchases or create counterfeit cards for fraudulent

transactions, causing financial losses to the cardholders and financial institutions.

Advance Fee Fraud: Scammers request upfront payment or fees for services or financial opportunities that never materialize. They often target individuals seeking loans, job opportunities, or lottery winnings.

Debt Relief Scams: Fraudsters target individuals struggling with debt and offer false promises of reducing or eliminating their debt through fraudulent debt consolidation or settlement services. Victims end up paying fees without receiving the promised relief.

Online Auction and Marketplace Fraud: Scammers deceive buyers or sellers on online platforms, misrepresenting products, or using fake payment methods to defraud unsuspecting individuals during online transactions.

Preventing consumer financial fraud requires awareness and caution. It is essential to safeguard personal information, use strong passwords, regularly monitor financial accounts, and be skeptical of unsolicited communication or deals that seem too good to be true. Additionally, reporting any suspected fraud to the appropriate authorities can help prevent others from falling victim to the same scams.

Exploitation of consumer- credit card frauds

Consumer credit card fraud refers to the illegal use of someone else's credit card information or card details without their authorization to make fraudulent purchases or transactions. It is an unfortunate form of exploitation that can lead to financial loss and inconvenience for the victims. Fraudsters employ various methods to exploit consumer credit card information, including:

Skimming: Fraudsters use devices called skimmers to capture credit card information during legitimate transactions, such as at ATMs, gas stations, or point-of-sale terminals. These devices collect the card's

magnetic stripe or chip data, which can then be used to create counterfeit cards or conduct online transactions.

Phishing: This method involves tricking consumers into providing their credit card information through fraudulent emails, text messages, or phone calls. The messages often appear to be from reputable institutions, such as banks or credit card companies, and request personal information under false pretenses.

Data breaches: Large-scale data breaches of companies or financial institutions can expose consumers' credit card information to hackers. When these breaches occur, fraudsters may gain access to a significant number of credit card details, which they can use or sell on the black market.

Card-not-present fraud: In this type of fraud, criminals use stolen credit card details to make online or phone purchases where the physical card is not required. They often rely on stolen card numbers, expiration dates, and security codes to carry out these transactions.

Identity theft: Credit card fraud can also be a result of identity theft, where a fraudster gains access to a person's personal information, including their credit card details, through various means such as hacking, social engineering, or stealing physical documents.

To combat credit card fraud, financial institutions and consumers employ several measures, including:

Enhanced security measures: Credit card companies and banks employ advanced security technologies, such as EMV chip cards, tokenization, and two-factor authentication, to protect against fraud and unauthorized transactions.

Fraud detection systems: Financial institutions employ sophisticated systems that monitor transactions for suspicious activity, such as unusual spending patterns or purchases made in different

locations. These systems help identify and flag potentially fraudulent transactions for investigation.

Consumer vigilance: Consumers are encouraged to regularly monitor their credit card statements, review their credit reports, and report any unauthorized transactions or suspicious activity to their credit card issuer or bank promptly.

Education and awareness: Public education campaigns aim to raise awareness about credit card fraud, providing guidance on how consumers can protect themselves, recognize common scams, and avoid falling victim to fraudulent activities.

Collaboration and information sharing: Financial institutions, merchants, and law enforcement agencies collaborate to share information about emerging fraud trends, suspicious activities, and known fraudsters. This cooperation helps detect and prevent credit card fraud more effectively.

It's important to stay informed about the latest fraud prevention measures and to adopt secure practices when handling credit card information to mitigate the risk of exploitation and protect personal finances.

Exploitation of consumer- product risks

The exploitation of consumer product risks refers to the unethical practices employed by certain individuals or companies to take advantage of potential dangers associated with products and harm consumers for their own gain. This can manifest in various ways, including:

Counterfeit products: Fraudulent manufacturers may produce counterfeit versions of popular consumer products, such as electronics, cosmetics, or pharmaceuticals, without adhering to safety standards. These products often pose serious risks to consumers due to substandard quality, faulty components, or harmful ingredients.

Product misrepresentation: Some companies may intentionally misrepresent the safety or effectiveness of their products through false advertising or misleading claims. This can involve downplaying risks, exaggerating benefits, or concealing important information from consumers.

Product recalls: In some cases, companies may delay or avoid issuing product recalls despite knowing that their products are defective or pose significant risks to consumers. This unethical practice puts consumers in harm's way and prioritizes financial considerations over their well-being.

Inadequate safety testing: Manufacturers or sellers may cut corners on safety testing procedures or fail to conduct thorough assessments of their products' potential risks. This can lead to the release of unsafe products into the market, endangering consumers.

Exploiting regulatory loopholes: Some companies may exploit gaps or weaknesses in regulatory frameworks to market and sell products that do not meet safety standards. They may take advantage of lax enforcement or ambiguous regulations to circumvent necessary safety checks.

Price gouging during emergencies: In times of crisis or emergencies, some unscrupulous sellers may exploit consumer product risks by significantly increasing the prices of essential goods or services. This unethical behaviour takes advantage of vulnerable consumers who rely on these products for their well-being.

The exploitation of consumer product risks is a serious concern as it undermines consumer trust, compromises safety, and can lead to significant harm. Governments, regulatory bodies, consumer advocacy groups, and ethical businesses play a crucial role in combating such practices by enforcing regulations, promoting transparency, conducting thorough inspections, and ensuring that consumers have access to accurate information to make informed choices.

Need for consumer protection

In order to maximise profits, many businessmen exploit consumers by supplying poor quality goods at higher prices. They adopt unfair trade practices such as adulteration, hoarding, black-marketing, etc.

As a result consumers do not get value for their money. Big business houses use their power for private gain and to the detriment of consumers. Consumers are exposed to physical, environmental and other hazards.

They need to be protected from spurious, duplicate and adulterated products, pollution of air, water and noise, and misleading advertising.

Consumers need protection due to the following reasons:

1. Illiteracy and ignorance:

Consumers in India are mostly illiterate and ignorant. They do not understand their rights. A system is required to protect them from unscrupulous businessmen.

2. Unorganised consumers:

In India consumers are widely dispersed and are not united. They are at the mercy of businessmen. On the other hand, producers and traders are organised and powerful.

3. Spurious goods:

There is increasing supply of duplicate products. It is very difficult for an ordinary consumer to distinguish between a genuine product and its imitation. He pays the price for the original but gets a substandard product. It is necessary to protect consumers from such exploitation.

4. Deceptive advertising:

Some businessmen give misleading information about quality, safety and utility of products. Consumers are misled by false advertisement and do not know the real quality of advertised goods. A mechanism is needed to prevent misleading advertisements.

5. Malpractices of businessmen:

Fraudulent, unethical and monopolistic trade practices on the part of businessmen lead to exploitation of consumers. Consumers often get defective, inferior and substandard goods and poor service.

Certain measures are required to protect the consumers against such malpractices. Greedy businessmen indulge in adulteration, hoarding, black-marketing and other illegal practices.

6. Freedom of enterprise:

Businessmen must ensure satisfaction of consumers. In the long run survival and growth of business is not possible without the support and goodwill of consumers. If business does not protect consumer's interests. Government intervention and regulatory measures will grow to curb unfair trade practices.

Unit III

Consumer Rights-Meaning and sources-Six rights of the consumers under Consumer Protection Act-Right to Safety-Information-Choice, be heard, Redressal and consumer education-Consumer Responsibility.

Consumer Rights

Consumer rights refer to the legal and ethical entitlements that protect consumers in their interactions with businesses and service providers. These rights ensure fair treatment, safety, and accurate information in the marketplace. The concept of consumer rights is based on the recognition that consumers often possess less knowledge, bargaining power, and resources compared to businesses, making them vulnerable to unfair practices.

Consumer rights aim to establish a balance between the interests of consumers and the responsibilities of businesses. They typically include the following:

Right to safety: Consumers have the right to purchase goods and use services that are safe for their intended use. This includes protection against hazardous or defective products, proper labeling, and clear instructions.

Right to information: Consumers have the right to accurate and complete information about products and services, including their price, ingredients, quality, performance, and potential risks. Businesses should provide clear and truthful advertising and labeling.

Right to choice: Consumers have the right to choose from a range of products and services at competitive prices. They should not be subjected to unfair or deceptive practices, such as monopolies, price fixing, or misleading advertising.

Right to be heard: Consumers have the right to express their opinions, concerns, and complaints about products and services. They

should have access to mechanisms for dispute resolution and fair treatment when seeking redress.

Right to redress: Consumers have the right to seek compensation, refunds, or repairs for faulty products or unsatisfactory services. Businesses should have effective procedures for handling complaints and providing appropriate remedies.

Right to consumer education: Consumers have the right to access information and resources that enhance their knowledge and enable them to make informed choices. This includes education about consumer rights, responsible purchasing, and sustainable consumption.

Right to privacy: Consumers have the right to control the collection, use, and disclosure of their personal information. Businesses should protect consumer privacy and comply with applicable data protection laws.

These rights may vary slightly between countries or regions, as they are often enshrined in national or regional consumer protection laws. Governments, regulatory bodies, and consumer advocacy organizations play a crucial role in promoting and enforcing consumer rights to ensure a fair and transparent marketplace.

Consumer Rights – Sources

Consumer rights are a set of legal protections and entitlements granted to individuals who purchase goods or services for personal use. These rights aim to ensure fair treatment, safety, and satisfaction in consumer transactions. Here are some important sources of consumer rights:

Consumer Protection Laws: Many countries have specific laws and regulations in place to protect consumer rights. These laws outline various provisions related to consumer protection, including product safety, fair trading practices, dispute resolution mechanisms, and more.

Examples include the Consumer Protection Act in the United States and the Consumer Rights Act in the United Kingdom.

International Declarations and Conventions: Several international organizations and bodies have developed declarations and conventions to safeguard consumer rights on a global scale. The United Nations Guidelines for Consumer Protection, adopted by the United Nations General Assembly in 1985, is one such example. It serves as a framework for countries to develop their consumer protection policies.

Government Agencies: Many countries have dedicated government agencies or departments responsible for enforcing consumer protection laws and regulations. These agencies often provide information, advice, and support to consumers, investigate complaints, and take legal actions against businesses that violate consumer rights. Examples include the Federal Trade Commission (FTC) in the United States and the Competition and Markets Authority (CMA) in the United Kingdom.

Consumer Advocacy Organizations: Non-governmental organizations and consumer advocacy groups play a vital role in promoting and protecting consumer rights. These organizations work to raise awareness about consumer issues, provide education and resources, and advocate for stronger consumer protection policies. Examples include Consumer Reports, Which?, and Consumer Federation of America.

Online Resources and Platforms: In the digital age, consumers have access to various online resources and platforms that provide information and assistance on consumer rights. Government websites, consumer forums, and online complaint portals are valuable sources where consumers can learn about their rights, file complaints, and seek resolution. Additionally, social media platforms often serve as channels for consumers to share experiences and seek redress.

Contractual Agreements and Warranties: When purchasing goods or services, consumers often enter into contractual agreements with sellers or service providers. These agreements may include specific

terms and conditions that outline consumer rights and remedies in case of any issues or disputes. Warranties provided by manufacturers or service providers also offer additional protection and guarantees for consumers.

It's important to note that consumer rights may vary from one jurisdiction to another, so it's advisable to consult the specific laws and regulations applicable in your country or region for accurate information about your rights as a consumer.

Consumer Rights-Six rights of the consumers under Consumer Protection Act

Under the Consumer Protection Act, consumers are granted several rights to protect their interests and ensure fair and safe transactions. The following are the six fundamental rights of consumers:

Right to Safety: Consumers have the right to be protected against goods and services that may pose a threat to their health, safety, or life. This includes the right to information about potential risks associated with products and services, and the right to expect products that meet appropriate safety standards.

