

# Consumer Rights

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## Check Point 01

### Q. 1. How does consumer participate in the market place?

**Answer:** Consumers participate in the market when they purchase goods and services that which they are in need of. These will be mostly final goods which will be ready for consumption.

### Q. 2. In which situation a consumer finds himself exploited?

**Answer:** Individual consumers often find themselves in a weak position. Whenever there is a complaint regarding the goods and services that had been brought, the seller tries to shift whole responsibility to the consumer as if they are not responsible for anything.

### Q. 3. In what ways producer create artificial scarcity?

**Answer:** Producers create the artificial scarcity in the way of black marketing and hoarding. The term "hoarding" may include the practice of obtaining and holding resources to create artificial scarcity, thus reducing the supply, to increase the price, so that they can be sold to customers for profit. Black marketing is market place which takes place outside government-sanctioned channel.

### Q. 4. What necessitates the origin of Consumer Movement in India?

**Answer:** The consumer movement necessitated out of dissatisfaction of the consumers as many inequitable practices were being indulged in by the sellers. There was no legal system available to consumers to protect them from mistreatment in the marketplace.

### Q. 5. What kind of consumer disputes are settled consumer courts?

**Answer:** The consumer court addresses all kinds of disputes that are faced by the consumers while dealing into a transaction. But the consumer must have proper documents that are favourable to the judgment. Consumers have many rights which are made as mandatory such as Right to be Informed, Right to Choose, Right to seek Redressal, Right to Represent and so on. All these rights are being addressed by the consumer courts in India.

## Check Point 02

### Q. 1. When does consumer have the right to be Protected?

**Answer:** A consumer has the right to be protected against when the marketing of goods and delivery of services are hazardous to life and property. Producers need to strictly follow the required safety rules and regulations.

**Q. 2. What is required to maintain safety and quality of products and services?**

**Answer:** International standards must be set up to the entire products to ensure the quality of the product. The standards must be well verified and tested by the experts. The best-known standard in India is ISI for iron and steel, Agmark for food items and so on.

**Q. 3. State anyone example of goods that requires special attention to safety.**

**Answer:** Special attention is required to ensure the safety of consumers. One of the goods which needs special attention to safety is a pressure cooker. The pressure cooker has safety valve, which if defective can cause a serious accident. The manufacturers should ensure high standards and the consumers should read all the instructions given on the box of the pressure cooker.

**Q. 4. Write any two cases that violate consumer's right to Choose.**

**Answer:** Telecom industry

In the current scenario, the telecom industry is charging higher rates for the recharge the mobile. They are offering only unlimited packs and also consumer are forced to buy mobiles offer acquiring sim card, therefore, consumers are only allowed to choose what they offer.

Another instance is when gas dealer forces the consumer that he has to buy the stove for buying the gas. Then consumer is denied the right to choose.

**Q. 5. What should be taken by the buyers so that it can be used as evidence in the future?**

**Answer:** If the consumer has been to the transaction with the producer, he should keep certain documents. It should be kept because they can be used as evidence. They are:

- Bill of the commodity
- Payment receipt
- Product which has been bought

These are the main things that are to be kept by the consumer

### **Self Assessment**

**Q. 1. Name three voluntary organizations that promote consumer movement in India.**

**Answer:** The role of the voluntary organization was widely important in the Consumer Movement in India. There are now more than 800 such organizations India.

- Consumer Guidance Society of India
- All India Consumer Protection Organization

- The Consumers Eye India

**Q. 2. State the six rights a consumer has under COPRA, 1986.**

**Answer:** The consumer has six rights under the Consumer Protection Act (COPRA), 1986

- Right to be Protected
- Right to be Informed
- Right to be Assured
- Right to be Heard
- Right to seek Redressal

**Q. 3. Some instances of consumer behaviour are cited below. Cite the error in consumer behaviour in each case and suggest possible remedies.**

**a. Buying a bottle of medicine without checking the first date of expiry.**

**b. Buying sweets weighed with the box.**

**c. Not asking for a bill from the doctor.**

**Answer: (a) Right to be informed:** the consumer has the right to be informed about the defect of the product and expiry of the product. The suggestion is that sue the shopkeeper for selling the product which is out of date with necessary documents, and also he can seek for the replacement of the product.

