

Chapter 5th: Consumer Rights

The Consumer In The Marketplace

1. Role in the Market:

- Individuals participate in the market as both producers and consumers.
- Producers work in sectors like agriculture, industry, or services.
- Consumers purchase final goods and services for their needs.

2. Need for Rules and Regulations:

- Rules are necessary to promote development and protect workers in the unorganised sector.
- Protection is needed against high interest rates by moneylenders in the informal sector.
- Regulations are also crucial for environmental protection.

3. Exploitation by Moneylenders:

- Moneylenders may exploit borrowers by forcing them to sell their produce at low rates or sell their land to repay loans.
- Workers in the unorganised sector often face low wages and harmful working conditions.

4. Consumer Protection:

- Individual consumers are often in a weak position in the marketplace.
- Sellers sometimes shift responsibility onto buyers after a sale.
- The consumer movement aims to address and change this situation.

5. Unfair Trade Practices:

- Examples include under-weighting goods, adding hidden charges, and selling adulterated or defective products.

6. Market Manipulation by Large Companies:

- Large companies with significant power can manipulate markets.
- They may spread false information to attract consumers (e.g., false claims about baby milk powder or tobacco products).
- Legal battles have been fought to correct these injustices.

7. Importance of Consumer Protection Laws:

- Ensuring consumer protection through rules and regulations is essential to prevent exploitation and unfair practices in the marketplace.

Consumer Movement

1. Origin of the Consumer Movement:

- The consumer movement emerged due to dissatisfaction with unfair practices by sellers.
- Initially, no legal system existed to protect consumers from exploitation.

2. Consumer Response Before the Movement:

- Consumers avoided buying from brands or shops they were unhappy with.
- The responsibility for ensuring quality was placed on consumers.

3. Awareness and Shift in Responsibility:

- Over time, organisations worked to raise awareness among consumers.
- This led to a shift in responsibility towards sellers to ensure the quality of goods and services.

4. Development of the Consumer Movement in India:

- It originated as a 'social force' to protect consumer interests against unethical trade practices.
- It is triggered by issues like food shortages, hoarding, black marketing, and adulteration in the 1960s.

5. Activities of Consumer Organisations:

- In the 1970s, consumer organisations focused on writing articles and holding exhibitions.
- Formed groups to address malpractices in ration shops and overcrowding in public transport.

6. Recent Trends:

- There has been a recent increase in the number of consumer groups in India.

7. The success of the Consumer Movement:

- The consumer movement effectively pressured businesses and the government.
- Aimed to correct unfair business practices harmful to consumers.

8. Enactment of the Consumer Protection Act (1986):

- The Indian government took a significant step in 1986 by enacting the Consumer Protection Act.
- The act is commonly referred to as COPRA.

9. Importance of COPRA:

- COPRA was a key legislative measure to safeguard consumer rights in India.
- Further details about COPRA are covered in subsequent lessons.

Consumers International

1. UN Guidelines for Consumer Protection (1985):

- Adopted by the United Nations in 1985.
- Served as a tool for nations to implement consumer protection measures.
- Enabled consumer advocacy groups to press governments for better consumer protection.

2. Impact on the International Consumer Movement:

- The UN Guidelines became the foundation of the global consumer movement.
- Encouraged nations worldwide to adopt consumer protection measures.

3. Role of Consumers International:

- Consumers International is an umbrella body for the global consumer movement.
- Represents over 200 member organisations from more than 100 countries.
- Acts as a global advocate for consumer rights and protection.

Consumer Rights

Safety Is Everyone's Right:

1. Case of Medical Negligence:

- Reji Mathew, a Class IX student, suffered brain abnormalities due to improper anaesthesia during a tonsillectomy in Kerala.
- His father filed a complaint with the State Consumer Disputes Redressal Commission for Rs 5,00,000 as compensation for medical negligence.

- The State Commission dismissed the complaint due to insufficient evidence.
- Reji's father appealed to the National Consumer Disputes Redressal Commission, which held the hospital responsible and ordered compensation.

2. Consumer Rights:

- Consumers have the right to protection against hazardous goods and services.
- This includes the marketing and delivery of products that could endanger life and property.

3. Responsibility of Producers:

- Producers must follow safety rules and regulations strictly.
- Example: Safety valves in pressure cookers must be of high quality to prevent accidents.

4. Need for Government and Public Action:

- Government and public action are necessary to ensure that safety standards are maintained.
- Weak supervision and a lack of a strong consumer movement lead to the presence of poor-quality products in the market.

5. Importance of Consumer Vigilance:

- Consumers must be vigilant and assertive in claiming their rights, especially in cases of negligence and substandard products.

Information about Goods and Services:

1. Information on Product Packaging:

- Product packaging includes details such as ingredients, price, batch number, date of manufacture, expiry date, and manufacturer's address.
- Specific items like medicines and garments provide additional instructions (e.g., directions for use, side effects, washing instructions).

2. Purpose of Displaying Information:

- The display of such information is mandated by rules to protect consumer rights.
- Ensures that consumers are informed about the particulars of goods and services they purchase.

3. Consumer Rights and Protection:

- Consumers have the right to ask for compensation or replacement if a product is defective.
- The presence of an expiry date allows consumers to demand a replacement for defective goods within the valid period.

4. Role of Maximum Retail Price (MRP):

- MRP indicates the highest price at which a product can be sold.
- Consumers can protest if a product is sold above the MRP and even bargain for a price lower than the MRP.

5. Expansion of the Right to Information (RTI):

- The Right to Information has been extended to include services provided by the government.
- In October 2005, the Indian government enacted the RTI Act, granting citizens access to information about government functions.

