

# Education, Rights, Awareness of Consumers under Consumer Protection Act, 1986

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**Abstract-** Consumer plays a pivotal role in the world of merchandise. It is a well known fact that there is no production and transactions in the world without him. Marketing is purely built on Consumers only. Consumer is a King of Marketing activity. It is poignant to note that the same king is misguided by his own kingdom. In order to protect, and enlighten the rights of Consumers in India, the Consumer Act 1986 came into force on 24<sup>th</sup> December, 1986 enacted by the President of India. It is applicable to all goods and services by providing redressal for Business-to-Consumer disputes only. This paper is intended to explore about consumer Education, Awareness and Rights and possible suggestions/recommendations to reduce Unfair Practices to protect the rights of consumer – right of choice, safety, information, redressal, public hearing and consumer education. This paper is presented by collecting secondary data with real life examples.

**Keywords** - Consumer Education, Awareness, Rights, Consumer Protection Act.

## I. INTRODUCTION

The Consumer Protection Act, 1986 provides better protection of the interests of the consumers providing effective remedies in case of exploitation of consumers. This act applies to all goods and services. There are several important consumer Laws i.e., Drugs and Cosmetics Act, 1940, Essential Commodities Act, 1955, Standards of Weights and Measures Act, 1976, The Bureau of Indian Standards Act 1986, Food Safety and Standards Act, 2006 and Motor Vehicles Act, 1988. It was enacted by the President of India on 24<sup>th</sup> December, 1986 which was observed as National Consumer Rights Day every year. This act mainly focuses on the rights of consumer, right of choice, safety, information, redressal, public hearing and consumer education and protecting their interests. This act envisages that the beneficiary is regarded as a consumer. The unique feature of this Act is to provide speedy and inexpensive redressal, relief by awarding compensation, wherever applicable.

This consumer Protection Act, 1986 covers the products [defective, spurious, fake, adulterated substandard, hazardous] services [deficient or delayed services] misleading advertisement and Unfair trade practices – MRP. The authorities of this act have the powers of the removal of the defective goods by replacing with the good ones, besides refunding of excess price, cessation of unfair trade practice and award compensation.

**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 differed payment. „Consumer“ does not include a person who obtains goods for resale or for any commercial purpose. However, when a self-employed person’s livelihood depends on his business he is considered a consumer.

A ‘consumer’ is defined as a person who buys goods or avails services against payment. Goods may include consumable goods (like wheat flour, salt, sugar, fruits, etc.) or durable consumer goods (like television, refrigerator, toaster, mixer, bicycle, etc.). Services that are paid for may include electricity, telephone, transport, theatre / cinema, postal / courier, etc.

## II. BRIEF HISTORY OF CONSUMER PROTECTION ACT, 1986 IN INDIA

There are three tier system in India i.e., District Consumer Disputes Redressal Forum [DCDRF], State Consumer Disputes Redressal Commission [SCDRC], National Consumer Disputes Redressal Commission [NCDRC]. The Consumer Courts function that the bench at the District forum and State Commission consists of a President and two nominated members comprising one male and female. The President of this forum is usually a District or High Court Judge. The decision of these members is final. The National Commission has five member bench, the president being a Supreme Court Judge, and four other members, one of them being a nominated lady member.

The Consumer Courts do not charge any Court fee. The complainant can appear himself as in the usual case, through a lawyer or a registered consumer protection organization. The cases received by these courts are solved / disposed within three months of receiving the complaint under the Consumer Protection Act.

The following are the benefits of consumers from the Consumer Protection Act.

1. For submission of complaint there is no need of lawyer or agent
2. Minimum charges are collected for seeking redressal
3. Every complaint shall be heard and disposed of within 90 days (150 days in case of lab test) from the date of receipt of notice by the opposite party.
4. No adjournment shall ordinarily be granted.

### III. METHODOLOGY

#### A. *Need of the study*

The need to know whether the consumer has really got awareness of the Act 1986 and benefited from the unfair trade practices.

#### B. *Scope of the study*

Our study is restricted only to the awareness of the benefits and rights to protect their needs and education of consumers with this Act in India.

#### C. *Objective of the study*

1. To know the awareness in consumers associated with this Act
2. To study the role of Consumer protection act 1986 in protecting consumers from unfair trade practices.
3. To know whether the consumer is enlightened about the Consumer Protection Act 1986 and whether the business firm has implemented the act in letter and spirit.