Right to Information: Consumers have the right to accurate and complete information about the goods and services they purchase, including details about the ingredients, composition, price, quality, quantity, and the terms and conditions of the sale. This empowers consumers to make informed decisions and protects them from misleading or deceptive practices.

Right to Choose: Consumers have the right to choose from a variety of products and services at competitive prices. This means that consumers should have access to a range of options in the marketplace and should not be subjected to unfair or restrictive trade practices that limit their freedom of choice.

Right to be Heard: Consumers have the right to be heard and to have their grievances addressed. They should have access to appropriate mechanisms for seeking redress, such as consumer courts or dispute resolution systems. This ensures that consumers can voice their complaints and concerns and seek a fair resolution.

Right to Redress: Consumers have the right to seek compensation or redress for any harm caused by defective products or deficient services. This includes the right to receive a refund, replacement, or repair, depending on the nature of the issue. The right to redress aims to ensure that consumers are not left at a disadvantage if they have been sold substandard products or services.

Right to Consumer Education: Consumers have the right to acquire knowledge and skills to make informed choices and exercise their rights effectively. Consumer education programs and initiatives should be made available to educate consumers about their rights, responsibilities, and ways to protect themselves in the marketplace.

These rights collectively aim to empower consumers, protect their interests, and maintain a fair and transparent marketplace.

Consumer Rights-Six rights of the consumers under Consumer Protection Act-Right to Safety

Under the Consumer Protection Act, consumers have several rights to protect their interests and ensure fair treatment in the marketplace. One of these fundamental rights is the "Right to Safety."

Right to Safety: The right to safety ensures that consumers are protected from goods and services that may be hazardous to their health or safety. This right implies that products should meet certain safety standards and should not pose any unreasonable risks when used as intended.

Here are some key points related to the right to safety:

a. **Product Safety:** Consumers have the right to expect that the products they purchase are safe for use. Manufacturers and sellers have a responsibility to ensure that their products undergo proper testing,

adhere to safety regulations, and carry appropriate warning labels when necessary.

b. Protection against Hazardous Goods: Consumers have the right to be protected against goods or services that are hazardous or likely to be harmful. If a product is found to be unsafe, consumers have the right to seek remedies, such as refunds, replacements, or compensation.

c. Recall of Defective Products: If a product is found to be defective or poses a safety risk, the right to safety includes the consumer's right to be informed about the issue and to have access to product recalls or other corrective measures initiated by the manufacturer or regulatory authorities.

d. Safety Standards and Information: Consumers have the right to access information about the safety standards and guidelines for products they purchase. This includes being informed about potential risks associated with the product, proper usage instructions, and any precautions they should take to ensure their safety.

e. Protection in Service Provision: The right to safety extends beyond physical products to include services as well. Consumers have the right to expect that services rendered by professionals or service providers are conducted with due care and competence, minimizing any risks or harm to the consumer.

f. Legal Recourse: If a consumer suffers harm or injury due to a product's lack of safety, they have the right to seek legal recourse. This may involve filing a complaint, seeking compensation, or taking legal action against the responsible party.

Overall, the right to safety ensures that consumers are protected from potential hazards and can make informed decisions about the products and services they purchase. It places the responsibility on manufacturers, sellers, and service providers to prioritize consumer safety and take necessary measures to minimize risks.

Consumer Rights-Six rights of the consumers under Consumer Protection Act-Right to Information

Under the Consumer Protection Act, consumers are entitled to several rights to protect their interests and ensure fair treatment in the marketplace. One of the important rights granted to consumers is the "Right to Information." Let's delve into this right and explore the other five rights as well:

Right to Information: Consumers have the right to obtain complete and accurate information about the goods and services they purchase. This includes details about the quality, quantity, price, ingredients, date of manufacture, and any potential risks associated with the product or service. Consumers can make informed decisions when they have access to such information.

Right to Safety: Consumers have the right to be protected against goods and services that may be hazardous to their health or safety. Manufacturers and service providers are responsible for ensuring that

their products and services meet safety standards and do not pose any unreasonable risks to consumers.

Right to Choose: Consumers have the right to choose from a variety of goods and services at competitive prices. They should have the freedom to make a selection based on their preferences, needs, and budget. Unfair trade practices such as monopolies or forced selling are prohibited under this right.

Right to be heard: Consumers have the right to be heard and have their grievances addressed. They can file complaints and seek redressal for any unfair trade practices, defective products, deficient services, or any other issues they may face as consumers. The consumer grievance redressal mechanisms are in place to provide a platform for consumers to voice their concerns.

Right to Redressal: Consumers have the right to seek compensation, replacement, refund, or any other appropriate remedy for the losses or damages suffered due to the use of faulty goods or

deficient services. This right ensures that consumers are not left helpless in case they face any harm or inconvenience as a result of their consumption.

Right to Consumer Education: Consumers have the right to acquire knowledge and skills necessary to make informed decisions. This includes understanding their rights and responsibilities, being aware of available remedies and redressal mechanisms, and being knowledgeable about consumer-related laws and regulations. Consumer education programs aim to empower consumers to protect their interests effectively.

These rights collectively aim to empower consumers, promote fair trade practices, and ensure a balance of power between consumers and sellers. By exercising these rights, consumers can make informed choices and seek appropriate remedies when their rights are violated.

Right to Information

The "Right to Information" is an essential consumer right that grants consumers the authority to obtain complete and accurate information about the goods and services they intend to purchase. This right is based on the principle that consumers should have access to transparent and reliable information to make informed decisions in the marketplace. Here are some key aspects of the Right to Information:

Product Information: Consumers have the right to know detailed information about the products they wish to buy. This includes information about the quality, quantity, composition, ingredients, manufacturing process, safety precautions, and any potential risks associated with the product. For instance, consumers have the right to know about the nutritional value of food items, the materials used in manufacturing goods, or any warnings or precautions related to a particular product.

Service Information: Consumers have the right to obtain comprehensive information about the services they seek to avail. This includes details about the nature of the service, its duration, methodology, expected outcomes, limitations, and any potential risks or side effects. For example, consumers should have access to information about the qualifications and experience of professionals providing services such as healthcare, legal advice, or financial consulting.

Pricing and Terms: Consumers have the right to be informed about the pricing of products or services they intend to purchase. This includes details about the actual cost, any additional charges or fees, discounts, payment terms, warranty or guarantee terms, return and refund policies, and any other relevant terms and conditions.

Labelling and Packaging: Consumers have the right to clear and accurate labelling and packaging information. This includes proper labelling of products with necessary instructions, warnings, expiry dates, batch numbers, and any other relevant details. Clear packaging and

labelling help consumers in understanding the product, its usage, and potential risks, allowing them to make informed decisions.

Advertising and Marketing:

Consumers have the right to truthful and non-misleading advertising and marketing communications. Advertisements should not make false claims, hide crucial information, or manipulate consumers into making uninformed decisions. Consumers have the right to access accurate information about the product or service being advertised.

Consumer Complaints and Redressal:

Consumers have the right to access information about the complaint filing and redressal processes. They should know how and where to file a complaint, the authorities or organizations responsible for addressing their grievances, and the expected timelines for resolution.

The Right to Information empowers consumers by ensuring transparency, promoting fair trade practices, and enabling them to make

well-informed choices. It helps consumers evaluate the quality, safety, and value of products and services before making a purchase, ultimately protecting their interests in the marketplace.

Consumer Rights- Right to Choice

Consumer rights are a set of principles and protections that aim to safeguard the interests and well-being of consumers in their interactions with businesses and the marketplace. One crucial aspect of consumer rights is the right to choice, which ensures that consumers have a variety of options and alternatives when making purchasing decisions. The right to choice empowers consumers to make informed decisions, promotes competition among businesses, and encourages the availability of diverse products and services.

The right to choice encompasses several key elements, which include:

Availability of options: Consumers have the right to access a wide range of products, services, and brands in the marketplace. This availability ensures that consumers are not limited to a single choice and

can select from various alternatives based on their preferences, needs, and budget.

Quality and safety: Along with a range of options, consumers have the right to choose products and services that meet acceptable standards of quality, safety, and performance. Businesses are responsible for providing accurate information about their offerings, including any potential risks or limitations associated with them. Consumers should have access to product labels, specifications, user manuals, and warranties to make informed decisions.

Transparent information: The right to choice implies that consumers should be provided with clear, accurate, and complete information about products and services. Businesses should disclose essential details such as price, ingredients, composition, manufacturing processes, and any potential risks associated with the products. Transparent information enables consumers to compare and evaluate different options effectively.

Competitive pricing: Consumers have the right to fair and competitive pricing. Businesses should not engage in anti-competitive practices such as price fixing or collusion that restrict consumer choice or artificially inflate prices. Consumers should have the opportunity to compare prices and make informed decisions based on their budget and value expectations.

Non-discriminatory practices: The right to choice prohibits businesses from engaging in discriminatory practices based on factors such as gender, age, race, religion, or disability. All consumers should have equal access to products, services, and purchasing opportunities, without facing unjustifiable barriers or prejudices.

Freedom to switch providers: Consumers should have the freedom to switch between different providers of products or services without facing unreasonable obstacles or penalties. This includes the ability to cancel contracts, return goods, or seek alternatives if they are dissatisfied with their initial choice.

Redress and remedies: In cases where a chosen product or service fails to meet expectations or is defective, consumers have the right to seek redress, refunds, repairs, or replacements. This ensures that consumers are protected against faulty products or misleading advertising and allows them to make alternate choices or be compensated for their losses.

The right to choice is typically supported by consumer protection laws and regulations implemented by governments. These laws may include provisions for labelling requirements, truth in advertising, product safety standards, competition regulations, and dispute resolution mechanisms.

By upholding the right to choice, consumers can make well-informed decisions, exert influence in the marketplace, and hold businesses accountable for their products and services. It fosters competition and innovation, leading to a more dynamic and consumer-oriented marketplace.

Consumer Rights- Right to be heard

The right to be heard is one of the fundamental consumer rights recognized worldwide. It ensures that consumers have the opportunity to voice their opinions, concerns, and complaints about products or services they have purchased. This right empowers consumers to communicate with businesses and regulatory authorities to seek redress, make suggestions, or express dissatisfaction.

Here are some key aspects of the right to be heard:

Complaints and Grievances: Consumers have the right to express their complaints and grievances regarding a product or service. They should be able to do so without fear of retaliation or discrimination.

Accessible Channels: Businesses should establish accessible channels for consumers to voice their concerns. This may include customer service hotlines, email addresses, online complaint forms, or physical complaint centres.

Adequate Information: Consumers have the right to receive clear and accurate information on how to raise complaints or provide feedback. Businesses should provide information about their complaint handling procedures and ensure that consumers are aware of their rights.

Prompt Response: Consumers have the right to expect a prompt response from businesses or service providers when they raise a complaint. The response should acknowledge the complaint, investigate the issue, and provide a resolution within a reasonable timeframe.

Redress and Compensation: If a consumer complaint is found to be valid, businesses should provide appropriate redress or compensation. This may include repairs, replacements, refunds, or compensation for any damages or losses incurred.

Consumer Associations and Advocacy: Consumers have the right to form or join consumer associations or advocacy groups to amplify their voices and advocate for their rights collectively. These organizations play a crucial role in representing consumer interests and influencing policies.

Regulatory Authorities: Consumers have the right to approach regulatory authorities or consumer protection agencies to seek assistance or file complaints against businesses that fail to address their concerns adequately. These authorities can mediate disputes, enforce consumer protection laws, and take necessary actions against non-compliant businesses.

