

## **Need of Consumer Protection Act in India in the Present Scenario**

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**ABSTRACT:** The contemporary era is marked as the era of consumers. The philosophy of marketing is based on consumer. The consumer is not only the heart of marketing but also the controller of marketing functions. The reality consumer may be 'Pivotal point' of corporate activities; the present marketing scenario has shifted from product centric to buyers centric. Some Traders misguided the innocent consumers. As consumers we face huge problems relating to defective goods, deficiency in services, food adulteration, spurious goods, hoarding, use of deceptive and fractional weights, late deliveries, variations in the contents of the pack, poor after sales service, misleading advertisements, hidden price components, price discrimination, etc. These problems arise because unscrupulous sellers take an unfair advantage of the ignorance and helplessness of the consumers. The Consumer Protection Act, 1986, is one of the examples that is to be treated as a milestone in the history of socio-economic legislation to protect the interests of the consumers in India. The main objective of the Consumer Protection Act is to ensure the better protection of consumers.

The present article focuses about Consumer duties and responsibilities, Importance of Consumer Protection Act 1986 in the Present Scenario. The study also reveals some possible suggestions/recommendations in order to avoid and reduce unfair trade practices made by the vendors in India. We have done a conceptual paper through secondary data.

**Keywords:** Consumer, Consumer protection, Issues, Challenges & Unfair Trade Practice.

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### **I. INTRODUCTION**

In the present scenario, Indian market is predominated by the consumerism, particularly after a decade from economic reforms process. It is gradually being transformed from a predominantly sellers market to a buyers' market. Customer is the central point for all the business activities and also the only person subjected to all types of exploitation. With the advancement of technology and changing expectations of Consumers the business man are adopting various strategies to earn their profits at the cost of the customer in order to meet the increasing competition. In spite of the best Consumer Laws and serious measures of the government to protect the interests of the Consumers, exploitation is increasing day by day. The major reason contributing to this situation is lack of awareness among the Consumers about their rights and protection measures. The Consumer Protection Act (CPA) is a compassionate social legislation that provides for protection of rights of the consumers and redressal of consumer disputes. CPA has provided for three tier quasi-judicial consumer dispute redressal mechanism at district, state and national level. The Act applies to all goods and services, excluding goods for resale or for commercial purpose, services rendered free of charge and under a contract for personal service.

**Objectives of the Study:** The main objective of the study is

1. To know the importance of Consumer Protection Act in the present scenario
2. To know the duties & responsibilities of Consumers
3. To study the role of Consumer protection Act 1986 in protecting consumers from unfair trade practices.
4. To offer suggestions/recommendations in order to avoid and reduce unfair trade practices

#### **Data collection method**

The present study is based on secondary data. It is collected through various sources like internet, journals, magazines, reference books and Newspapers.

#### **The Need for Consumer Protection**

Consumers are largely denied their due rights, especially in developing countries such as India. The consumers are spread widely all over a country and are poor, illiterate and are generally not aware of their rights, though their awareness has recently increased. The manufacturers and suppliers of goods or services often exploit consumers by adopting a number of unfair and restrictive trade practices. So, there is a need to undertake this study to know whether the Act 1986 has really implemented by all the business firms or not.

#### **Scope of the study**

The present study is restricted only to the duties and responsibilities of the customers and importance of the Act in India in the present scenario.

### **Who is Consumer?**

According to [sec 2(1) (d)] “Consumer” means any person, who buys any goods for a consideration (a) which has been paid or promised or partly paid and partly promised, or (b) under any system of deferred payment. “Consumer” does not include a person who obtains goods for resale or for any commercial purpose.

### **What is Unfair Trade Practice?**

An “unfair trade practice” means a trade practice, which, for the purpose of promoting any sale, use or supply of any goods or services, adopts unfair method, or unfair or deceptive practice. Some of these practices include:

#### 1. False Representation

- When goods and services are not of stated standard, quality or grade;
- When second hand, renovated goods are sold as new ones;
- When the seller does not have the required sponsorship, approval, affiliation;
- When goods and service do not have the claimed use, usefulness or benefit;
- When products / services do not have the claimed warranty / guarantee;

#### 2. When the price of product or service is misleading.

#### 3. False and Misleading Advertisement of selling at Bargain price.

#### 4. Offering gifts, prizes, etc. to lure customers with no intention of providing them.

#### 5. Selling goods which do not fall within the safety standards set up by competent authority.

#### 6. Hoarding or destroying goods with the intention of raising the cost of these or similar goods manufactured in greater number so as to manipulate higher prices.

#### 7. Manufacturing or offering spurious goods or adopting deceptive practices in the provision of services.

### **Responsibilities of Consumers**

Let us have an idea about Consumer duties and responsibilities. These include the following:

**(a) Be quality conscious:** To put a stop to adulteration and corrupt practices of the manufacturers and traders, it is the duty of every consumer to be conscious of the quality of product they buy. They should look for the standard quality certification marks like ISI, Agmark, FPO, Wool mark, Eco-mark, Hallmark etc. while making the purchases.

**(b) Beware of misleading advertisements:** The advertisement often exaggerates the quality of products. Hence, the consumers should not rely on the advertisement and carefully check the product or ask the users before making a purchase. In case there are discrepancies, the same should be brought to the notice of the sponsors and the appropriate authority, if need be.

**(c) Responsibility to inspect a variety of goods before making selection:** The consumer should inspect a variety of goods before buying the goods and service. For this purpose he/she should compare their quality, price, durability, after sales service etc. This would enable the consumers to make the best choice within the limit of their own resources.