#### D. *Data collection method*

Secondary data is collected through various sources like internet, journals, magazines, text books of various authors and Newspapers.

### IV. PROCEDURE TO FILE A COMPLAINT UNDER CONSUMER PROTECTION ACT, 1986

Every individual or Group of consumers or a consumer organization can file a complaint under this act. In filing the complaint the following information is necessary

1. The facts of the complaint
2. Proof of purchase and other relevant documents
3. Copy of written complaint letter
4. Reminders sent if any
5. Relief and compensation claimed.

The consumers can lodge a complaint before the DCDRF if the claim is <than Rs.20 lacs, If the claim is Rs.20 lacs they can complain before the State Consumer Disputes Redressal Commission –and if the claim is Rs.20 lacs - Rs.1 crore , they can lodge before the National Consumer Disputes Redressal Commission.

The fee for lodging a complaint is charged as follows, Upto 1 Lakh - Rs.100/-, 1Lakh to 5 Lakhs – Rs.200/-, 5 Lakhs to 10 Lakhs – Rs. 400/-, 10 Lakhs to 20 Lakhs – Rs.500/-, 20 Lakhs to 50 Lakhs – Rs. 2,000/-50 Lakhs to 1 crore - Rs. 4000/- and Above 1 crore - Rs. 5000/-. The limitation period for complaint to be filed within 2 years of the transaction.

Consumer should collect all the relevant documents relating to the complaint, such as, guarantee card, receipt, terms of agreement, cutting/clipping of the advertisement, bills, any other supporting documents like correspondence made to the opposite party.

### V. CONSUMER EDUCATION

Consumer education is to acquire knowledge and skills needed to make informed, confident choices among various goods and aware of their services. . The right to acquire the knowledge and skills is necessary to become an enlightened customer. It is acquired by attending seminars and workshops organised in schools, colleges and universities.

Consumer awareness and education is meant to ensure that the consumers have easy access to the knowledge and skills to become an informed consumer. Thus, the right to consumer education envisages the right to knowledge and skills needed for taking actions to influence factors, which affect consumers' decisions. There is no legal framework establishing the right to consumer education nor are there guarantees in the Constitution. The Union and state governments, however, have accepted the introduction of consumer education in school curriculum and some considerable progress has been achieved in some states.

Furthermore, the Government of India, through the Consumer Welfare Fund (CWF), supports consumer educational programmes undertaken by consumer groups or state governments. The Consumer Club scheme, which was launched in the year 2002, with funding from CWF, has the objective to educate children about the rights of the consumers, protection of their rights, and to strengthen the consumer movement in the country. The media has also been playing an important role in this context. Consumer education faces the universal problem of matching limited resources against an infinite need. Moreover, in a large country like India, with multiplicity of languages, the problem is of larger dimensions.

Especially in Government Degree Colleges in the state consumer club scheme was launched with funding from CWF, but the funds are diverted to the other works by the authorities of the colleges. The funds are not properly used. The objective to educate the college students about the rights of the consumer was not fulfilled. The equipment about consumer club has become inept lacking proper supervision.

### VI. RIGHTS OF CONSUMERS UNDER THIS ACT

The following are the consumer rights and their effectiveness in India eight rights are incorporated in the United Nations Guidelines for Consumer Protection [UNGCP]. In India eight rights in Twenty-Point Programme are included.

#### A. *Right to Basic Needs*

The right to basic goods and services which guarantee survival of adequate food, clothing, shelter, health care, education and sanitation. These rights lay a foundation to lead a life with dignity and, therefore, give a meaning to citizen's rights. Basic needs are important for consumer's survival and access to a decent standard of life. Every consumer has the right to access to the above items.

*B. Right to Safety*

The right to be protected against the marketing of goods or the provision of services that are hazardous to health, life and property. For example The Bhopal gas tragedy that took place in 1984 due to accidental release of 40 tonnes of a poisonous gas Methyl Isocyanate is another instance challenging the right to safety. As many as 3000 people died immediately and 15,000 other died subsequently due to related illness.

*C. Right to Information*

The right to be informed about the quality, quantity, potency, purity, Standard of price of goods so as to protect the consumer against the unfair trade practices. Mere information consumers can not make them take the right decision and protect themselves from abusive practices.

*D. Right to Representation*

The right to express consumer interests in the making and execution of government policy. It includes right to be represented in various forums formed to consider the consumer's welfare. Effective consumer representation ensures that the needs of all people are taken into consideration in policy formulation that directly affects their lives.

