

CONSUMER PROTECTION ACT 1986

The Consumer Protection Act, 1986 was enacted **to provide a simpler and quicker access to redress of consumer grievances.**

The Act seeks to promote and protects the **interest of consumers against deficiencies and defects in goods or services.**

It also seeks to secure the **rights of a consumer against unfair trade practices**, which may be practiced by manufacturers and traders.

The Act applies to all goods and services
unless specifically exempted by the Central Government.

It covers all the sectors whether private, public or cooperative.

CONSUMER PROTECTION ACT, 1986

- Enacted to provide for the better protection of the interest of consumer
- Act applies to whole of India except Jammu and Kashmir
- Chapter I, II and IV came into force on 15.4.1987. Chapter III came into force on 1.7.1987
- The act was amended in 2002 and the amendments came into force w.e.f. 15th March 2003.

WHAT IS A COMPLAINT?

“Complaint” means **any allegation in writing made by a compliant that :**

- I. An **unfair trade practice** or a restrictive trade practice has been adopted by any trader or service provider;
- II. The goods bought by him or agreed to be bought by him **suffer from one or more defects** ;
- III. The services hired or availed of or agreed to be hired or availed off by him **suffer from deficiency** in any respect;
- IV. A trader or service provider as the case may be has charged for the goods or for the services mentioned in the complaint, **a price in excess of the price**
 - a) fixed by or under any law for the time being in force;
 - b) displayed on the goods or any package containing such goods;
 - c) displayed on the price list exhibited by him by or under any law for the time being in force;
 - d) agreed between the parties .

V. Goods which will be hazardous to life and safety when used are being offered for sale to the public –

- a) In contravention of any standards relating to safety of such goods as required to be complied with, by or under any law for the time being in force;
- b) If the trader could have known with due diligence that the goods so offered are unsafe to the public;

VI. Service which are hazardous or likely to be hazardous to the life and safety of the public when used, are being offered by the service provider which such person could have known with due diligence to be injurious to life and safety.

WHO IS A CONSUMER ?

- Any person who **buys goods or avails services** for consideration
- **Consideration** may be fully paid, partially paid or fully promised to be paid or partially promised to be paid
- Any body who **uses the goods or services** with the consent of the consumer
- **Legal heir of consumer** in case death of consumer
- **Does not include any person who buys goods for resale or commercial purpose and services for commercial purpose**
- However any person who buys goods for commercial **use but exclusively for his livelihood by means of self employment is a consumer.**

WHAT IS A DEFECT ?

- Fault
- Imperfection
- Shortcoming

In the

- Quality
- Quantity
- Potency
- Purity
- Standards

Or

Which is required to be maintained by or under any law for the time being in force

WHAT IS A DEFICIENCY ?

- Fault
- Imperfection
- Shortcoming
- Inadequacy

In the

- Quality
- Standard and
- Manner of performance

Which is required to be maintained by or under any law for the time being in force

WHAT IS A SERVICE?

“Service” means service of any description, which is made available to potential users and includes, but not limited to the provisions of the facilities in connection with

- 1) banking
- 2) Financing
- 3) Insurance
- 4) Transport
- 5) Processing
- 6) supply of electrical or other energy
- 7) Boarding or lodging or both
- 8) house construction
- 9) entertainment
- 10) amusement or
- 11) the purveying or new or other information

But does not include the rendering of any service free of charge or under a contract of personal service

BASIC RIGHTS OF CONSUMERS INCLUDE:

- Right to be **protected** against marketing of goods and services which are hazardous to life and property.
- Right to be **informed** about the quality, quantity, standard and price of goods or services so as to protect the consumer against unfair trade practices.
- Right to be **assured**, wherever possible, access to variety of goods and services at competitive prices.
- Right to be **heard** and to be assured that consumers interests will receive due consideration at appropriate forums.
- Right to seek **redressal** against unfair trade practices.
- Right to consumer **education**.

Aims and Objectives of the Act

1. Better protection of interests of consumer

2. Protection of rights of consumers: The act is intended to protect following rights of the consumers[under section 6]:

1. The right to be protected against the marketing of goods and services which are hazardous to life and property.
2. The right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be so as to protect the consumer against unfair trade practices;
3. The right to be assured, wherever possible, access to a variety of goods and services at competitive prices ;
4. The right to be heard and to be assured that consumer's interest will receive due consideration at appropriate forums;
5. The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers; and
6. The right to consumer education.
7. Right to healthy environment.

3. **Consumer protection councils:** The above objectives are sought to be promoted and protected by the consumer protection councils established at the central and state levels.

4. **Quasi-judicial Machinery for speedy redressal of consumer disputes:** The act seeks to provide speedy and simple redressal to consumer disputes. For this purpose, there has been set-up the quasi-judicial machinery at the district, state and central level. These quasi-judicial bodies are supposed to observe the principles of natural justice and are empowered:

- i. To give relief of a specific nature, and
- ii. To award, wherever appropriate, compensation to consumers.