**(b) Right to be informed:** The consumer has the right to be informed about the quantity and weight of the product. The consumer can seek to weigh the product before buying the product.

**(c) Right to Choice:** Consumer has the right to choose whether to continue with the treatment or to ask the bill from the doctor. But bill acts as a document when it comes to seeking Redressal.

**Q. 4. When was consumer Movement organised for the first time in India?**

**Answer:** The consumer movement arose out of dissatisfaction of the consumers as many unfair practices were being indulged in by the sellers. There was no legal system available to consumers to protect them from exploitation in the marketplace. In India, the consumer movement as a 'social force' originated with the necessity of protecting and promoting the interests of consumers against unethical and unfair trade practices. Consumer Movement arose in the 1960s, and it continued till 1986 when the Consumer protection was enacted to safeguard the interest of the consumers.

**Q. 5. What major step was taken by Indian Governments in 1986 for consumer protection?**

**Answer:** A major step taken in 1986 by the Indian government was the enactment of the Consumer Protection Act 1986, popularly known as COPRA. Consumer Protection Act, 1986 enables the consumer to enhance major six rights, and they are

- Right to be Protected
- Right to be Informed
- Right to be Assured
- Right to be Heard
- Right to seek Redressal

**Q. 6. Name the umbrella body of 240 organisations from over 100 countries for consumer movements.**

**Answer:** Consumers International has become an umbrella body to over 220 member organizations from over 115 countries.

**Q. 7. Explain the right to choice with the help of an example.**

**Answer:** Any consumer who receives a service in whatever capacity, regardless of age, gender and nature of service, has the right to choose whether to continue to receive the service. The definition of Right to Choose as per the Consumer Protection Act 1986 is 'the right to be assured, wherever possible, to have access to a mixture of goods and services at competitive prices'. For regulating the market place, there is just one factor mandatory and that is competition. The existence of cartels, oligopolies and monopolies prove to be counterproductive to consumerism. It is rarely seen that people want to switch the power company, in the times when they have a faint at home. It is interesting to know that even micro markets like fish vendors in some cities are known to plan and discourage the consumers' bargaining power. No matter what size or form, or span, but the collusion of various companies which sell an analogous kind of product is unethical or say less legal. It can be anticipated that India has to stride for about 20 more years for empowering its citizens fully in this regard.

**For example** gas supply dealers insist that you have to buy the stove from them when you take a new connection. In this case, the consumer has no choice but to go with the given choices.

**Q. 8. Are these the example of consumer exploitation taking in the market? Justify your opinion in each case.**

- a. Hoarding**
- b. Black marketing**
- c. Adulteration**

**Answer: (a)** Yes, hoarding is an example for the consumer exploitation. Consumer exploitation is taking advantage of the consumers. The term "hoarding" may include the practice of obtaining and holding resources to create artificial scarcity, thus reducing the supply, to increase the price, so that they can be sold to customers for profit.

**(b)** The black market is the strategy used to by the seller to sell the commodity in higher by creating the artificial scarcity. This is market place which takes place outside government-sanctioned channel.

**(c)** It is the process of mixing or substituting the identical and undesirable materials in the food items. This will cause heavy loss to the consumers and also leads to many diseases while consuming undesirable commodities. For example Mixing of bricks powder in chili powder, because both are identical and the consumer cannot differentiate it.

**Q. 9. Why is the three-tier quasi-judicial machinery set-up for Redressal of consumer disputes?**

**Answer:** Three-tier quasi-judicial machinery was set up to address consumer disputes. They set up three different levels that are a district, state and national level Redressal for consumer disputes. This consumer Redressal for consumer disputes is popularly known as consumer courts.