*E. Right to Redress*

Consumer must make complaint for their genuine grievances. This right to seek redressal against UTPs or unscrupulous exploitation of consumers. The right to be compensated for misrepresentation, shoddy goods or unsatisfactory services. It is rather paradoxical that the customer is advertised as the "king" by the seller and service provider; but actually he position is treated as "a slave or a servant".

*F. Consumer Education*

The right enlightens the consumer to acquire the knowledge and skills necessary to be an informed consumer and the responsibility to take advantage of consumer opportunities like attending seminars, workshops organized in schools, colleges and universities.

*G. Healthy Environment*

The right to live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and well-being. This right contains the element of reduce waste, reuse products and to recycle whenever possible and the responsibility to minimize environmental damage through careful choice and use of consumer goods and services. We can contribute to protect the environment by

- Practicing the 4 R's: Reduce, Reuse, Recycle, Refuse
- Using environmentally friendly and less harmful products
- Conserving natural resources and energy
- Segregating wastage.

- Practicing sustainable consumption, which ensures better quality of life

*H. Right to choose*

This right to be assured, wherever possible of access to variety of goods and services at competitive prices. The elements of this right are to choose products and services at competitive prices with an assurance of satisfactory quality. At the micro level, the individual is duped each and every day by dishonest traders and forced to buy items, which he/she does not require as part of tied-selling and cheated by wrong weights and poor quality.

## VII. AWARENESS OF CONSUMERS

Protection and promotion of consumer's rights and interests is a vital function of the Government. In a rapidly changing business environment and emerging global markets expectations of the people of the country for better services, seeking quality goods from the availability of choices because the value for money has been continuously rising. Accordingly, both, the public and the private sectors are undertaking several policy initiatives, schemes and incentives to promote consumers' welfare in the country. They are making all efforts to ensure that consumers are provided with relevant information in order to avoid any kind of exploitation in the selection of products and services from the market.

Consumers need to be made aware and educated about their existing rights. There is a need to generate consumer awareness on a large scale about basic aspects such as maximum retail price [MRP], Hallmarking of gold jewellery, Indian Standard Institute [ISI] mark on products and the expiry date.

At the Central level, the Department of Consumer Affairs has been set up to protect the rights of consumers, promote standards of goods and services as well as for redressal of consumer grievances. It has been under taking "National Action Plan for Consumer Awareness and Redressal and Enforcement of Consumer Protection Act, 1986 for consumers' protection and creating awareness among them.

We can conclude that very few consumers were fully aware about the rights, responsibilities and Consumer Protection Act. Hence, it is necessary to educate them on their rights and responsibilities as consumers to make them vigilant, rational and aware buyers.

## VIII. RECOMMENDATIONS AND SUGGESTIONS

1. Promote General Awareness of the rights of the consumer by encouraging consumer education and supplying information.
2. Publish periodicals and product specific booklets, pamphlets, cassettes, CDs, slides, documentary films and other devices of mass communication for promoting consumer awareness in English and regional languages, highlighting the

problem in specified areas like real estate, public utilities, non-banking and financial agencies etc.

3. Enlighten the business community on its ethical and legal obligations to maintain quality of the products or services and to be transparent in dealing with consumers.
4. Encourage consumer activities to strengthen the existing institutional set up of consumer dispute redressal by acting as a facilitator between consumer and the institution.
5. Study the available legal remedies, analyze and suggest new measures for the effective and better consumer protection.
6. Bring together the consumer, traders and policy makers to exchange information of mutual interest for better coordination. Bring together the NGO's/Consumer activities operating in different areas and equip them with suitable and required information and knowledge to enable them to act as nodal agents of change in rural areas.
7. Organize and conduct seminars, workshops and group discussions and thus provide a platform for threadbare discussion of the issues and evolve suitable remedial action. Conduct motivational campaigns for groups of potential customers both in urban and rural areas.
8. Coordinate programmes organized by Central and State Governments, State Legal Aid Authorities, Academic Institutes, National and International Consumer Organizations.
9. Periodic interaction with electronic & print media on success stories of consumers.
10. Establish links with educational institutions like universities, colleges, high schools to emphasize the need for improving consumer education in the curriculum. Consumer clubs which were started recently by the A.P. Consumer affairs, Food & Civil Supplies Dept. would go a long way in achieving this.

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