The right to be heard is essential for consumer empowerment, fair treatment, and accountability in the marketplace. It promotes transparency, trust, and the improvement of products and services based on consumer feedback.

Consumer Rights- Right for Redressal

Consumer rights include the right to redress, which is the right to seek compensation or resolution for a consumer complaint or grievance. When consumers purchase goods or services, they have the right to expect that they will be of satisfactory quality and fit for their intended purpose. If these rights are violated, consumers have the right to seek redress through various means. Here are some key points about the right to redress for consumers:

Complaint Resolution: Consumers have the right to lodge complaints and have them addressed by the appropriate authorities. This can include contacting the business directly, filing a complaint with a consumer protection agency, or seeking assistance from a consumer ombudsman or consumer court.

Refunds and Replacement: If a product is defective, substandard, or does not meet the consumer's expectations, they have the right to request a refund, replacement, or repair. The business is generally

obligated to provide an appropriate solution within a reasonable time frame.

Warranty and Guarantees: Consumers have the right to avail themselves of warranties or guarantees provided by the manufacturer or seller. If a product or service fails to meet the terms of the warranty, consumers are entitled to seek redress as specified in the warranty documentation.

Compensation for Losses: In cases where consumers suffer financial or other losses due to faulty products, services, or unfair practices, they have the right to seek compensation. This can include reimbursement for damages, losses, or any expenses incurred as a result of the consumer's reliance on the product or service.

Dispute Resolution: Consumers have the right to access fair and timely dispute resolution mechanisms. This can involve mediation, arbitration, or taking the matter to a consumer court or tribunal, depending on the jurisdiction and the severity of the issue.

Consumer Protection Laws: Consumer rights and the right to redress are often protected by specific consumer protection laws enacted by governments. These laws outline the rights and responsibilities of consumers and businesses, and they provide a legal framework for seeking redress.

It's important for consumers to be aware of their rights and take appropriate action when they encounter problems with products or services. They should keep records of their transactions, communicate their complaints clearly, and be persistent in seeking redress if their rights are violated.

Consumer Rights - Consumer education

Consumer education is an essential aspect of consumer rights, ensuring that consumers are informed, knowledgeable, and empowered to make informed decisions in the marketplace. Consumer education encompasses various activities and initiatives aimed at educating individuals about their rights and responsibilities as consumers, as well

as providing them with the necessary skills and information to protect themselves from unfair practices.

The right to consumer education implies that consumers should have access to accurate and unbiased information about products, services, prices, terms, and conditions. Here are some key points related to the right for consumer education:

Access to Information: Consumers have the right to access information about products and services they are considering purchasing. This includes details about the features, quality, safety, and pricing of the goods or services. Governments and consumer protection agencies often play a role in providing information through websites, brochures, help lines, or other educational resources.

Consumer Awareness: Consumers should be aware of their rights and responsibilities. Consumer education aims to raise awareness about consumer rights, including the right to safety, the right to choose, the right to be informed, the right to redress, and the right to be heard. By

understanding their rights, consumers can better protect themselves from fraudulent or unfair practices.

Financial Literacy: Consumer education also involves promoting financial literacy and responsible financial decision-making. It includes educating consumers about budgeting, saving, investing, borrowing, and understanding financial products such as loans, credit cards, and mortgages. Financial literacy empowers consumers to make sound financial choices and avoid falling into debt traps or scams.

Product Labelling and Advertising: Consumers have the right to accurate and truthful product labelling and advertising. Consumer education helps individuals understand how to interpret labels and evaluate advertising claims. It promotes critical thinking and encourages consumers to be cautious about misleading or deceptive marketing practices.

Consumer Complaints and Dispute Resolution: Consumer education should inform consumers about how to file complaints, seek

redress, and resolve disputes with businesses. It may include guidance on contacting consumer protection agencies, ombudsman services, or alternative dispute resolution mechanisms. By understanding the available avenues for complaint resolution, consumers can seek appropriate remedies when their rights have been violated.

Consumer Advocacy: Consumer education often encourages consumers to participate in consumer advocacy groups or organizations. These groups work to protect consumer rights, lobby for stronger consumer protection laws, and provide a collective voice for consumers in shaping policies and regulations.

Governments, consumer organizations, educational institutions, and businesses all have a role to play in promoting consumer education. By equipping consumers with knowledge, skills, and resources, consumer education helps foster a fair and transparent marketplace, where consumers can make well-informed choices and protect their interests.

Consumer Responsibility

Consumer responsibility refers to the ethical and sustainable actions and choices that individuals have as consumers. It emphasizes the idea that consumers should be aware of the impact of their purchasing decisions on society, the environment, and other stakeholders, and take responsibility for those impacts. Consumer responsibility involves considering factors beyond personal needs and desires, such as social justice, environmental sustainability, labor conditions, and product safety.

Here are some key aspects of consumer responsibility:

Ethical Purchasing: Consumers have the responsibility to make informed choices about the products they buy, considering factors like fair trade, animal welfare, and human rights. They can support companies that adhere to ethical practices and avoid those involved in exploitative or harmful activities.

Sustainable Consumption: Consumers should consider the environmental impact of their consumption habits. This involves reducing waste, recycling, buying products with minimal packaging, and choosing energy-efficient or eco-friendly options. Sustainable consumption also includes supporting companies that prioritize renewable resources, reduce greenhouse gas emissions, and promote sustainable practices throughout their supply chains.

Socially Responsible Investing: Consumers have the power to make investment decisions that align with their values and support socially responsible companies. They can invest in businesses that prioritize sustainability, diversity, and community development, while avoiding those involved in harmful industries like weapons production, tobacco, or fossil fuels.

Conscious Consumerism: This concept encourages consumers to question their actual needs versus wants and to avoid unnecessary consumption. By resisting the pressure of advertising and focusing on

mindful consumption, individuals can reduce overconsumption and promote a more sustainable lifestyle.

Product Safety and Accountability: Consumers have the right to expect safe and reliable products. They should stay informed about product recalls, understand their rights as consumers, and hold companies accountable for any harm caused by faulty products or misleading marketing.

Supporting Local and Fair Trade: Consumers can choose to support local businesses and fair trade initiatives, which promote equitable wages, safe working conditions, and sustainable practices. By buying locally produced goods and supporting fair trade organizations, consumers contribute to the well-being of local economies and marginalized communities.

Educating and Advocating: Consumers can educate themselves about the issues surrounding consumer responsibility and share that knowledge with others. By raising awareness and advocating for

changes in industry practices, consumers can influence businesses and policymakers to adopt more ethical and sustainable approaches.

Consumer responsibility is an ongoing process that requires individuals to be conscious of their choices and their broader impact. By taking responsibility for their consumption habits, consumers can contribute to creating a more equitable, sustainable, and responsible world.

Consumer responsibility is of great importance in today's society

Consumer responsibility is of great importance in today's society. It refers to the ethical and conscious choices individuals make when purchasing goods and services. It involves being aware of the environmental, social, and economic impacts of our consumption patterns and taking steps to minimize negative effects.

Here are some reasons why consumer responsibility is important:

Environmental Sustainability: Our planet is facing numerous environmental challenges, including climate change, deforestation, and resource depletion. Consumers have the power to make a positive impact by choosing environmentally friendly products, supporting companies that prioritize sustainability, and reducing waste through practices like recycling and reusing. By making responsible choices, consumers can contribute to the preservation of natural resources and the protection of ecosystems.

Ethical Production and Labour Practices: Many products we use daily are manufactured in different parts of the world, often in countries with different labor standards and regulations. Responsible consumers can support companies that prioritize fair trade practices, safe working conditions, and fair wages for workers. By making informed choices, consumers can promote ethical production and help combat labor exploitation and human rights violations.

Health and Safety: Consumer responsibility also involves considering the health and safety implications of the products we consume. This includes being aware of potential hazards, reading product labels, and making informed decisions to protect our well-being. By supporting companies that prioritize consumer safety and avoiding products with known health risks, consumers can safeguard their own health and encourage better industry practices.

Economic Impact: Consumer choices have a significant impact on the economy. By supporting local businesses and sustainable industries, consumers can contribute to job creation and economic development in their communities. Additionally, consumer demand shapes market trends, and by showing a preference for sustainable and responsible products, consumers can encourage companies to adopt more environmentally and socially responsible practices.

Empowerment and Advocacy: Consumer responsibility empowers individuals to make a difference through their purchasing power. By

supporting companies with sustainable practices, consumers send a clear message that they value ethical considerations. Moreover, responsible consumers can become advocates for positive change, engaging in conversations, sharing knowledge, and influencing others to make more conscious choices.

Overall, consumer responsibility is crucial because it encourages sustainable consumption patterns, supports ethical practices, protects the environment, and empowers individuals to contribute to a better world. By being mindful consumers, we can collectively drive positive change and shape a more sustainable and socially responsible future.

Unit IV:

Consumer protection-Meaning-Need for consumer protection-How to protect consumers-Legal measures-Consumer Protection Act 1986-objectives -Special features of the Act-Three tier features of the Act-Three tier Redressal Agencies-District level, State level and National level. Consumer Protection (Amendment) Act 2003

Consumer protection-Meaning

Consumer protection refers to the set of laws, regulations, policies, and initiatives designed to safeguard the rights and interests of consumers in their interactions with businesses, products, and services. It aims to ensure fair and ethical practices by businesses and to provide consumers with adequate information, choices, and remedies to make informed decisions and protect themselves from fraudulent or harmful activities.

The primary goal of consumer protection is to establish a balance between the interests of businesses and consumers, promoting a fair marketplace where consumers can trust the products and services they

purchase. It covers a wide range of areas, including product safety, advertising and marketing practices, pricing transparency, contract terms, dispute resolution mechanisms, privacy protection, and financial services.

Consumer protection measures vary across countries and jurisdictions, but they typically involve government agencies or regulatory bodies responsible for enforcing consumer protection laws and regulations. These agencies may conduct inspections, investigations, and enforcement actions against businesses found to be engaging in deceptive, fraudulent, or unfair practices.

Consumer protection also extends to empowering consumers with information and education to make informed choices and develop financial literacy. It encourages the development of consumer organizations, complaint mechanisms, and alternative dispute resolution methods to address consumer grievances effectively.

Overall, consumer protection seeks to ensure a fair and transparent marketplace, promoting consumer trust, confidence, and welfare while holding businesses accountable for their actions.

Consumer protection-Need for consumer protection

Consumer protection is essential for safeguarding the rights and interests of individuals who engage in various transactions as consumers. It aims to ensure that consumers are treated fairly, have access to accurate information, and are protected from fraudulent or harmful practices by businesses and sellers. Here are some reasons why consumer protection is necessary:

Safety: Consumer protection measures help to ensure the safety of products and services available in the market. Standards and regulations are put in place to prevent the sale of unsafe or defective goods, ensuring that consumers are not exposed to health hazards or risks.

Information and Transparency: Consumers have the right to receive accurate and clear information about the products and services they purchase. Consumer protection laws require businesses to provide truthful advertising, labeling, and product information, enabling consumers to make informed choices.

Fair Practices: Consumer protection prevents unfair and deceptive practices by businesses. It prohibits misleading advertising, fraudulent schemes, and unfair contractual terms that may exploit consumers' lack of knowledge or bargaining power.

Redress and Dispute Resolution: Consumer protection provides avenues for consumers to seek redress and resolve disputes with businesses. Mechanisms such as consumer courts, ombudsman services, and alternative dispute resolution methods ensure that consumers have access to justice and can obtain remedies for any harm or losses suffered.