District level consumer courts deal with the cases which involve up to 20 lakhs. It will be set as consumer disputes Redressal forum in every district. It provides a free and friendly approach to the consumers. The consumer can approach the district forums without involving any fees.

State level consumer courts deal with the cases which may vary between 20lakhs to 1crore. It is also known as State Consumer Disputes Redressal Commission, and also it has jurisdiction over district forums.

National Consumer Disputes Redressal Commission is the national level court for the whole country which deals with disputes more than one crore. It the apex body of consumer courts.

**Q. 10. Give two arguments in favour of regulating the prices in India.**

**Answer:** Yes, prices should be regulated to control the market in India.

- Price regulation by the government reduces the artificial scarcity that is created by the producers to increase the level of price. When the price of the commodity is being increased the profit of the producers rises, but it will be a loss to the consumers. For protecting the consumers from the rise in the prices for the good price, regulation is essential.

- When the shopkeeper forces to buy the product which has higher prices, then the consumer must know the quality and quantity of the product. The product must be worth the price.

**Q. 11. How important is the role of media in highlighting the various issues related to consumer exploitation? State any three points.**

**Answer:** Mass media is the best way of communication to all within a span of time. The consumer can be made aware of the Consumer Protection Act and much other awareness by the social and mass media communication. There are both print media and electronic media in case of the communication. Electronic media has more impact on society as compared to print media because it is visual aid of information. The press in India has always shown its harmony with the socio-economic problems of this country.

- **Increases the consumer awareness:** it is the media that increases the awareness about the law that is available for the consumers and their role in the market. The consumer gets aware about the consumer laws by the advertisements of the government and recent issues around them. The government and many NGOs engage in awareness programme through media.

The Rajasthan government has introduced the telecast of a talk show Law Point every weekend. It is broadcasted through the All India Radio, Doordarshan and the Community Radio. It is broadcasted through the television every Sunday from 7.00 to 7.30 and via all the All India Radio stations from 5.45 to 6.00. Every legal aspect of the issues would be discussed in the show.

- Media can bring out the products which are not met with the standards of the quality mentioned by the quality assessment organization. When the consumers are aware of the defects of the products, then they will stop the consumption of that product.

When the food product Maggi was said to be added with materials which cause cancer, the demand for that product reduced even though the product was available in market after meeting with wide controversial situations.

**Q. 12. "Consumer movements can be effective only with the cooperation of consumers". Justify.**

**Answer:** Consumer movements can be effective only when there is voluntary participation of the consumers. The consumer voluntarily takes part in the movement when there are wide spread consumer disputes in the country. Movement cannot when there is only one or two people, there must be a huge volume of people to lead the movement. The consumer movement arose out of dissatisfaction of the consumers as many unfair practices were being indulged in by the sellers. There was no legal system available to consumers to protect them from exploitation in the marketplace. Self-awareness is the first step for the effectiveness of the movement. Awareness is the creation of the process. The consumer must be aware of his rights and duties.

In India, the consumer movement as a 'social force' emerged with the necessity of protecting and promoting the interests of consumers against unethical and unfair trade practices. Extensive food shortages, hoarding, black marketing, adulteration of food and edible oil gave birth to the consumer movement in an organized form in the 1960s. Till the 1970s, consumer organizations were largely engaged in writing articles and holding exhibitions. They formed consumer groups to look into the malpractices in ration shops and overcrowding in the road passenger transport. The emergence of the consumer movement in India was because of increased violations against the consumers.

Because of all these efforts, the movement succeeded in bringing pressure on business firms as well as government to correct business conduct which may be unfair and against the interests of consumers at large. A major step taken in 1986 by the Indian government was the implementation of the Consumer Protection Act 1986, popularly known as COPRA. This movement was effective because of the widespread consumer dispute in India.

