Chapter 22: Consumer Rights

Exercise 22.1 — Exercises

Q1 Why are rules and regulations required in the marketplace? Illustrate with a few examples.

SOLUTION

Individual consumers often find themselves in a weak position in the marketplace. Whenever there is a complaint about a good or service, the seller tries to shift all the responsibility on to the buyer, as if the seller has no responsibility once a sale is completed. Rules and regulations are therefore required to protect consumers.

Exploitation happens in various ways. For example, shopkeepers sometimes weigh less than they should, traders add charges that were not mentioned before, or adulterated/defective goods are sold.

Markets also do not work fairly when producers are few and powerful while consumers purchase in small amounts and are scattered. Large companies with huge wealth, power and reach can manipulate the market and pass on false information. For example, a company for years sold powder milk for babies claiming it was better than mother's milk, and a long battle had to be fought before cigarette-manufacturing companies accepted that their product could cause cancer. Hence rules and regulations are needed to ensure protection for consumers.

Answer: Because individual consumers are weak and are exploited through underweighing, hidden charges, adulterated goods and false claims by powerful producers; rules ensure sellers take responsibility for quality.

Q2 What factors gave birth to the consumer movement in India? Trace its evolution.

SOLUTION

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. Rampant food shortages, hoarding, black marketing, and adulteration of food and edible oil gave birth to the consumer movement in an organised form in the 1960s.

Till the 1970s, consumer organisations were largely engaged in writing articles and holding exhibitions. They formed consumer groups to look into malpractices in ration shops and overcrowding in road passenger transport. More recently, India witnessed an upsurge in the number of consumer groups.

These efforts brought pressure on business firms and the government, leading to a major step in 1986 — the enactment of the Consumer Protection Act 1986 (COPRA), which was later amended in 2019.

Answer: Food shortages, hoarding, black marketing and adulteration in the 1960s gave birth to it; it evolved from articles/exhibitions (till the 1970s) to an upsurge of consumer groups and the enactment of COPRA in 1986.

Q3 Explain the need for consumer consciousness by giving two examples.

SOLUTION

When consumers become conscious of their rights while purchasing goods and services, they are able to distinguish and make informed choices, and to complain and seek compensation when cheated.

Example 1: If we buy a product and find it defective within the expiry period, being conscious of the right to be informed we can ask for a replacement. If the expiry period is not printed, or if a good is sold above the printed MRP (maximum retail price), an aware consumer can protest and complain.

Example 2: Being conscious of the right to safety, a consumer checks that products which affect health and safety carry proper certification and safety features — for example, a pressure cooker's safety valve, which if defective can cause a serious accident.

Answer: Consumer consciousness lets buyers make informed choices and seek redressal — e.g. demanding replacement of a good defective within its expiry date, and insisting on safety features/certification like a pressure cooker's safety valve.

Q4 Mention a few factors which cause exploitation of consumers.

SOLUTION

Consumers are exploited in various ways:

Unfair trade practices — shopkeepers weighing less than they should, traders adding charges not mentioned before, and sale of adulterated or defective goods.

Market imbalance — producers being few and powerful while consumers purchase in small amounts and are scattered; large companies can then manipulate the market.

False information — misleading claims passed on through the media to attract consumers, as with the powder milk 'better than mother's milk' claim and cigarette companies denying harm.

The weak position of individual consumers and limited consumer awareness make such exploitation easier.

Answer: Underweighing, hidden charges, adulterated/defective goods, false advertising, few and powerful producers versus scattered consumers, and weak consumer awareness.

Q5 What is the rationale behind the enactment of Consumer Protection Act 1986?

SOLUTION

For a long time there was no legal system available to consumers to protect them from exploitation in the marketplace; the responsibility of being careful was placed entirely on the consumer.

The consumer movement succeeded in bringing pressure on business firms as well as the government to correct business conduct which was unfair and against the interests of consumers at large.

As a result, a major step taken in 1986 by the Indian government was the enactment of the Consumer Protection Act 1986, popularly known as COPRA, to provide consumers legal protection and a system of redressal. It was later amended in 2019 to further strengthen consumers.