**(d) Collect proof of transaction:** The consumer should insist on a valid documentary evidence (cash memo/invoice) relating to purchase of goods or availing of any services and preserve it carefully. Such proof of purchase is required for filing a complaint. In case of durable goods the manufactures generally provide the warrantee/guarantee card along with the product. It is the duty of consumers to obtain these documents and ensure that these are duly signed, stamped and dated. The consumer must preserve them till the warrantee/guarantee period is over.

**(e) Consumers must be aware of their rights:** The consumers must be aware of their rights as stated above and exercise them while buying goods and services. For example, it is the responsibility of a consumer to insist on getting all information about the quality of the product and ensure himself/ herself that it is free from any kind of defects.

**(f) Complaint for genuine grievances:** As a consumer if you are dissatisfied with the product/services, you can ask for redressal of your grievances. In this regard, you must file a proper claim with the company first. If the manufacturer/company does not respond, then you can approach the forums. But your claim must state actual loss and the compensation claim must be reasonable. At no cost fictitious complaints should be filed otherwise the forum may penalize you.

**(g) Proper use of product/services:** It is expected from the consumers that they use and handle the product/services properly. It has been noticed that during guarantee period, people tend to reckless use of the product, thinking that it will be replaced during the guarantee period. This practice should be avoided. Apart

from the responsibility enumerated above, the consumers should be conscious of their duty towards other consumers, society and ecology and make responsible choice. In other words, their purchases and consumption should not lead to waste of natural resources and energy and environmental pollution.

### **Importance of Consumer Protection Act in the Present Scenario**

Consumer protection is important for protecting consumers and instilling confidence in different institutions within the country. The laws are able to guarantee safety and quality of the products and services consumers use. A country can only experience a growth in economic activities when consumers have trust in the producers, so the producers must work to provide the assurance required to win the trust of consumers. Inexperienced consumers are more vulnerable to being sold poor quality products and to illegitimate sales. Consumer protection laws take into account the challenges faced by such consumers to ensure that they are protected from fraudulent sellers and unsafe products. Typically, consumer protection policies are important to protect consumers from cons, misleading advertisements, poor services and unsafe goods in the present scenario.

1. **To Protect against Poor Quality:** Companies rarely produce shoddy products on purpose. However, manufacturers may be tempted to use low-quality material in making certain appliances, causing them to be defective. This type of production can only be prevented if a consumer protection complaint is filed. A lawyer as part of the group legal services benefit can advise a plan member of what constitutes a legitimate complaint, and how to go about filing it. A successful complaint can cause a manufacturer to stop production.
2. **To Stop Unethical Practices:** The modern economy is fiercely competitive and unethical business owners will cut corners without regard to the health or safety of the consumers. Unethical practices also produce incredibly bad service and no consumer should have to deal with it. One of the group legal services a countrywide attorney provides information about fraud or what constitutes a defective product. He or she educates a group legal plan member on what consumer rights they have and how redress can be best achieved. If unethical practices merit a court case being filed, countrywide attorneys will help plan members prepare the case to go before the Small Claims court.
3. **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.
4. **Unorganized 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 organized and powerful. Consumers should be united and fight against the unfair trade activities.
5. **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. It is necessary to protect consumers from such exploitation by ensuring compliance with prescribed norms of quality and safety.
6. **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.
7. **Adulteration:** Most of the times consumers even after paying high price, do not get pure or we can say quality goods. The organization usually supplies adulterated goods for their profit maximization. Consumers should come forward and complaint against to those companies.
8. **Irregular Supply:** One of the common problems faced by consumers is an irregular supply of goods. This is because of shortage of goods. The organizations create artificial scarcity of necessary goods by hoarding these goods resulting in high prices.
9. **Other Problems Include:**
  - Malpractices of businessmen and companies,
  - Deceptive and misleading techniques,
  - False warranties or guarantees,
  - Black marketing etc.

### **Suggestion**

1. Educate consumers to develop an understanding about their responsibilities as consumers.
2. Consumer should organize together to develop the strength and influence to promote and protect their own interest.
3. Government should make and implement rules of punishment more harsh so that manufacturer and shopkeeper think twice before adopting fraudulent practices.
4. A campaign should be set in motion to involve each and every consumer for making them more conscious and aware of their rights and responsibilities.

5. Government and other consumer agencies should make efforts in the direction of propaganda and publicity of district forum, state and national judiciary established for consumer protection so as to make more and more consumer aware about machinery for their greater involvement and to seek justice in case of grievances.
6. Redress procedure should be made more logical, easy enough to be understood by a large number of consumers.
7. Consumers can take themselves some precautions while purchasing goods and services with respect to quality, durability, price, warranty and guarantee and so on.
8. Consumers must demand the bill of purchase or cash memo and must retain the same. This would serve as proof of purchase and can be helpful in the event any defect in the product. Without such evidence of purchase, it would be very difficult to impose liability on the seller.
9. The consumer should not be just satisfied, after he gets compensation. He must publicise among his friends and if possible, in mass media. So that the other sellers are cautioned and consumers are educated.

## **II. CONCLUSION**

In the present scenario, consumers are better exposure because of ICT, advancement in means of Transportation, more mobility and mass media etc. Still, consumers are a vulnerable lot for exploitation in a developing country like India with the prevalence of mass poverty and illiteracy. Instances like overcharging, black marketing, adulteration, profiteering, lack of proper services in trains, telecommunication, water supply, airlines, etc are not uncommon here. The government has attempted continuously to safeguard consumer's interests through legislations and the CPA 1986 is considered as the most progressive statute for consumer protection. Implementation of the Act reveals that interests of consumers are better protected than ever before. However, consumer awareness through consumer education and actions by the government, consumer activists, NGOs and other relevant agencies are needed the most to make consumer protection movement a success in the country in particular and welfare of the society in general.

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