Economic Stability: Consumer confidence is vital for a stable and thriving economy. By promoting fair and transparent business practices, consumer protection enhances trust between buyers and sellers, encouraging consumer spending and promoting economic growth.

Vulnerable Consumer Groups: Consumer protection is particularly crucial for vulnerable groups such as children, elderly individuals, and low-income households. These groups may be more susceptible to unfair practices and need special attention and protection to ensure they are not exploited.

Market Competition: Consumer protection regulations promote fair competition among businesses. They prevent monopolistic practices, anti-competitive behaviour, and unfair trade practices, fostering a competitive market environment that benefits consumers through lower prices, better quality, and increased choices.

Overall, consumer protection is necessary to create a balanced and equitable marketplace where consumers are empowered, protected

from harm, and can make informed decisions. It contributes to economic well-being, ensures fair practices, and upholds the rights and interests of individuals in their role as consumers.

Consumer protection- How to protect consumers

Consumer protection refers to the practices and regulations aimed at safeguarding the rights and interests of consumers in the marketplace. Protecting consumers involves ensuring fair and transparent business practices, promoting product safety, and providing avenues for addressing grievances. Here are some key ways to protect consumers:

Enforce Consumer Protection Laws: Governments should enact and enforce laws that protect consumers from deceptive practices, fraud, and unfair business practices. These laws should cover areas such as product safety, advertising, pricing, warranties, and consumer contracts.

Product Safety Standards: Governments and regulatory bodies should establish and enforce strict safety standards for products. This includes conducting inspections, testing products for compliance, and imposing penalties for non-compliance. Safety standards should cover various products, including electronics, toys, pharmaceuticals, and food items.

Consumer Education: Promote consumer education and awareness campaigns to empower individuals with knowledge about their rights and responsibilities. Educate consumers about their rights to fair pricing, product quality, and accurate information. Teach them how to identify fraudulent schemes, read labels, and make informed purchasing decisions.

Consumer Complaint Mechanisms: Establish accessible and efficient mechanisms for consumers to file complaints and seek redress. This could include dedicated consumer helplines, online complaint portals, or ombudsman offices. Governments should ensure that these

mechanisms are responsive, fair, and effective in resolving consumer disputes.

Product Labelling and Disclosure: Encourage clear and accurate labeling of products, including ingredients, nutritional information, and potential risks. Ensure that manufacturers disclose important information that may influence consumer decisions, such as product origin, environmental impact, and potential side effects.

Anti-Fraud Measures: Implement measures to combat fraud and deceptive practices, such as false advertising, pyramid schemes, and identity theft. Governments should collaborate with law enforcement agencies, consumer organizations, and financial institutions to detect and prosecute fraudulent activities effectively.

Privacy and Data Protection: Establish regulations to protect consumer privacy and personal data. Companies should be required to obtain informed consent before collecting and using personal information

and should take necessary measures to secure data from unauthorized access or breaches.

Financial Consumer Protection: Implement regulations to protect consumers in financial transactions, including banking, insurance, and investment products. This may include rules on transparent pricing, disclosure of terms and conditions, fair debt collection practices, and protection against predatory lending.

Product Recalls and Liability: Ensure swift and effective product recall systems to remove unsafe or defective products from the market. Hold manufacturers accountable for damages caused by faulty products through strict liability laws.

Consumer Advocacy and Organizations: Support consumer advocacy groups and organizations that work to protect consumer rights. These organizations can provide information, advice, and legal representation to consumers, as well as advocate for stronger consumer protection laws.

By implementing these measures, governments, regulatory bodies, businesses, and consumers can work together to create a fair and secure marketplace that prioritizes consumer protection and welfare.

Consumer protection - legal measures

Consumer protection refers to the legal measures and regulations put in place to safeguard the rights and interests of consumers in their interactions with businesses and the marketplace. These measures are intended to ensure fair trade practices, promote consumer safety, and provide avenues for recourse in case of disputes or harm. Here are some common legal measures and initiatives related to consumer protection:

Consumer Protection Laws: Governments enact consumer protection laws to regulate business practices and protect consumers from unfair, deceptive, or fraudulent practices. These laws vary across countries but generally cover areas such as product safety, advertising and marketing, pricing, warranties, and contract terms. Examples

include the Consumer Protection Act in the United States and the Consumer Rights Act in the United Kingdom.

Product Safety Regulations: Governments establish regulations to ensure that products sold in the market meet certain safety standards. These regulations often cover various industries and products, including electronics, toys, cosmetics, food, and pharmaceuticals. They may involve requirements for testing, labeling, packaging, and warnings about potential hazards or risks.

Consumer Financial Protection: Regulatory agencies or bodies may be established to oversee financial transactions and protect consumers in areas such as banking, lending, credit reporting, and debt collection. These agencies, such as the Consumer Financial Protection Bureau (CFPB) in the United States, enforce laws and regulations related to fair lending, transparent financial practices, and dispute resolution.

Consumer Rights and Information: Laws often grant consumers specific rights and require businesses to provide clear and accurate information about their products or services. These rights may include the right to information, the right to choose, the right to safety, the right to be heard, and the right to redress in case of harm. Governments may also require businesses to disclose important details such as pricing, terms and conditions, return policies, and privacy practices.

Consumer Complaint Mechanisms: Governments establish mechanisms to handle consumer complaints and provide redress in case of disputes. These mechanisms may include consumer protection agencies, ombudsman services, or small claims courts, where consumers can seek resolution or compensation for issues such as faulty products, misleading advertising, or poor services.

Antitrust and Competition Laws: These laws aim to prevent anti-competitive practices that could harm consumer interests. They regulate

mergers and acquisitions, monopolies, price fixing, and other activities that may limit consumer choice or result in higher prices.

Online Consumer Protection: With the growth of e-commerce, laws and regulations are being developed to protect consumers in online transactions. These may cover areas such as online privacy, data protection, cyber security, online dispute resolution, and electronic signatures.

It's important to note that consumer protection measures can vary significantly across countries and jurisdictions. The specific legal framework and initiatives in place depend on the legal system and the priorities of each country's government.

Consumer Protection Act of 1986

The Consumer Protection Act of 1986 is an important legislation in India that aims to protect the rights and interests of consumers. It was enacted by the Parliament of India and came into effect on December

24, 1986. The act provides a legal framework for the establishment of consumer councils and redressal agencies at the district, state, and national levels to address consumer grievances and disputes.

Key Features of the Consumer Protection Act, 1986:

Consumer Rights: The act recognizes six basic rights of consumers, which include the right to safety, right to be informed, right to choose, right to be heard, right to seek redressal, and right to consumer education.

Consumer Disputes Redressal Agencies: The act establishes three-tier consumer dispute redressal agencies: the District Consumer Disputes Redressal Forum at the district level, the State Consumer Disputes Redressal Commission at the state level, and the National Consumer Disputes Redressal Commission at the national level. These agencies provide a platform for consumers to seek compensation and redressal for grievances.

Consumer Protection Councils: The act empowers the government to establish Consumer Protection Councils at the district, state, and

national levels. These councils work towards promoting and protecting consumer rights through various activities such as creating awareness, conducting research, and advising the government on consumer-related issues.

Unfair Trade Practices: The act prohibits unfair trade practices, including deceptive advertising, misleading information, false representation, and unfair contracts. Consumers have the right to file complaints against such practices.

Product Liability: The act imposes product liability on manufacturers, sellers, and service providers for any harm caused due to defective products or deficiency in services. Consumers can claim compensation for injuries, damages, or losses suffered.

Penalties and Remedies: The act provides for penalties, fines, and imprisonment for violations of consumer rights and unfair trade practices. It also enables consumers to seek remedies such as refund, replacement, or compensation.

Consumer Education and Awareness: The act emphasizes consumer education and awareness by promoting consumer organizations, encouraging research and training programs, and disseminating information related to consumer rights and responsibilities.

The Consumer Protection Act of 1986 has undergone amendments over the years to address emerging challenges and incorporate changes in consumer needs and market dynamics. The recent Consumer Protection Act, 2019 has replaced the earlier act to further strengthen consumer rights and enhance consumer protection mechanisms in India.

Objectives of the Consumer Protection Act, 1986

The Consumer Protection Act of 1986 is an important legislation in India that aims to protect the rights and interests of consumers. The primary objectives of the Consumer Protection Act, 1986 are as follows:

Protection of Consumer Rights: The Act seeks to provide protection to consumers against unfair trade practices, defective goods, deficiency in services, and any other form of exploitation in the marketplace.

Redressal of Consumer Grievances: One of the key objectives of the Act is to establish consumer forums and other authorities at the district, state, and national levels to enable consumers to seek speedy and effective resolution of their complaints and grievances.

Availability of Remedies: The Act provides consumers with various remedies to seek redressal for their grievances, such as compensation, replacement of goods, refund of money, discontinuation of unfair trade practices, and punitive measures against the defaulting parties.

Consumer Education and Awareness: Another objective of the Act is to promote consumer education and awareness about their rights and

responsibilities. It aims to empower consumers with knowledge to make informed choices and exercise their rights effectively.

Prevention of Unfair Trade Practices: The Act prohibits unfair trade practices, misleading advertisements, and false claims made by sellers or service providers. It also aims to prevent monopolistic and restrictive trade practices that may adversely affect consumers.

Product Safety: The Act seeks to ensure the safety and quality of goods and services available in the market. It provides provisions for product liability, making manufacturers, sellers, and service providers liable for any harm or injury caused due to defective or unsafe products.

Simplification of Legal Procedures: The Act aims to simplify the legal procedures for consumers to file complaints and seek redressal. It establishes consumer courts with simplified rules and procedures, making it easier for consumers to access justice.

Overall, the Consumer Protection Act of 1986 aims to promote a fair and competitive marketplace, protect consumer interests, and provide effective mechanisms for resolving consumer complaints and disputes.

Consumer Protection Act 1986–Three tier features of the Act

The Consumer Protection Act, 1986 is an important legislation in India that provides a legal framework to protect the rights and interests of consumers. The Act aims to prevent unfair trade practices, ensure the availability of quality goods and services, and establish a mechanism for redressal of consumer grievances. The Act has three tiers that provide different levels of consumer protection. Let's discuss each tier:

District Consumer Disputes Redressal Forum (District Forum):

The District Forum is the first tier of the consumer protection system established under the Act. Each district in India has a District Forum, which is a quasi-judicial body responsible for dealing with

consumer complaints involving claims up to ₹20 lakh (Indian Rupees).

The District Forum has the power to entertain complaints, conduct hearings, issue orders for compensation, and take appropriate action against unfair trade practices. It consists of a president and two other members, who are appointed by the state government.

State Consumer Disputes Redressal Commission (State Commission):

The State Commission is the second tier of the consumer protection system. It is established at the state level and deals with consumer complaints that involve claims between ₹20 lakh and ₹1 crore (Indian Rupees). The State Commission has the authority to hear appeals against the orders of the District Forum and also has original jurisdiction in certain cases. It consists of a president and two other members, who are appointed by the state government.

National Consumer Disputes Redressal Commission (National Commission):

The National Commission is the highest tier of the consumer protection system in India. It is established at the national level and deals with consumer complaints involving claims exceeding ₹1 crore (Indian Rupees). The National Commission has appellate jurisdiction over the orders of the State Commissions and also has original jurisdiction in certain cases. It consists of a president and four other members, who are appointed by the central government.

These three tiers of consumer protection provide consumers with a hierarchical system for lodging complaints, seeking redressal, and obtaining compensation for any loss or damage caused by defective goods or services. The Act empowers consumers to file complaints directly to the respective forums, without requiring the assistance of a lawyer. This ensures accessible and speedy resolution of consumer disputes and strengthens the overall protection of consumer rights in India.