Answer: There was no legal system to protect consumers from unfair trade practices; COPRA (1986) was enacted, under pressure from the consumer movement, to give consumers legal rights and a redressal mechanism.

Q6 Describe some of your duties as consumers if you visit a shopping complex in your locality.

SOLUTION

As an aware consumer visiting a shopping complex, I should check the details given on the packing — ingredients used, price, batch number, date of manufacture, expiry date and the address of the manufacturer.

I should not buy goods that are past their expiry date, and should protest if a good is sold at more than the printed MRP.

I should look for standardisation logos and certification such as ISI, Agmark or Hallmark to be assured of quality, and insist on a cash memo / bill as evidence of purchase.

I should exercise my right to choose freely and refuse to be forced into buying additional items, and be ready to seek redressal if a good or service proves defective.

Answer: Check package details (ingredients, price, batch, manufacture/expiry date, manufacturer's address), refuse expired or over-MRP goods, look for ISI/Agmark/Hallmark marks, insist on a bill, and exercise the right to choose and to seek redressal.

Q7 Suppose you buy a bottle of honey and a biscuit packet. Which logo or mark you will have to look for and why?

SOLUTION

While buying commodities, on the cover you may see logos such as ISI, Agmark, Hallmark or +F. These logos and certification help consumers get assured of quality while purchasing goods and services.

For food items like honey and a biscuit packet — which are products of mass consumption affecting health — I would look for the Agmark / +F (food) certification mark that certifies agricultural and food products, so that I am assured the food meets the required quality standards.

The organisations that monitor and issue these certificates allow producers to use their logos only if they follow certain quality standards, so the mark is an assurance of quality and safety.

Answer: Look for the Agmark / +F food certification mark, because these certification logos assure the quality and safety of food products like honey and biscuits.

Q8 What legal measures were taken by the government to empower the consumers in India?

SOLUTION

The government enacted the Consumer Protection Act 1986 (COPRA) as a major step to protect consumers. Under COPRA, a three-tier quasi-judicial machinery at the district, state and national levels was set up for the redressal of consumer disputes.

The enactment of COPRA also led to the setting up of separate Departments of Consumer Affairs in central and state governments.

In October 2005, the government enacted the Right to Information (RTI) Act, which ensures citizens all information about the functions of government departments.

COPRA was amended in 2019 to further strengthen consumers — buying through the internet is now included, service providers and manufacturers can be penalised or even imprisoned for deficiency/defects, and settlement of disputes through a neutral mediator is now encouraged at all three tiers.

Answer: COPRA 1986 (with its three-tier district/state/national redressal machinery), Departments of Consumer Affairs, the RTI Act 2005, and the 2019 amendment to COPRA.

Q9 Mention some of the rights of consumers and write a few sentences on each.

SOLUTION

Right to safety — While using goods and services, consumers have the right to be protected against the marketing of goods and delivery of services that are hazardous to life and property. Producers must strictly follow safety rules; e.g. a pressure cooker's safety valve must be of high quality.

Right to be informed — Consumers have the right to be informed about the particulars of goods and services (ingredients, price, batch number, manufacture and expiry dates, address of manufacturer) so that they can complain and ask for

compensation or replacement of a defective product.

Right to choose — Any consumer who receives a service, regardless of age, gender or nature of service, has the right to choose whether to continue receiving it; a consumer cannot be forced to buy one item in order to buy another (e.g. toothpaste only with a toothbrush).

Right to seek redressal — Consumers have the right to seek redressal against unfair trade practices and exploitation, and the right to get compensation depending on the degree of damage.

Right to represent — Under COPRA, consumers have the right to represent themselves in the Consumer Disputes Redressal Commissions.

Answer: Right to safety, right to be informed, right to choose, right to seek redressal, and right to represent in the Consumer Disputes Redressal Commissions.

Q10 By what means can the consumers express their solidarity?

SOLUTION

The consumer movement in India has led to the formation of various organisations, locally known as consumer forums or consumer protection councils. Consumers can join these to express solidarity — they guide consumers on how to file cases in the Consumer Disputes Redressal Commissions and often represent individual consumers there.