**Q. 13. Write about the judicial structure of consumer dispute in India.**

**Answer:** Three-tier quasi-judicial machinery was set up to address consumer disputes. This three-tier quasi-judicial structure was set up under the Consumer Protection Act (COPRA), 1986. The Act set up three different levels that are a district, state and national level Redressal for consumer disputes. This consumer Redressal for consumer disputes is popularly known as consumer courts.

District level consumer courts deal with the cases which involve up to 20 lakhs. It will be set as consumer disputes Redressal forum in every district. It provides a free and friendly approach to the consumers. The consumer can approach the district forums without involving any fees.

State level consumer courts deal with the cases which may vary between 20 lakhs to 1 crore. It is also known as State Consumer Disputes Redressal Commission, and also it has jurisdiction over district forums.

National Consumer Disputes Redressal Commission is the national level court for the whole country which deals with disputes more than one crore. It is the apex body of consumer courts.

**Q. 14. Describe any three legal measures taken by the government to empower the consumer in India.**

**Answer:** To improve the judicial system and give more awareness and education to the people, many legal awareness programmes were designed and launched by the Central Government and various State Governments. The Legal Services Act was passed in 1987 to implement legal services uniformly in the country. Many plans were formulated and implemented to protect the public from unfair actions and to increase social welfare.

**Some major plans and schemes introduced under legal awareness are:**

**Assistance on accidental deaths-** An accidental assistance of Rs. 5 lakhs is provided by the Rajasthan Government in case of the death of registered workers working in the unorganized sector. This is a huge assistance to them as they generally do not receive any benefits as against the workers under the organized sector.

**Rajasthan Vishwakarma Non-Organised Workers Contribution Scheme-** The scheme provides pension benefits for the registered workers of the unorganized sector. Contributable pension benefits are given for them for the protection through life.

**State Insurance and Employment Provident Fund Scheme-** Rajasthan Government has introduced the Insurance and Provident Fund Scheme for the safety of the workers and to ensure them a huge monetary compensation at the time of their retirement. It is being organized on a contributory basis among workers.

#### **Q. 15. How as the consumer movements evolved in India?**

**Answer:** The consumer movement was from the emergence of the dissatisfaction that took place among the consumers, due to the unfair trade practices by the producers or sellers. There was no legal system which favoured the consumers from the exploitations. Eventually, the consumers were not happy with the brands and products which was there in the market. They had no choice other than to avoid buying it or avoid going into the shops. It was supposed that the consumer is the person who should be careful before buying a product, there was no burden levied on the sellers. It took many years in India to bring out the consumer organization, to create awareness amongst the people. This awareness made a drastic shift in the quality of the goods and services on the sellers.

In India, the Consumer Movement originated as a 'social force' for protecting and promoting the consumers against the unethical and unfair trade practices. The consumer movement was organized in the 1960s because of the continuous emergence of the rampant food shortage, hoarding, black marketing, adulteration of food and edible oil. Till 1970's the consumer movement was largely engaged in the writing articles and holding exhibition. They formed the consumer group into look after the malpractices that is taking place in the ration shops and overcrowding in road transport. This led to the upsurge in the number of consumer groups in India.

Another main reason for the evolution of the consumer movement is the demand-supply gap. If the demand for the goods and services exceeds the supply, it creates the weak bargaining power for the consumer and increases the price of the goods and services. This situation can be created by the sellers by the process of the artificial scarcity. Artificial scarcity can be created by the black marketing and hoarding. This is also an unfair practice against the consumers which also contributed to the consumer movement.

Because of these continuous efforts, the movement succeeded in bringing pressure in the business firm as well as government to correct business demeanor which may be



unfair and aligned with the interests of consumers at large. A major step taken in 1986 by the Indian government was the implementation of the Consumer Protection Act 1986, popularly known as COPRA.