6. Significance of the RTI Act:

- The RTI Act empowers citizens to hold the government accountable by providing access to essential information.

- It is a vital tool for ensuring transparency in government operations.

When choice is Denied:

1. Right to Choice:

- Every consumer has the right to choose whether to continue receiving a service, regardless of age, gender, or type of service.

2. Denial of Right to Choice:

- The right to choice is violated if a consumer is forced to buy additional products they do not want.
- Example: A shop owner insisting that a customer buys a toothbrush along with toothpaste.

3. Examples of Forced Purchases:

- Gas supply dealers sometimes compel customers to buy a stove when taking a new gas connection.
- Such practices deny consumers their right to make independent purchasing decisions.

4. Consumer Awareness:

- Consumers should be aware of their right to choice and resist pressure to buy unwanted products.
- Ensuring this right helps prevent unfair trade practices and promotes consumer empowerment.

Where should consumers go to get justice?

1. Consumer Rights Violations:

- Cases like those of Reji Mathew and Abirami illustrate common instances of consumers being denied their rights.

- Consumers frequently face unfair trade practices and exploitation in India.

2. Right to Seek Redressal:

- Consumers have the right to seek redressal against unfair practices and exploitation.
- Compensation depends on the degree of damage suffered by the consumer.

3. Filing a Complaint:

- Consumers can file complaints before the appropriate consumer forum, with or without the assistance of lawyers.
- Complaints can be filed physically or online, with cases conducted through video conferencing.

4. Consumer Disputes Redressal Commissions:

- A three-tier quasi-judicial machinery under COPRA exists at the district, state, and national levels.

1. **District Commission:** Handles cases up to Rs 1 crore.

2. **State Commission:** Handles cases between Rs 1 crore and Rs 10 crore.

3. **National Commission:** Handles cases above Rs 10 crore.

- Consumers can appeal to higher commissions if their case is dismissed at a lower level.

5. Role of Consumer Forums and Protection Councils:

- Consumer forums and protection councils guide consumers in filing cases and may represent them.
- These voluntary organizations often receive government support to raise consumer awareness.

6. Resident Welfare Associations (RWAs):

- RWAs may take up cases on behalf of members facing unfair trade practices.

7. Impact of COPRA:

- COPRA has empowered consumers to represent themselves in Consumer Disputes Redressal Commissions.
- The act ensures access to justice and redressal for consumers at multiple levels.

Learning To Become Well-informed Consumers

1. Importance of Consumer Awareness:

- Being conscious of consumer rights allows individuals to make informed choices when purchasing goods and services.
- Knowledge and skills are essential to becoming a well-informed consumer.

2. Acquiring Consumer Awareness:

- Awareness of consumer rights can be developed through exposure to informative materials like posters and advertisements.

3. Impact of COPRA:

- The Consumer Protection Act (COPRA) led to the creation of separate Departments of Consumer Affairs at both central and state government levels.
- These departments play a key role in educating consumers about their rights and the legal processes available to them.

4. Government Initiatives for Consumer Education:

- The government uses posters, advertisements, and television channels to disseminate information about consumer rights and the legal avenues for redressal.
- These efforts aim to empower consumers by making them aware of their rights and how to exercise them.

5. Role of Media in Consumer Awareness:

- Media platforms like television are actively used to spread awareness about consumer rights and the legal processes under COPRA.
- Such initiatives help in reaching a larger audience and enhancing consumer knowledge.

ISI and Agmark

1. Quality Assurance Logos:

- Common logos like ISI, Agmark, Hallmark, and +F are found on product packaging to assure consumers of the quality of goods and services.

2. Role of Certification Organizations:

- Organizations that monitor and issue these logos allow producers to use them only if they adhere to specific quality standards.

3. Voluntary vs. Mandatory Certification:

- While quality standards are developed for many products, all producers don't need to follow them.
- However, for products that impact health and safety or are of mass consumption (e.g., LPG cylinders, food colours, cement, packaged drinking water), certification is mandatory.

4. Consumer Safety:

- Mandatory certification for certain products ensures consumer safety and prevents risks associated with substandard goods.

5. Importance of Recognizing Logos:

- Consumers should be aware of these logos as they provide a reliable indication of the product's compliance with established quality standards.

Taking The Consumer Movement Forward

1. National Consumers' Day:

- India observes National Consumers' Day on 24th December, marking the day when the Consumer Protection Act (COPRA) was enacted in 1986.

2. India's Consumer Redressal Authority:

- India is one of the few countries with exclusive authority for consumer redressal, highlighting its commitment to consumer rights.

3. Growth of Consumer Groups:

- Over 2000 consumer groups exist in India, though only about 50-60 are well-organized and recognized for their efforts.

4. Challenges in Consumer Redressal:

- The consumer redressal process is often cumbersome, expensive, and time-consuming.
- Consumers may need to hire lawyers, making the process more complex.
- The lack of cash memos for purchases complicates evidence collection.

5. Amendments to COPRA (2019):

- The 2019 amendment to COPRA strengthened consumer rights, including protections for online purchases.
- Service providers and manufacturers can now be penalized or imprisoned for deficiencies or defective products.
- Dispute resolution through mediation is encouraged at all levels of Consumer Commissions.

6. Slow Progress in Consumer Awareness:

- Despite over 30 years since COPRA's enactment, consumer awareness in India is spreading slowly.
- Enforcement of laws protecting workers and market regulations remains weak, particularly in the unorganized sector.

7. Importance of Consumer Involvement:

- The effectiveness of consumer movements relies heavily on active consumer participation.
- Consumer rights advocacy requires voluntary effort and widespread involvement from the public.

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