Residents in a colony can form or support Residents' Welfare Associations, which take up cases on behalf of their members if an unfair trade practice is meted out to them.

Consumers can also file complaints as a group (a class action suit) and participate actively in the consumer movement, since it can be effective only with the consumers' active, voluntary involvement.

Answer: By forming and joining consumer forums / consumer protection councils and Residents' Welfare Associations, filing group (class action) complaints, and actively participating in the consumer movement.

Q11 Critically examine the progress of consumer movement in India.

SOLUTION

The consumer movement in India has made some progress in terms of the number of organised groups and their activities. There are today more than 2000 consumer groups in the country, of which only about 50-60 are well organised and recognised for their work.

India observes 24 December as National Consumers' Day, the day the Indian Parliament enacted the Consumer Protection Act in 1986, and is one of the countries with an exclusive authority for consumer redressal.

However, the consumer redressal process is becoming cumbersome, expensive and time consuming; consumers often need to engage lawyers, cases take time, and since cash memos are frequently not issued, evidence is hard to gather.

After more than 30 years of COPRA, consumer awareness is spreading only slowly, and the enforcement of laws protecting workers and the rules for the working of markets are often weak. Nevertheless, there is scope for the movement to grow with consumers' active involvement.

Answer: There is progress (over 2000 consumer groups, National Consumers' Day, COPRA and its 2019 amendment), but redressal remains cumbersome, expensive and slow, evidence is hard to gather, and awareness is spreading only gradually.

Q12 Match the following. (i) Availing details of ingredients of a product; (ii) Agmark; (iii) Accident due to faulty engine in a scooter; (iv) District Consumer Commission; (v) Food fortification; (vi) Consumers International; (vii) Bureau of Indian Standards — with — (a) Right to safety; (b) Dealing with consumer cases; (c) Certification of edible oil and cereals; (d) Agency that develop standards for goods and services; (e) Right to information; (f) Global level institution of consumer welfare organisations; (g) Addition of key nutrients to staple foods.

SOLUTION

(i) Availing details of ingredients of a product -> (e) Right to information.
(ii) Agmark -> (c) Certification of edible oil and cereals.
(iii) Accident due to faulty engine in a scooter -> (a) Right to safety.
(iv) District Consumer Commission -> (b) Dealing with consumer cases.
(v) Food fortification -> (g) Addition of key nutrients to staple foods.
(vi) Consumers International -> (f) Global level institution of consumer welfare

organisations.

(vii) Bureau of Indian Standards -> (d) Agency that develop standards for goods and services.

Answer: (i)-(e), (ii)-(c), (iii)-(a), (iv)-(b), (v)-(g), (vi)-(f), (vii)-(d).

Q13 Say True or False. (i) COPRA applies only to goods. (ii) India is one of the many countries in the world which has exclusive authorities established for consumer disputes redressal. (iii) When a consumer feels that he has been exploited, he must file a case in the District Consumer Commission. (iv) It is worthwhile to move to consumer commissions only if the damages incurred are of high value. (v) Hallmark is the certification maintained for standardisation of jewellry. (vi) The consumer redressal process is very simple and quick. (vii) A consumer has the right to get compensation depending on the degree of the damage.

SOLUTION

(i) False — COPRA applies to both goods and services; the 2019 amendment even added buying through the internet.

(ii) True — India is one of the countries that have an exclusive authority for consumer redressal.

(iii) True — cases up to Rs 1 crore are filed in the District Consumer Disputes Redressal Commission (with appeal to state and then national levels).

(iv) False — a consumer can seek redressal regardless of the value of the damage; the right to compensation depends on the degree of damage.

(v) True — Hallmark is the certification maintained for the standardisation of jewellery.

(vi) False — the consumer redressal process is becoming cumbersome, expensive and time consuming.

(vii) True — a consumer has the right to get compensation depending on the degree of the damage.

Answer: (i) False, (ii) True, (iii) True, (iv) False, (v) True, (vi) False, (vii) True.