Rights of Consumers

- **Right to Safety** – Hazardous goods & services
 - **Right to be Informed** – About the quality, quantity, potency, purity, standard and price of goods
 - **Right to Choose** – Access to variety of goods and services at competitive price
 - **Right to be heard** - due consideration at appropriate forums.
 - **Right to seek Redressal** – Right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers
 - **Right to Consumer Education** –Right to acquire the knowledge and skill to be an informed consumer throughout life.
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Consumer Protection Councils

- **Central Consumer Protection Council.**

- The Minister in charge of the consumer affairs in the Central Government, who shall be its Chairman, and
- such number of other official or non-official members representing such interests as may be prescribed.

- **State Consumer Protection Council.**

- the Minister incharge of consumer affairs in the State Government who shall be its Chairman;
- such number of other official or non-official members representing such interests as may be prescribed by the State Government.
- such number of other official or non-official members, not exceeding ten, as may be nominated by the Central Government.

- **District Consumer Protection Council.**

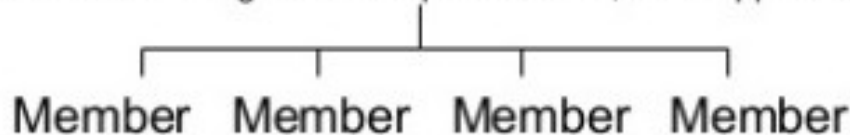
- the Collector of the district (by whatever name called), who shall be its Chairman;
 - such number of other official and non-official members representing such interests as may be prescribed by the State Government.
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Composition of Redressal Agencies

National Commission

President

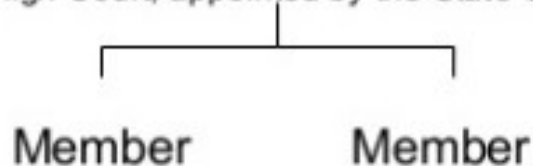
(a person who is or has been a Judge of the Supreme Court, to be appointed by the Central Govt.)



State Commission

President

(a person who is or has been a Judge of a High Court, appointed by the State Govt.)



District Forum

President

(a person who is, or has been, or is qualified to be a District Judge)



District Forum

- Each District Forum shall consist of a person who is or has been or is qualified to be a District Judge who shall be its President two other members, one of whom shall be a woman possessing a bachelor's degree from a recognized university, be a person of ability, integrity and standing and have adequate knowledge and experience
- Every member of the District Forum shall hold office for a term of 5 years or up to the age of 65 years which ever is earlier.
- Subject to the other provisions of the Act a District forum shall have jurisdiction to entertain complaints where the value of the goods or services and the compensation, if any, claimed does not exceed Rs.20 Lakhs.

State Commission

- A Consumer Disputes Redressal Commission to be known as the "State Commission" established by the State Government in the State.
- A person who is or has been a Judge of a High Court, appointed by the State Government, who shall be its President.
- Each State Commission shall have jurisdiction to entertain complaints where the value of the goods or services and compensation, if any, claimed exceeds Rs. 20 Lakhs but does not exceed Rs.1 Crore and appeals against the orders of any District Forum within the State.

National Commission

- The 'National Commission' shall consist of a person who is or has been a Judge of the Supreme Court, shall be its President. Not less than 4 and not more than such number of members as may be prescribed and one of whom shall be a woman with similar qualifications as required in the case of appointment as a member to a District Forum or a State Commission.
 - Every member of the National commission shall hold office for a term of 5 years or up to the age of 70 years which ever is earlier.
 - The National Commission shall have jurisdiction to entertain complaints where the value of the goods or services and compensation, if any, the claim exceeds Rs. 1 Crore and appeals against the orders of any State Commission.
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CONSUMER DISPUTE REDRESSAL AGENCIES

- 1) A Consumer Dispute Redressal Forum at the District level.
- 2) A Consumer Dispute Redressal Commission at the State level.
- 3) A National Consumer Dispute Redressal Commission at national level.

CENTRAL CONSUMER PROTECTION COUNCIL

- Objectives of the Central Council

The objectives of the Central Council shall be to promote and protect the rights of the consumers such as— the right to be protected against the marketing of goods and services which are hazardous to life and property.



STATE CONSUMER PROTECTION COUNCIL

- Objectives of the State Council

The objectives of every State Council shall be to promote and protect within the State the rights of the consumers.



DISTRICT CONSUMER PROTECTION COUNCIL

Objectives of the District Council

- The objectives of every District Council shall be to promote and protect within the district the rights of the consumers.



CONSUMER REDRESSAL FORUM

Under the Consumer Protection Act, every **district has at least one** consumer redressal forum also called a **consumer court**.