District Consumer Disputes Redressal Forum

The District Consumer Disputes Redressal Forum, also known as the District Forum, is an important component of the consumer protection mechanism in India. It is a quasi-judicial body established under the Consumer Protection Act, 2019, to resolve consumer disputes at the district level. The main objective of the District Forum is to provide an accessible and efficient forum for consumers to seek redressal for their grievances against goods or services they have purchased.

Here are some key details about the District Consumer Disputes Redressal Forum:

Jurisdiction: The District Forum has jurisdiction over consumer complaints where the total value of the goods or services and the compensation claimed does not exceed Rs. 1 crore (10 million). Each district in India has its own District Forum.

Composition: The District Forum is composed of three members:

a. President: A person who is or has been a District Judge, appointed by the State Government.

b. Member: A person qualified to be a District Judge, nominated by the President of the State Commission.

c. Female Member: A woman who is or has been a District Judge, nominated by the State Government.

Filing a complaint:

A consumer can file a complaint with the District Forum if they have a grievance against a product or service. The complaint should be in writing and can be filed by the consumer themselves or through an authorized representative. The complaint should include details such as the name and address of the complainant, the name and address of the opposite party (the person/business against whom the complaint is filed), a concise statement of the facts, and the relief sought.

Complaint procedure:

Once a complaint is filed, the District Forum examines it and tries to settle the dispute through mediation or conciliation. If a settlement is

not reached, the District Forum proceeds with the adjudication of the complaint. It has the power to summon witnesses, require the production of documents, and conduct an investigation, if necessary.

Powers and remedies:

The District Forum has the authority to pass various orders, including:

- a. Directing the opposite party to remove defects in goods or deficiencies in services.
- b. Awarding compensation for any loss or injury suffered by the consumer.
- c. Ordering the refund of the price paid for the goods or services.
- d. Discontinuing unfair trade practices or restrictive trade practices.
- e. Granting punitive damages in appropriate cases.

Appeals:

If either party is aggrieved by the order of the District Forum, they can file an appeal within 30 days before the State Consumer Disputes

Redressal Commission. The State Commission has the power to hear and dispose of such appeals.

Legal representation:

The consumer can either represent themselves or appoint an advocate to represent their case before the District Forum. However, legal representation is not mandatory, and consumers have the right to present their case in person.

The District Consumer Disputes Redressal Forum plays a crucial role in safeguarding consumer rights and ensuring a fair resolution of consumer disputes at the district level. It provides an accessible and cost-effective platform for consumers to seek justice and obtain redressal for their grievances.

State Consumer Disputes Redressal Commission (State Commission)

The State Consumer Disputes Redressal Commission, commonly referred to as the State Commission, is a quasi-judicial body established

under the Consumer Protection Act, 2019 (formerly Consumer Protection Act, 1986) in India. It serves as an appellate authority for consumer disputes that are unresolved at the district level and have been appealed against.

Composition:

The State Commission is composed of a President and a minimum of two other members, appointed by the respective state government. The President of the State Commission should be or should have been a judge of a High Court, and the members should have adequate experience and knowledge in dealing with consumer disputes.

Jurisdiction:

The State Commission has jurisdiction over consumer complaints where the value of goods or services, along with compensation, if any, exceeds Rs. 1 crore (10 million Indian Rupees) but does not exceed Rs. 10 crore (100 million Indian Rupees). It also hears appeals against the orders of the District Consumer Disputes Redressal Forums (District Forums) within the state.

Powers and Functions:

Adjudication: The State Commission has the power to adjudicate and settle consumer disputes referred to it, either on its own or on appeal from the District Forums.

Appellate Authority: The State Commission acts as an appellate authority for appeals against the orders of the District Forums within its jurisdiction. It reviews the orders passed by the District Forums and may affirm, modify, or set aside such orders.

Review: The State Commission has the power to review its own orders, provided there is an error apparent on the face of the record.

Execution of Orders: The State Commission can enforce its orders and issue directions for the execution of orders, as well as impose penalties for non-compliance.

Compensation and Damages: The State Commission has the authority to award compensation or damages to consumers for any loss or injury suffered due to the negligence of the opposite party.

Class Action Suits: The State Commission can allow for the filing of class action suits on behalf of a group of consumers who have the same interest or suffered the same damage.

Procedure:

The procedure followed by the State Commission is generally in accordance with the principles of natural justice. It gives both parties an opportunity to present their case, cross-examine witnesses, and provide evidence. The State Commission has the power to summon and enforce the attendance of witnesses and compel the production of documents, if necessary.

Appeal:

If a consumer or the opposite party is not satisfied with the order passed by the State Commission, they can further appeal to the National Consumer Disputes Redressal Commission (National Commission) within 30 days from the date of receipt of the order.

The State Commission plays a crucial role in providing redressal to consumer grievances and ensuring that consumer rights are protected in the state. It provides a forum for consumers to seek justice and obtain compensation for any deficiencies in goods or services they have received.

National Consumer Disputes Redressal Commission (National Commission)

The National Consumer Disputes Redressal Commission (NCDRC), also known as the National Commission, is a quasi-judicial body in India that was established under the Consumer Protection Act of 1986. It is the apex consumer disputes redressal forum at the national level.

Here are some key details about the National Consumer Disputes Redressal Commission:

Purpose and Jurisdiction: The primary purpose of the National Commission is to provide an efficient and speedy resolution of consumer disputes. It has the jurisdiction to hear cases involving consumer complaints where the total value of goods or services, along with compensation claimed, exceeds Rs. 1 crore (10 million rupees). The National Commission also hears appeals against the orders of the State Commissions.

Composition: The National Consumer Disputes Redressal Commission consists of a President and several members. The President is a retired or sitting Judge of the Supreme Court of India. The number of members can vary, and they are usually retired or sitting Judges of the High Courts.

Powers and Functions: The National Commission has been empowered with certain powers and functions to effectively deal with

consumer disputes. It has the authority to entertain complaints, conduct investigations, summon witnesses, review evidence, and pass appropriate orders. It can order compensation, replacement of goods, or removal of defects in services. The National Commission's decisions are considered final, but they can be challenged in the Supreme Court of India.

Procedure: The National Commission follows a quasi-judicial procedure while hearing consumer disputes. It is guided by the principles of natural justice and adheres to the rules of evidence. The proceedings are conducted in a manner similar to that of a court, allowing the complainant and the opposite party to present their arguments, produce evidence, and cross-examine witnesses. The National Commission aims to dispose of cases within a stipulated time frame.

Appellate Jurisdiction: The National Commission has appellate jurisdiction over the orders of the State Commissions. Any person aggrieved by the decision of a State Commission can file an appeal

before the National Commission within 30 days from the date of the order.

Consumer Protection Act Amendments: The Consumer Protection Act underwent significant amendments in 2019 to enhance consumer rights and streamline the dispute resolution process. The amendments introduced the concept of product liability, introduced mediation as an alternative dispute resolution mechanism, and established

The National Consumer Disputes Redressal Commission plays a crucial role in safeguarding consumer interests and providing redressal for their grievances at the national level. It ensures that consumers have an accessible and efficient forum to seek justice and compensation in case of any deficiencies in goods or services.

Consumer Protection (Amendment) Act 2003

The Consumer Protection (Amendment) Bill, 2001 was introduced in the Rajya Sabha on 26th April 2001. After certain amendments the Consumer Protection (Amendment) Bill, 2002 was passed by the Rajya Sabha at its sitting held on 11th March, 2002 and was referred to the Lok Sabha. At its sitting held on 30th July 2002, the Lok Sabha passed it with certain amendments. The Bill so passed was returned to the Rajya Sabha with those amendments for its consideration of them. The Bill could not be taken up for consideration on 6th August 2002, as the House stood adjourned that day without transaction of any business. The Bill may now be moved before the Rajya Sabha only during its next session.

The Consumer Protection (Amendment) Act will read the same as the Bill stands today unless some very ardent legislators have serious objections to its present arrangement. The Bill makes sweeping changes in the law of consumer protection in India. These amendments range

between procedural and substantive law and have a bearing on the functioning and composition of the consumer courts.

Definitions and Scope

Definitions and phrases under the Act are expanded in their scope and their meanings have been clarified after borrowing from the many judgments of the consumer courts that interpreted their scope. The jurisdiction of the district, state and national forums is also modified and expanded.

A glance at some of the alterations in the definitions

Complainant will now also include the legal heir or representative of the consumer, in case of his death. This is following certain judgments of the courts and redressal agencies that have allowed legal representatives and heirs to maintain an action against the manufacturers and traders. This question ought to have been one without dispute. There are other beneficiary legislations for loss of life and limb that allow the representatives on the injured or the dead (in

which case, the heirs and legal representatives are the injured) to claim compensation and like relief.

Complaint may be filed against a trader as well as service provider for adopting deceptive practices in provision of services. A claim also lies against the trader who charges in excess of the price fixed by or under any law, displayed on the goods or package containing goods, displayed on price list exhibited by him or agreed between the parties. It appears that parties will now be able to bring claims for prices agreed to even orally. There is also nothing to exclude bargain prices (or reasonable price based on advertisements, etc)

However, the consumer courts will not look into the actual pricing of goods and services. There are ample legislations that deal with the malady of monopolistic pricing and fair prices for essential goods and commodities, the governments have also set up commissions to monitor the pricing of goods and services.

Consumers do not include persons who obtained goods for commercial purposes under the Act. The earlier distinction was that this qualification did not apply to consumers of services. This will no longer be the case. Even persons who avail of services for commercial purpose will fall outside the scope of consumers under the Act.

One is forced to wonder about the exact rationale behind this exclusion. After all, the commercial user pays for a good or service, uses it to generate goods and services for his market and is actually responsible to the consumers of his goods and services as a manufacturer or seller. And with the parallel amending of the MRTP Act, the commercial user will really have few remedies for unfair trade practices and other grievances (since the pending UTP cases will be transferred to the consumer courts). The negative exceptions should be done away with.

The Bill maintains the exception that 'commercial purpose' will not include earning livelihood by means of self-employment. And the usual exemption to agricultural activity will continue to apply.

Goods that were considered hazards to health and safety when used were specified under law and some were even exempt if the legal requirements of display of warning were met with (the classic example being cigarettes). Under the Bill, these goods must not contravene any standard laid down by law and a complaint will also lie for goods if the trader would have known with due diligence that they were unsafe for the public. The scope of this amendment may be wider than one imagines, unless the former requirement is an exception to the latter. Which means that it is unclear whether the determination of the manufacturer's exercise of due diligence will arise only when there is a failure to warn.

The contravention of 'standards' obviously refers to existing standards for quality, quantity, packaging and content etc. Will the liability be strict in such case? There are numerous Orders and Rules

relating to food, fruit and product safety and any violation may cause manufacturers to be liable. The law relating to Prevention of Food Adulteration, Weights and Measures et al are some instances of the standards manufacturers must abide with.

Take the case of food packaging industries, the manufacturer will have to defend himself by proving due diligence on his behalf and establish that the hazard was not likely to have been known even after such exercise.

The same rule will apply for services that are found hazardous to life and safety.

The modified definition of Manufacturer seems to include any manufacturer of goods and parts; assembler of goods and parts (he need not claim end product as manufactured by himself, as previously) and the person who puts or causes to be put, his mark on any product (whether he manufactured it himself or not). So the assembler of goods is also liable as manufacturer under the Bill.

Many manufacturers source their goods through assemblers and the final product bears their stamp.

Is the assembler a necessary party? The defect will now have to be traced to the assembler of parts or even the manufacturer of those parts where assembling was not faulty. How will the court apportion the liability between the persons involved in this chain?

'Regulation' has been defined to mean the regulations made by the National Commission under the Act.