**Q. 16. Do you agree that RTI serves to redress consumer grievances?**

**Answer:** Yes, the Right to Information Act enables many rights to the consumers which redress from the consumer disputes. The Right to Information Act was enacted by the Parliament on 15 June 2015. It was approved by both the houses and was legally implemented in the country with the assent of the President on 13 October 2005. It replaces the Freedom of Citizens Act 2002. The act gives the power to every citizen of the country to request and get information from any public authority. They are bound by the act to reply and furnish the information within 30 days of application request. Political parties and private bodies do not come under the purview of the act.

**Under the act, every citizen has the right to:**

- Receive information from any department or office of the State Governments and the Central Government.
- View the documents or records and take certified copies of the same.
- Take the sample materials of their workings.
- Get information on computers, CD, floppy and other storage devices.

The first appeal for getting the information may be made to the officials in the Panchayats, Municipalities, Secretariat and other government departments within 30 days of getting information from the concerned Information Officer. If the information is not furnished within the first 30 days, the concerned applicant may make a second appeal to the State Information Commission.

The act was passed to empower the citizens and promote transparency and accountability in the working of the government. This helps to check corruption and other malpractices in the functioning of the government and the judicial system.

**Q. 17. Which right of a consumer do you think is most important and why?**

**Answer:** All the rights which are incorporated under the Consumer Protection Act (COPRA), 1986 are equally important in all spheres. But among them, the most important would be the Right to Information (RTI) which was enacted by the Parliament on 15 June 2015. It was approved by both the houses and was legally implemented in the country with the assent of the President on 13 October 2005. It replaces the Freedom of Citizens Act 2002. The act gives the power to every citizen of the country to request and get information from any public authority. They are bound by the act to reply and furnish the information within 30 days of application request. Political parties and private bodies do not come under the purview of the act.

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This act is more important because it empowers the citizens and promotes transparency and accountability in the working of the government. This helps to check corruption and other malpractices in the functioning of the government and the judicial system. This act also increases awareness among the citizen in and around the country.

**Q. 18. Name the organisation formed by the United Nations for consumer protection. How does it serve consumers?**

**Answer:** United Nations Guidelines for Consumer Protection (UNGCP) was adopted in 1985 for consumer protection. This was followed after a long campaign by the consumer associations in many countries, with Consumers International (then known as the International Organization of Consumers Union) acting as an interlocutor with the United Nations. At the international level, this has become the foundation for consumer movement. Today, Consumers International has become an umbrella body to over 220 member organizations from over 115 countries.

The Intergovernmental group of experts on consumer protection law and policy has been established to monitor the implementation of the guidelines, provide a forum for consultations, produce research and studies, provide technical assistance, undertake voluntary peer reviews, and periodically update the UNGCP. Its first meeting took place on 17 and 18 October 2016 in Geneva under the auspices of the United Nations Conference on Trade and Development.

The 2015 revision sets up institutional mechanisms for monitoring compliance with the UNGCP, under the management of the Intergovernmental Group of Experts on Consumer Protection Law and Policy, which is to be held under the patronage of UNCTAD.

**The group has the following functions:**

- a. To provide an annual discussion and modalities for many-sided consultations, discussion and exchange of views between the Member States on matters related to the guidelines, in particular, their accomplishment and the experience arising therefrom.

- b.** To undertake studies and research occasionally on consumer protection issues related to the guidelines based on a consensus and the interests of Member States and distribute them with a view to increasing the exchange of experience and giving greater efficiency to the guidelines.
- c.** To conduct deliberate peer reviews of national consumer protection policies of Member States, as implemented by consumer protection authorities.
- d.** To collect and distribute information on matters relating to the overall attainment of the goals of the guidelines and to the suitable steps the Member States have taken at the national or regional levels to promote effective completion of their objectives and principles.
- e.** To provide capacity-building and technical assistance to developing countries and economies in transition in formulating and enforcing consumer protection laws and policies.
- f.** To consider relevant studies, certification, and reports from relevant organizations of the United Nations system and other international organizations and networks, to exchange in sequence on work programmes and topics for consultations and to identify work-sharing projects and cooperation in the provision of technical assistance.
- g.** To make suitable reports and recommendations on the consumer protection policies of Member States, including the purpose and achievement of these guidelines.
- h.** To operate between and report to the United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.
- i.** To conduct a periodic review of the guidelines, when mandated by the United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable **Principles and Rules for the Control of Restrictive Business Practices.**
- j.** To establish such procedures and methods of work as may be necessary to carry out its mandate.