Here, consumers can get their grievances heard.

Above the district forums are the **state commissions**.

At the top is the **National Consumer Disputes Redressal Commission in New Delhi**.

A written complaint to the company is taken as proof that the company has been informed.

The complaint must be backed by copies of bills, prescriptions and other **relevant documents**, and should set a deadline for the company to respond. Consumers can also complain through a consumer organisation.

JURISDICTION

Forum / Commission	Where the value of the goods or services and the compensation, if any claimed,
District Forum	Does not exceed Rs. 20 lakhs
State Commission	Rs. 20 lakhs and above but not exceeding One Crore
National Commission	Above One Crore
Besides, State and National Commission have appellate jurisdiction also.	

Appellate jurisdiction is the power of a higher court to review decisions and change outcomes of decisions of lower courts. Most **appellate jurisdiction** is legislatively created, and may consist of appeals by leave of the **appellate** court or by right.

TO FILE THE COMPLAINT:

- Complaint is to be filed **within two years of buying** the product or using the service.
- Complaint needs to be **in writing**. Letters should be sent by registered post, hand-delivered, by email or fax. Don't forget to take an acknowledgment.
- The complaint should mention the **name and address** of the person who is complaining and against whom the complaint is being filed. Copies of **relevant documents** must be enclosed.
- The consumer must mention **details of the problem** and the demand on the company for redressal. This could be replacement of the product, removal of the defect, refund of money, or compensation for expenses incurred and for physical/mental torture. Please ensure that the claims are reasonable.
- You should **preserve all bills**, receipts and proof of correspondence related to the case. Avoid using voice mail or telephone because such interactions are normally difficult to prove.
- The complaint can be in any Indian language, but it is better to use English.
- There is **no compulsion to hire a lawyer**. Main cost consists of correspondence and travelling to the consumer forum for the hearing
- **Maintain a complete record** of the emails and documents sent by you.

FILING OF COMPLAINTS

A complaint may be filed by

-) The consumer to whom the goods are sold or services are provided
-) Any recognised consumer association
-) One or more consumers with same interest
-) The central government or state government

FILING OF COMPLAINTS

The Fee for filing the Complaint for the district forum is as under

Sr. No.	Value of Goods / Service and Compensation	Amount of Fees
1)	Upto Rs. 1 lakh rupees	Rs. 100
2)	Rs. 1 Lakh and above but less than Rs.5 lakhs	Rs. 200
3)	Rs. 5 Lakhs and above but less than Rs. 10 lakhs	Rs. 400
4)	Rs. 10 lakhs and above but less than Rs. 20 lakhs	

The fees shall be paid by Cross demand Draft drawn on a nationalized bank or through crossed Indian postal order drawn in favour of the Registrar of the State Commission and payable at the place of the State Commission (w.e.f. 5.3.2004.)

APPEAL

Appeal is a legal instrumentality whereby a person not satisfied with the findings of a court has an option to go to a higher court to present his case and seek justice. In the context of consumer forums:

An appeal can be made with the state commission against the order of the district forum within 30 days of the order which is extendable for further 15 days. (Section 15)

An appeal can be made with the National Commission against the order of the state commission within 30 days of the order or within such time as the National Commission allows. (Section 19)

An appeal can be made with the Supreme Court against the order of the National Commission within 30 days of the order or within such time as the Supreme Court allows. (Section 23)

PENALTIES

The consumer courts (district court, state commission and National Commission) are given vast powers to enforce their orders.

If a defaulter does not appear in court despite notices and reminders, the court may decide the matter in his absence.

The forum can sentence the defaulter to a maximum of three years' imprisonment and impose a fine of Rs. 10,000. Forums can issue warrants to produce defaulters in court.

They can use the police and revenue departments to enforce orders.

The rights of consumers needs to be protected since they avail services given by the service providers based on trust and faith and thus it's a necessity to keep a check on the service providers for the sake of service recipient

NOTE ON CONSUMER PROTECTION ACT, 1986

- A person may be consumer of goods, or services. When I purchase a fan, a gas stove or a refrigerator, I could be the consumer of goods.
- When I open a bank account, take an insurance policy, get my car repaired, I could be the consumer of services.
- The consumer protection Act, 1986 tries to help a consumer when for example, the goods purchased are defective or the services rendered to him are subject to so deficiency.
- Prior to the consumer Protection Act, 1986 for any consumer complaint one had to go to an ordinary Civil Court. He had to engage a lawyer, pay the necessary fee, and be harassed for years or decades before any outcome, positive or negative, was there in that litigation.
- Under the Consumer Protection Act, no Court fee has to be paid and the decision on the complaint is much quicker, as the Court can evolve a summary procedure in disposing off the complaint.

http://ncdrc.nic.in/bare_acts/Consumer%20Protection%20Act-1986.html