The expanded definition of 'restrictive trade practice' as not only including tie-up sales but also delay beyond period agreed to for provision of goods or services that has led to or is likely to lead to a rise in prices was included in the Ordinance of 1993 and has been given effect to under the Act.

The definition of services has already been interpreted as wide and inclusive, the specific services mentioned in the definition were only examples and many more have since been added by the consumer courts. These judgments have had some effect and the words '...but not limited to...' have been added before including examples of services in the definition.

Clause (oo) has been added to explain that spurious goods and services are those that are claimed to be genuine and are actually not so. This concept already existed under the definition of unfair trade practice in the principal Act this addition could suggest that action will be taken against the many sellers of fake goods and services in the market and could even target persons like spurious software providers.

'Unfair trade practice' will now also include withholding from the participants of any scheme offering gifts, prizes or other items free of charge. This is common practice resorted to by traders and it is only the winners of some schemes that are informed of the results. The Act, as

amended, will require publication of results in prominent newspapers etc.

Jurisdiction

Value of a complaint before the District Forum or pecuniary jurisdiction did not exceed rupees five lakh and has been expanded to a sum of rupees twenty lakh obviously aimed at unburdening the State and National Commissions. Similarly, the value of complaints before the state commission will now be a range that exceeds rupees twenty lakh but not rupees one crore compared to the earlier five lakh to twenty lakh. The National Commission will hear complaints valued at rupees one crore and above.

The place of residence or of carrying on business or where cause of action arose etc. will have a bearing on which State Commission the suit is instituted. Complaints against foreign concerns were admissible before the redressal agencies, even under the principal Act, if they had a branch office within the local jurisdiction of the agency.

Aggrieved parties may appeal to the State Commission from the District Forum and to the National Commission from the State Commission.

Awards and Orders

The District Forum may, by order, allow a complaint to be proceeded with or rejected on its receipt. An opportunity of being heard must be allowed to the complainant before making an adverse order.

An ex parte order based on complainant's evidence may be granted where defendant fails or omits to appear or represent his case. The case may be dismissed for default or decided upon merits when the complainant fails to come before the court.

The District Forum may pass interim orders during the pendency of any proceedings, if it deems fit in the interest of justice. Some were of the opinion that the District Forum could not pass interim orders and grant an ad-interim relief, only final relief could be granted.

A new sub-section to S 12 lays down that O XXII of the First Schedule of the Code of Civil Procedure will apply in case of death of any party to the dispute.

Finding of District Forum: The Forum could order compensation for the opposite party's negligence. The rules of compensation were applied in assessing damages and courts are hesitant with large awards. The purpose, after all is to put complainants in the position they would have been had the loss or injury not occurred, mental agony and anxiety are taken into consideration.

An order may also be made to cease manufacture or desist from offering harmful goods or services.

The Bill introduces punitive damages in cases where the forum deems fit. The forum will also have discretion to announce awards for injury suffered by a large number of consumers who may not be identifiable conveniently. The minimum limit on such compensation is not less than 5% of the value of such defective goods or services. This seems to make way for class action suits in India. Although a group of consumers can claim damages under the principal Act, now there will be discretion to grant awards probably for those who are not directly represented.

The Bill has considered the distribution of the benefits of such an award among the victims and such amount may be credited in favour of a person who may utilize it in the manner prescribed. It is not difficult to imagine a situation where manufacturers of products like alcoholic beverages are asked to pay sums towards a fund that compensates alcoholics or treats them or manages rehabilitation centers. Governments may manage the fund or NGOs or other institutional set

ups so appointed. An example to derive from is the arrangement with various tobacco companies in the US.

The forum may also order corrective advertisements by persons who issue misleading statements and promises. There have been cases in the UK and Europe where companies have claimed that compressed sugar tablets are also useful in curing colds and the flu or where fairness creams have claimed efficiency in removal of scars et al.

This is in addition to the usual cease and desist orders. Not only do misrepresentations stop as concerns the product, manufacturers must undergo considerable embarrassment over the adverse public opinion.

An instance in India was the toothpaste manufacturer who made claims that the paste actually adds on calcium to the gums, this claim was grossly exaggerated and instead of the advertisement simply going off air, the effect on the public mind would have been significant had the manufacturer corrected the claim.

New section 17A allows for transfer by the State Commission (on application by complainant or on its own motion), at any stage of the proceeding of any complaint pending before the District Forum to another District forum within the State and the National Commission under the new section 22B shall have similar powers to transfer cases from one State Commission to another and from District Forums of one state to District Forums of other states.

S 18 of the principal Act allows that sections 12, 13 and 14 and the rules made there under will apply to the State Commission.

And S 22 (newly substituted) makes the same provision for the National Commission. However, the National Commission will also have the power to review orders passed by it where there is an error apparent on the face of record.

Ex parte and dismissal orders passed by it may be set aside by the National Commission on application of the opposite party or complainant as the case may be. The aggrieved party may appeal against such orders of the Forum.

A careful reading of S 17 allows the State Commission to entertain appeals against orders of the District Forum and the orders of the State Commission may be appealed against in the National Commission u/s 21 of the principal Act. S 17(b) confers revision jurisdiction on the State Commissions. This is not its original jurisdiction and no appeal will lie against the orders passed under its revision jurisdiction.

S 19 only allows appeals to the National Commission from the exercise of its original jurisdiction of the State Commission. If the appeals are not filed within the prescribed time limit of 30 days from the date of the order, such order of the District Forum, State and National Commission becomes final. (S 23)

There is no prescribed time limit for revision, the Calcutta High Court in *Ajay Bhadra v SCRDC West Bengal* (2002, citation omitted) has laid down that the time limit is 30 days since the finality of orders becomes certain when the appeal is not filed within the prescribed period and there is no question of filing for revision after such period.

Compare this with the decision of the National Commission in 2002 CTJ 264 (CP) that revision petition must not be filed after ninety days if it must be saved from dismissal.

Appeals

The Bill inserts a second proviso to S 15. Any person who is required to pay any amount under the orders of the forum will not be allowed to go on appeal unless he deposits 50% of the said amount or Rs. 25,000, whichever is less with the District Forum. The provision is the same for an appeal from the State Commission except that the amount will be 50% of money the party appealing has been ordered to pay or Rs. 35,000, whichever is less. And at the National Commission, this amount becomes Rs. 50,000. There is no provision for second appeal if a party succeeds before the District Forum and fails before the State Commission.

Institutional Set-Up and Composition

The Bill requires the mandatory establishment of Central, State and District Consumer Protection Councils. The requirement was left at

the discretion of the national and state governments with the use of the word 'may', which is now replaced with 'shall'.

The objects of the Central Council are enumerated in Sec 6 of the principal Act and the same will apply for the state and district levels. There is also provision for nomination of up to 10 members by the central government in the state councils.

The Bill makes detailed provisions for membership and procedures.

Changes have been made in the composition of the District Forum u/s 10, the State Commissions and National Commission u/s 16 and 20, respectively. Disqualifications are mentioned in detail and are actually the usual impediments to public office in India. Provisions for reappointment are now included subject to the conditions of age etc. New provisions have been inserted for substitution of Chairman of Selection Committee by a sitting judge of the High Court when the President of the District Forum is absent or unable to so act; in such a circumstance with the State Commission, the Chief Justice of the High Court shall appoint a sitting Judge as substitute; similar provisions are made for the National Commission.

In case the office of the President of the District Forum, State Commission, or National Commission is for some reason vacant, the senior most member of the District Forum, State and National Commission shall perform his functions. The proviso clarifies that where a retired judge of the High Court is the member of the National Commission, such member or where there is more than one such member, the senior most among them shall preside in the absence of the President.

The Bill has allowed the State and Central governments option to notify Circuit Benches for the functioning of the State and National commissions from time to time. This could mean temporary establishment in areas beyond the state and national capitals.

S 12 deals with the manner in which a complaint shall be made

Provisions regarding complaints by consumers and registered consumer associations remain. New provisions refer to

- a. fees (as prescribed) to accompany complaints
- b. District Forum to allow complaint to proceed or be rejected (only after complainant is allowed opportunity of being heard)
- c. of admissibility to be decided within 21 days of receipt of complaint.

No complaint will be transferred to any other court, tribunal, any authority set up by or under any law for the time being in force. We have to keep in mind that u/s 3 of the principal Act, the Consumer Protection Act is in addition to and not in derogation of any law for the time being in force. So it is possible that this new provision does not affect consumer disputes where the parties choose to arbitrate. Besides, the arbitrator is not an authority set up 'by or under any law'; he is appointed by the consent of both parties and derives authority from contract rather than enacted statute.

The marginal heading of S 13 that read 'procedure on receipt of complaint' will now read 'procedure on admission of complaint' as 'receipt' is dealt with u/s 12.

Provisions to Expedite Proceedings

The admissibility of the complaint must be decided within twenty-one days of its receipt.

The opposite party must be referred copy of complaint within twenty-one days from date of admission. His version of the story is expected within thirty days with extension of not more than fifteen days.

Complaints are to be heard as expeditiously as possible and the court must attempt to decide the case within three months from date of receipt of notice by the opposite party as long as the complaint does not require testing and analysis. We know already, that the laboratory must report its findings to the court within forty-five days of the reference or in

such extended time as the court grants it. The court will endeavour to decide a complaint requiring analysis and testing within five months.

The Bill seeks to curtail the grant of adjournment. The Forum is required to consider whether sufficient cause is shown and record a reasoned order (in writing). The Forum will make orders as to costs occasioned by such grant in accordance with the regulations made under the new Act.

Provision S 14(2) will be substituted. Where the member, for any reason, was unable to conduct proceedings till completion, the President and other member were required to inquire de novo. This was cause for substantial delay and will no longer be the case. The new member will pick up the strings from the stage of the last hearing.

Appeals filed before the State or National Commission shall also be heard as expeditiously as possible and endeavor shall be made to dispose of it within ninety days of its admission.

Enforcement

S 25 of the Act lays down that an order passed by the District Forum, State or National Commission will have the same effect as a decree or order made by a court in a suit pending before it. In fact, the District Forum, State or National Commissions may send the order to the appropriate court for enforcement when unable to do so themselves.

S 27 allows for a minimum imprisonment of one month or a minimum fine of Rs. 1000 which may extend to 3 years and Rs. 10,000, respectively, or both in case any party omits or fails to comply with an order passed by the District Forum, State or National Commission. The consumer courts have been allowed discretion to award less than the minimum penalties so prescribed in the proviso to the section.

There is controversy over the validity of S 27. The Karnataka High Court [Paramjit Singh v Union of India, 1999 CTJ 570] struck down the provision of the section as violating Articles 20 and 21 of the Constitution of India. The Delhi and Kerala High Courts upheld the validity of s 27.

The arguments against its validity were inter alia that there is no provision for summons, no right of being heard for reasons as to why compliance was omitted; there is no provision for appeal from this order; it is an offence created under the Act and leads to the deprivation of liberty etc. Writs based on similar grounds are reported pending in various High Courts.

The Bill amends both S 25 and S 27. S 25 is to be substituted with a new section that declares an order for attachment may be made against the property of a person failing to abide by interim orders passed by the District Forum, State or National Commission. The attachment shall not continue beyond three months, and if non-compliance persists, the property may be sold to award damages to the complainant and the balance may be paid to the party entitled.

Where an amount is due to a person under an order passed by the District Forum, State or National Commission, such person may make an application for issue of a certificate of the said

amount to the Collector (or other person) of the district who shall proceed to recover the amount as arrears of land revenue.