**Q. 19. “ In India consumer movements is a Social Force”. Explain.**

**Answer:** Consumers are individuals or entities engaged in the purchase of goods and services by the full or partial payment of cash or have made a promise to pay the defined amount after a specified period of time. Consumers are largely oppressed by the sellers and manufacturers by hoarding, the black market, and other malpractices. These malpractices and exploitations have led to the emergence of various consumer movements throughout the country.

The situation in which the buyers do not receive the benefits and services according to the buyer's value or the situation in which the sellers receive or charge the value of commodities higher than its value is known as consumer exploitation. Consumer

movement largely arises because of the dissatisfaction and oppression faced by them in the market. The absence of proper Redressal mechanism forced them to organise themselves for the protection and achievement of their rights.

For many years, it was believed that the consumers were responsible for ensuring that they remained safe from exploitations from the sellers. But because of the development of consumer movements across the world and by the changes in the country's social structures, the consumers started organising themselves collectively to form dominant consumer movements. Thus the consumer movements in India can be characterized as a social movement.

The consumer movement emerged as a social force with the participation from a variety of social group. With the problems of hoarding and other malpractices in the rise in the late 1960s, the consumers slowly started coming together to claim their rights and protection from the exploitative practices of the sellers. The consumer movement involved publishing articles, writing in papers, holding meetings and many other exhibitions throughout the country.

The spread of the consumer movement was very rapid throughout the country. The business firms and the government were forced to conduct business in a fair manner and ensure the protection of their rights. This finally led to the enactment of Consumer Protection Act in 1986.

The consumer movement is still spreading in the country. The success of the movement will ensure the ethical practices by the business houses and firms.

**Q. 20. Mention any six ways by which consumer are exploited by the producers or whole sellers.**

**Answer:** A consumer is any person who consumes and receives satisfaction by paying the value for purchasing any commodity. The consumer can be a consumer of goods or a consumer of services. The situation in which the buyers do not receive the benefits and services according to the buyer's value or the situation in which the sellers receives or charges the value of commodities higher than its value is known as consumer exploitation. Consumer exploitation can be made in many different ways in such major ways are being discussed:

**a. Hoarding**

Consumer exploitation is taking advantage of the consumers. The term "hoarding" may include the practice of obtaining and holding resources to create artificial scarcity, thus reducing the supply, to increase the price, so that they can be sold to customers for profit.

**b. Black marketing**

The black market is the strategy used to by the seller to sell the commodity in higher by creating the artificial scarcity. This is a market place which takes place outside government-sanctioned channel.

**c. Adulteration**

It is the process of mixing or substituting the identical and undesirable materials in the food items. This will cause heavy loss to the consumers and also leads to many diseases while consuming undesirable commodities. For example Mixing of bricks powder in chili powder, because both are identical and the consumer cannot differentiate it.

**d. False claim**

Sellers make a false claim about the performance and quality of their product through advertisements. This false claim may attract consumers who are not aware of the original quality of the product.

**e. Under measurement**

Sellers generally give under measured goods and charge for the actual quantity. This quantity reduction will increase the profit of the sellers but exploit the consumers.

**f. Substandard goods**

Sellers usually sell inferior quality goods in order to make more profit. But they charge the same amount for the goods then the consumer gets substandard goods for higher prices.