The proviso to S 27 is omitted. The District Forum, State or National Commission shall be deemed to be and have the powers conferred on the Judicial Magistrate First Class under the Code of Criminal Procedure, 1973 and will so function in spite of anything contained therein. The Bill further provides that all offences may be tried summarily by the District Forum, State or National Commission. Thus, allowing for and making provision for any objections that may have been raised against the validity of this very potent threatening provision on which the efficacy of the Act depends.

Miscellaneous

S 18 A of the Act that dealt with vacancy of office of the President is omitted.

New S 28 A lays down provisions for serving of notices, etc.

S 30 now allows the Central Government to make rules for the

efficient enforcement of the Act. All rules so made will be laid before both Houses of Parliament and must be made within two years of coming into force of the Act. Parliament seems to have tired itself with this enactment leaving it now to the Executive to apply its mind. The National Commission will also make regulations, subject to the approval of the Central Government. All rules and regulations made under the Act are subject to scrutiny by both Houses of Parliament.

The Amendment proposed prior to this final Bill had restricted the jurisdiction of Consumer Courts to complaints for which no other law provides remedy. This had meant mayhem for a lot of consumers who were becoming used to filing complaints against the state electricity boards, telephone services and even private companies for matters related to shares and dividends etc. S 3 of the principal Act says that the provisions of the Act are in addition to and not in derogation of any law for the time being in force. The proposed s 3 was to read: The provisions of this Act shall apply to all claims except claims in respect of which corresponding

remedies of judicial nature are available under any special law for the time being in force.

Besides, the Amending Bill also proposed a restriction on engagement of lawyers at the option of complainant. The opposite party would have been unable to engage a lawyer unless the complainant engaged one or had no objection to the opposite party engaging legal practitioners.

These amendments raised many concerns and were finally done away with. Perhaps for the better as consumers would have had to return to the mercy of departmental procedure and enquiry under various laws.

Also, with the inclusions of concepts like punitive damages and procedural provisions for grant of ex parte and dismissal orders and time limitations, one fails to imagine the consumer unaided by legal expertise. Would the Forums and Commissions have undertaken to inform them of the manner in which they were

to present a strong case, the arguments against technicality and time frames within which procedure was to be complied with?

As is usually the case with any new enactment in India, one applauds the efforts of the minds that enacted this legislation; it is an effort towards efficiency and does away with many lacunae in the law. It also leaves ample scope for the courts to interpret and add meaning. What worries is about the enforcement. Will the judges be eager to give reasoned orders for adjournments or will they, in the spirit of the Act, refuse to be lenient? How far will consumers claim their rights and be informed of them? Will the voluntary organizations jump into the fray and become more proactive than before? Much depends on the individual and collective agencies of society.

The Consumer Protection Act 1986 was replaced by the Consumer Protection Bill 2019, which was introduced by the minister of food and public distribution, and consumer affairs Mr Ram Vilas Paswan in the Lok Sabha. The Bill was introduced on July 8, 2019. The basic aim of the Consumer Protection Act 2019 is to protect and promote the interest of consumers through inexpensive and quick

redressal of their grievances. The Act is applicable in India and to all business types whether they are traders or manufacturers or whether they are supplying goods or providing services (also including e-commerce firms).

According to the **Consumer Protection Act 2019**, a **Consumer** is a person who buys any goods or avails any services for a consideration, which has been paid or promised to pay, or partly paid or partly promised, or under any scheme of deferred payment. A consumer also includes a person who is using the goods or beneficiary of service with the approval of the buyer and applies to both online and offline transactions through electronic means of teleshopping or direct selling or multilevel marketing.

Consumer Protection

A consumer is said to be the king of the market; therefore, the earlier approach, **Caveat Emptor** (Let the buyer beware) has been changed to **Caveat Venditor** (Let the seller beware). It means that, because of the fast-growing competition in the market, some businesses are involved in unfair trade practices and exploit customers, from which the customers need protection.

Hence, **Consumer Protection** is an act that provides adequate protection to the customers against any unfair trade practices, exploitative, and unscrupulous practices of the businesses (including manufacturers and service providers).

Importance of Consumer Protection

Consumer protection is a wide concept and includes various rights, responsibilities, and remedies available to consumers. Consumer Protection is beneficial to both consumers and businessmen. The importance of consumer protection from consumers' and businessmen's point of view are given below:

Importance of Consumer Protection from Consumers' Point of View

Consumer Protection is important for consumers because of the following reasons:

1. Unorganised Consumers

The consumers in developing countries, like India, are unorganised. It means that only a few consumer organisations are working in these countries to protect the interests of consumers.

Consumer Protection helps consumers by encouraging the establishment of more consumer organisations. It also provides rights and powers along with responsibilities to these consumer organisations, as they can file a case on behalf of the consumers.

2. Consumer Ignorance

There are many consumers who are unaware of their rights and remedies available to them for their grievances. Consumer Protection provides the required information to these ignorant consumers and spreads awareness so that they can know about the different redressal agencies opened up for them to protect their interests.

3. Widespread Exploitation of Consumers

Even though consumers are the kingpin of the market, they face a lot of exploitation from businessmen, as they use different unfair trade practices to cheat them. Consumer protection provides protection to consumers from businessmen and their exploitation by filing a case on their behalf, providing them with various redressal, etc.

Importance of Consumer Protection from Businessmen's Point of View

Consumer Protection is important for businessmen because of the following reasons:

1. Long-term Interest of Business

Liberalisation and Globalisation have increased the level of competition in the market so much that businesses now have to face internal as well as international competition. In this stiff competition, a business can achieve success and earn profits only when it designs the products as per the taste and preferences of the consumers and satisfies them. Businesses that ignore the requirements of consumers lose their clients and goodwill in the market. Therefore, it is essential for businesses to keep their customers' interests in mind and satisfy them with a product or service accordingly.

2. Social Responsibilities

Every businessman has a social obligation towards different groups of society among which the customer is one of the most important groups. The businessmen are responsible for providing good quality goods at a reasonable price. Consumer protection helps

businessmen by guiding them towards the provision of social responsibilities.

3. *Businessman uses Society's Resources*

To produce the products and services to sell them in the market, businessmen use the resources of society. By using the society's resources and supplying the goods and services produced from them to the members of the society, these businessmen earn profits; hence, it is their duty to do something for them in return. Consumer protection guides businessmen in using these resources for the benefit of consumers.

4. *Consumer is the Purpose of Business*

The basic motive of any business is to bring in more and more customers and retain them for the long term. As the customers are the foundation of business, and it is essential to retain them for as long as possible, businessmen can do so by satisfying the customers and protecting their interests.

5. *Moral/Ethical Justification*

Earlier, ethics was a part of the profession only and not of business. However, in present times, moral values and ethics play a great role in business also. If businessmen practice moral values and ethics toward consumers and society, then it adds to their glory and helps them increase their business, as consumers support those

businesses that work ethically. Besides, people nowadays consider a business with no ethical value, criminal activity and do not allow the existence of these unethical businesses.

6. Government Intervention

The government aims at protecting the rights of consumers by intervening in business activities. Therefore, if a businessman wants to avoid such intervention, then he/she should not get involved in unfair trade practices. Besides, these kinds of interventions also spoil the image of the business; therefore, businessmen should perform activities that protect the interests of consumers.

Ways and Means of Consumer Protection

The following ways or means can help in achieving the objectives of consumer protection:

1. Self Regulation by Business

The business environment in today's world is so competitive that business firms have realised that it is in their own long-term interest to serve the customers better. For this, various socially responsible business firms follow ethical and fair trade practices in order to protect the interests of consumers. Besides, some firms have also set up customer grievance and service cells to redress the problems of customers.

2. Business Associations

A code of conduct has been laid out by business associations, like the Confederation of Indian Industries (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI), providing guidelines to be followed by the members while dealing with consumers.

3. Consumer Awareness

Consumer awareness is essential for the customers as an educated and well-informed consumer can better raise his/her voice against the injustice to them or any unfair trade practices, or exploitation. Therefore, a consumer must be aware of his/her rights, reliefs, and responsibilities available under the Consumer Protection Act.

4. Consumer Organisations

Educating consumers regarding their rights and responsibilities is essential to protect their interests. For this, various consumer organisations, like Common Cause or VOICE play a crucial role by educating consumers and providing protection. These organisations also fight against the unfair trade practices and malpractices of businesses in order to provide relief to consumers.

5. Government

Different legislations have been framed by the Government of India for the protection of the consumers. The most important legislation among these is the Consumer Protection Act, 2019. Under this act, there is a three-tier redressal agency for the redressal of consumer grievances. The three-tier redressal agencies include District Commission, State Commission, and National Consumer Dispute Redressal Commission.

Unit V:

Model form of complaints-with reference to goods and services-
Consumer related cases.

Model form of complaints-with reference to goods and services

When filing a complaint regarding goods and services, it is essential to clearly communicate your concerns and provide relevant details. Here is a model form you can use as a reference when drafting your complaint:

[Your Name]

[Your Address]

[City, State, ZIP Code]

[Email Address]

[Phone Number]

[Date]

[Recipient's Name]

[Company/Organization Name]

[Address]

[City, State, ZIP Code]

Subject: Complaint Regarding Goods/Services

Dear [Recipient's Name],

I am writing to express my dissatisfaction with the goods/services I received from your company/organization. I believe it is essential to bring this matter to your attention and request appropriate action to resolve the issue.

Description of the Problem:

[Provide a concise description of the problem you encountered with the goods/services you received. Include specific details such as dates, times, and locations if applicable.]

Order/Transaction Details:

[Provide relevant information regarding your order or transaction, such as the order number, invoice number, or any other identifying details that will help the recipient identify your purchase.]

Attempts to Resolve the Issue:

[Describe any previous attempts you made to resolve the problem, such as contacting customer service or speaking with a representative. Include the dates and methods of communication.]

Desired Resolution:

[Clearly state what resolution you are seeking. For example, you may request a refund, replacement, repair, or compensation for damages or inconvenience caused.]

Supporting Documentation:

[If you have any supporting documentation, such as receipts, invoices, photographs, or correspondence, mention that you are including them with the complaint. If possible, attach copies of these documents to your complaint.]

Deadline for Resolution:

[Specify a reasonable deadline by which you expect the company/organization to resolve the issue. This can be a specific date or a reasonable time frame, such as "within 14 days from the receipt of this complaint."]

I trust that you will treat this matter with the urgency it deserves and provide a prompt response. Failing to address this issue adequately may

compel me to explore alternative measures to protect my rights as a consumer.

I look forward to a swift resolution to this matter. Please acknowledge receipt of this complaint within five business days and provide me with an update on the steps you will be taking to resolve the issue.

Thank you for your attention to this matter.

Yours sincerely,

[Your Name]

Remember to adapt the template to suit your specific situation and provide accurate and concise information. Keep copies of your complaint, supporting documents, and any correspondence related to the issue for your records.

Consumer-related cases can cover a wide range of issues that arise between consumers and businesses. Here are a few examples of common consumer-related cases:

Product Liability: Consumers may file cases against manufacturers, distributors, or retailers if a product they purchased is defective or poses a danger to their health or safety. This can include issues such as faulty appliances, contaminated food products, or dangerous medications.

Breach of Warranty: If a product fails to meet the terms of its warranty or guarantee, consumers may file a case against the manufacturer or seller. This can include situations where a product breaks down shortly after purchase or does not perform as advertised.

Consumer Fraud: Cases involving consumer fraud typically occur when businesses engage in deceptive or misleading practices to

manipulate consumers into making purchases. This can include false advertising, pyramid schemes, identity theft, or misleading pricing tactics.

Unfair Debt Collection: Consumers may file cases against debt collectors who engage in abusive or unfair practices while attempting to collect debts. This can include harassment, using deceptive tactics, or attempting to collect debts that are not owed.

Consumer Privacy Violations: Cases related to consumer privacy focus on the unauthorized collection, use, or disclosure of personal information by businesses. This can include data breaches, unauthorized sharing of personal data, or failure to secure consumer information.

Lemon Law Cases: Lemon laws are specific laws that protect consumers who have purchased defective vehicles. If a vehicle repeatedly fails to meet the terms of its warranty or has significant

defects, consumers can file a case seeking a refund, replacement, or repairs.

False Advertising: Cases involving false advertising occur when businesses make misleading or false claims about their products or services. This can include exaggerated claims, hidden fees, or inaccurate product descriptions.

It's important to note that consumer-related cases can vary based on local laws and regulations. If you believe you have a consumer-related case, it's advisable to consult with a lawyer who specializes in consumer protection or consumer rights in your jurisdiction for guidance and assistance.

Consumer related cases

On an everyday basis, we purchase products and services. From our basic necessities like food and clothing to services like banking and education, we are dependent on companies and organisations to live

comfortably in the present day, and we give them our hard-earned money in return.

But sometimes, companies might fail to provide quality services or products. Many know there exist consumer courts and laws that protect consumers for such instances. But have you ever wondered who goes to these courts and what types of cases are filed? You would be surprised to know how basic these cases can be. So, here are 10 interesting cases filed by consumers in the consumer court cited for you.

Top 10 Consumer Cases in India

1. Banks Can't Always Escape Using 'Technical Difficulties'

We have come to rely on banks so much. More than ever, most of our transactions are digital and heavily reliant on banks for these. Have you ever had your transaction fail due to the server being down or other errors?

a Customer found herself in an awkward situation when she used her Bank Debit Card in a hotel failed. She had had 10 times the bill

amount in her account at that time. Due to this, she faced a loss of reputation and humiliation. The bank said the incident was a case of 'Force Majeure' (an act of god/ something beyond control)

Apart from that, the bank had also returned a cheque of Rs 1 lakh issued to her and blamed it on a technical error.

The customer moved the consumer court in Chennai against Bank

Court Decision

The court found that there was a deficiency of service on the part of the Bank and directed the bank to pay a compensation of Rs5 lakh and Rs 5,000 as expenses.

Key Takeaway

Banks are like any other service provider. We trust them with our money and they must perform the services we were promised. They

cannot hide behind 'technical difficulties' or 'force majeure' and let customers suffer for it.

2. You Don't Have to Be a Celebrity to Win a Consumer Cases

A humble tea vendor, is an example of this. He had Rs 20,000 in his Bank account and had withdrawn Rs10,800. On his next visit to the ATM, however, he realised all his money was gone. When he asked the bank authorities they blamed it on him.

So, he went to the District Consumer Disputes Redressal Forum with his grievance. He couldn't afford a lawyer and he argued the case himself!

Court Decision

The forum ruled in his favour and ordered the Bank to return the Rs 9,200 with 6% interest, pay Rs10,000 as compensation for mental anguish caused by the issue, and Rs2,000 for legal expenses.

Key Takeaway

It doesn't matter who you are, as long as you have a valid case you can approach the Consumer cases Forum. And even big companies and government entities can be made to answer for their mistakes.

3. Not All Free Items Are Welcome

Imagine you bought a bottle of cool drinks and found a packet of gutka floating in it! It happened to a customer from Ahmedabad when he bought the cool drinks from a local store. He sent a legal notice to the company immediately and approached a Consumer cases Dispute Redressal Forum.

Moreover, he claimed that there was a deficiency in service that could have caused a health hazard to him. He demanded compensation of ₹5 lakh for the same.

Court Decision

The consumer forum passed an order in favour of the customer and directed the company to pay a total of Rs4008 (Rs 4000 for compensation and Rs 8 for the cool drinks he purchased).

The customer moved the State Consumer Dispute Redressal Commission, asking for higher compensation as Rs4008 was too low and that he had spent Rs 500 on sample testing itself. The State Commission passed an order asking the company to pay Rs 20,000 as compensation and Rs 2000 towards costs as it found his argument reasonable.

Key Takeaway

Free items are not all welcome! It is a deficiency in service on the part of the provider if you find anything in your food (packaged or otherwise) that isn't supposed to be there. The Consumer Cases Forums are a good place to take them.

4. Paying More than the MRP? You Shouldn't.

It has become common to charge more than the maximum retail price (MRP) for packaged goods. Especially in places like theatres, food courts, railway stations, etc we see this happen a lot and mostly ignore it.

A customer, on the other hand, didn't ignore it when he noticed that a Food Court charged him Rs 40 for a water bottle where the MRP was Rs 20. He filed a case against them in the District Consumer cases Disputes Redressal Forum for 'unfair trade practice'. He supported his claim by producing the bill.

Court Decision

The court decided in favour of the customer and said that a practice is not justified just because it is widely common. The customer was awarded a compensation of Rs20,000, Rs20 (the extra money charged) and Rs 5,000 in costs.

Key Takeaway

No authority has the power to charge above the MRP for any packaged goods. It doesn't matter where it is sold; you are not required to pay a rupee above the MRP.

5. No MRP at All on the Product?

A customer, a 19-year-old got a book and Rs 12,500 because of the book. How? He purchased the book online and when it was delivered, he noticed that there was no MRP mentioned in it. He browsed the internet and saw that the book was sold at different prices in different places.

So, he went to the consumer cases forum and filed a case against Books Comany Pvt. Ltd and the paper company.

Court Decision

The court held that not publishing MRP on the product without a valid reason is 'unfair trade practice'. MRP exists to ensure that a consumer is not overcharged for the product. So, it is mandatory for companies to print MRP.

The publishers were asked to print the retail price on the book and the customer was awarded Rs 10,000 as compensation and Rs 2,500 as costs.

Key Takeaway

It is required under law for companies to put MRP on every product. If you see a product without MRP, then it is a violation of Consumer cases Protection Laws and you can take them to court.

6. Medical Services Fall within the Scope of the CPA

Do medical services fall under CPA? When there was a little confusion in this regard, the Indian Medical Association (IMA) decided to get this question resolved once and for all.

IMA approached the Supreme Court, asking them to declare that medical services are out of the scope of the CPA. They gave the following arguments to support their claim:

Medical professionals are governed by their own code of ethics made by the Medical Council of India.

In the medical profession, it is hard to guarantee the end result of treatments. Many external factors which are out of the control of the professional can impact the outcome. So, allowing consumer claims will cause people to file a case whenever a treatment didn't work out.

There are no medical science experts in the consumer complaints online.

Medical service provided by government hospitals will not fall under the Act especially when the service is provided for free.

These were decent points. After consideration, the court settled the claims in the following manner.

Court Decision

Medical services provided by any professional (private or government) will be covered by CPA. Meaning people can file a case in a Consumer Court if the service provided is not in confirmation with the Act.

Except:

Doctors and hospitals that treat patients for free cannot be sued by a person who availed their services for free.

In a government hospital, where services are provided free of charge – the Consumer Protection Act India would not apply.

Apart from these two exceptions, the Act will apply when a person gets treated in government hospitals for free, when a poor person gets treated for free, and when insurance money is used for treatment.

7. Tired of the False Claims Made by Skin and Hair Care Products Yet?

Maybe you are not tired yet or you are too tired to question. However, a 67-year-old man from a remotest area of a state was tired of these consistent lies and how companies got away with them.

In 2015, a customer complained against the beauty product manufacturers and an actor who was the brand ambassador of the company for putting up misleading ads. The tagline of the soap was false. The ads also claimed that people using the soap will become 'fair' and 'beautiful' but the 67-year-old didn't become fair or beautiful.

Funny, right?

Compensation Paid

The beauty product manufacturers paid him Rs30,000 in an out of the court settlement while the initial claim was Rs 50,000. When he was

asked about this, he said that this case was never about the money but about how these companies put up advertisements every day with false claims. And it is not okay to let these people get away with it.

Key Takeaways

Advertisements are made to sell the products, so exaggeration of results is too common. But this doesn't make it okay to make false claims just for the sake of selling the products. Making false claims is in violation of the CTA.

8. Homebuyers are Consumers

Imagine you decide to buy a house (a dream come true for many). You do a lot of research, pool your hard-earned money, and pay a real estate developer to build the house for you. They promise to deliver within 42 months but 4 years later they haven't even started construction.

This is what happened to two people and they decided to move the National Consumer Disputes Redressal Commission (NCDRC) for it.

Court Decision

NCDRC decided in favour of the homebuyers and asked the real estate developer to refund the money with a simple interest of 9% per annum. They were also awarded a compensation of Rs 50,000 each.

The real estate developer challenged this in the Supreme Court, saying that the issue is covered under another Act (Real Estate (Regulation and Development) Act) and therefore cannot be taken in a consumer court. But the Supreme Court denied their argument saying that as long as the other Act explicitly stops people from getting remedy under other laws, they will be allowed to do so.

Key Takeaway

Our laws are in such a way that even though there is other remedies available, in most cases where you are a buyer of a product or a service, you will have protection under the Consumer Protection Act.

9. Insurance Claims cannot be rejected on Mere Technicalities

We pay the premium and get insurance to protect us from losses we can't foresee. Sadly, many people have had bad experiences with the insurance company. A customer, for example, had his truck stolen and claimed insurance for the same. The truck was stolen on 23.03.2010, the FIR filed on 24.03.2010, and the insurance claim was filed on 31.03.2010.

The insurance investigator was sent and he confirmed that the claim was genuine. The claim approved for the amount of Rs 7,85,000/-. But the amount was never given to the customer. When he sent the insurance company a legal notice for the same, they replied saying that there was a breach of terms and conditions:

“immediate information to the Insurer about the loss/theft of the vehicle”

The customer was late to apply for insurance because he was held up with the police to try and recover his vehicle.

Court Decision

While the consumer courts didn't allow his case, the Supreme Court allowed his appeal and held in favour of him. It was ruled that insurance companies cannot escape from paying the claimants on technical grounds.

Especially when the claimant has valid reasons for it

The Court directed the Respondent company to pay a sum of Rs 8,35,000/- to the Appellant along with interest @ 8% per annum. He was also awarded Rs 50,000 as compensation.

Key Takeaway

Over the years, many judgements have been made to ensure that insurance companies are accountable and do not escape from paying valid claims. If you experience a similar situation with your insurance provided, you can approach the consumer court.

10. iPhone 5S Gold for Rs 68 + Rs10,000

Let's close the list with a fun one! How would it be to get an iPhone at just Rs 68? In 2014, a student saw this unbelievable offer (a discount of Rs 46,651) and ordered it immediately as any sane person would. He received an order confirmation but later he was told that the order was cancelled. They claimed that the offer itself was a technical glitch.

Court Decision

When he approached the e commerce consumer complaints Forum, he claimed that these kind of offers are misleading people and it was the duty of online vendor to honour the order. The forum ruled in his

favour and asked the vendor to deliver him the iPhone for Rs 68 and asked to pay a compensation of Rs 2,000.

When the vendor appealed this order, the compensation was raised to Rs 10,000!

Key Takeaway

Ecommerce stores are just as answerable as any other shop owner under the Consumer Protection Act. So if you face any issues like this with them, consider taking it to the consumer court.

Consumer forums exist to protect consumers and ensure that we are not cheated by the companies we pay for getting products or services. Knowing your rights is the first step towards becoming a conscious consumer.

Consumer protection makes markets work for both businesses and consumers. Consumers need to be able to obtain accurate, unbiased information about the products and services they purchase. This enables them to make the best choices based on their interests and prevents them from being mistreated or misled by businesses.