
ATOMIC ENERGY CENTRAL SCHOOL -3, RAWATBHATA
Business Studies
CLASS XII-2020-2021
Consumer Protection
Hand Out Module-III

THE SALIENT FEATURES AND PROVISIONS OF CONSUMER PROTECTION ACT,1986

Who Can File A Complaint Under CPA, 1986

A complaint before the appropriate consumer forum can be made by:

1. Any consumer.
2. Any registered consumer association.
3. The central or state government.
4. One or more consumers on behalf of numerous consumers having same interest.
5. A legal heir or representative of a deceased consumer.

Complaints can be filed and compensation claimed w.r.t:

- Fraudulent practices by traders and manufacturers
- Defective goods
- Deficiency in services in connection with 9 services such as banking, transportation, insurance, supply of electricity and gas, house construction, medical service

REDRESSAL AGENCIES UNDER CONSUMER PROTECT ACT, 1986

For the redressal of consumer grievances the act provides a three–tier machinery as:

1. DISTRICT FORUM

District forum are set up in each district by the state concerned. The important features are:

- (a) It consists of a President and two members, one of whom should be a woman, duly appointed by State Govt.
- (b) It can receive consumer complaints of not more than Rs. 20 lakhs value.
- (c) On receiving the complaint, the district forum shall refer the complaint to the opposite party concerned and send the sample of goods for testing in a laboratory.
- (d) The district forum after being satisfied that goods are defective or there is some unfair trade practice can issue an order to opposite party directing him to either replace or return the price or pay compensation. In case the aggrieved party is not satisfied with the order of district forum. He can appeal before state forum within 30 days of passing an order.

2. STATE COMMISSION

It is set up in each state by the govt. concerned. The salient features are:

- (a) Each commission consists of a president and at least 2 members appointed by state Govt.
- (b) Complaints of at least Rs. 20 lakhs but not more than 1 crore can be filed with state commission.
- (c) On receiving the complaint, the state commission can also refer the complaint to opposite party and send the goods for testing in laboratory.
- (d) The state commission after being satisfied can order to opposite party to either replace or repay or pay compensation. In case the aggrieved party is not satisfied, they can appeal before national commission within 30 days of passing an order.

3. NATIONAL COMMISSION

It is setup by Central Govt. The provisions of act are:

- (a) It consists of a President and at least 4 members appointed by Central Govt.
- (b) All complaints are pertaining to goods and services of value more than Rs. 1 crore can be filed with national commission.

(c) On receiving the complaint, the national commission can also refer it to opposite party and send goods for testing.

(d) The National Commission has the power to issue orders for replace mentor removal and to pay the compensation for loss.

REMEDIES AVAILABLE TO CONSUMERS

- Remove defect in goods and deficiency in services.
- Replace defective goods with one with no defects
- Refund price paid
- Pay a reasonable amount of compensation for any loss or injury suffered.
- Pay punitive damages in appropriate circumstances.
- Discontinue unfair/restrictive trade practice
- Not to offer hazardous goods and services for sale
- Withdraw hazardous goods from sale
- Cease manufacturing hazardous goods
- Pay an amount to consumer welfare fund/ person (not less than 5%) to be utilized in the prescribed manner
- Issue corrective advertisement to neutralize the effect of misleading ads.
- Pay adequate costs to parties.

CONSUMER AWARENESS

Some important consumer organization and NGO's engaged in protecting consumer interests are:

1. Consumer coordination council, Delhi.
2. Voluntary organization in Interest of Consumer Education, Delhi.

3. Mumbai Grahak Panchayat, Mumbai.

4. Consumer Association, Kolkata.

5. Consumer Unity and Trust Society Jaipur.

Role of Consumer organizations and NGO's

1. Educating the general public about consumer rights by organizing training programmes, seminars and workshops.

2. Publishing periodical & other publications to educate consumers.

3. Providing legal assistance to consumers by providing legal advice etc.

4. Producing films or cassettes on food adulteration, misuse of drugs etc.

5. Filing complaints in appropriate consumer courts on behalf of consumers.

6. Encouraging consumers to take on action against unfair trade practices.

7. Taking an initiative in filing cases in consumer courts on behalf of consumers.

Ways and Means of Consumer Protection

1. Self-Regulation by Business:

- It is in the long-term interest of businesses to serve the customers well.
- Socially responsible firms follow ethical standards and practices in dealing with their customers.
- Many firms have set up their customer service and grievance cells to redress the problems and grievances of their consumers.

2. Business Associations:

- Examples of associations of trade, commerce and business - Federation of Indian Chambers of Commerce of India (FICCI) and Confederation of Indian Industries (CII)

- They have laid down their code of conduct which lay down for their members the guidelines in their dealings with the customers.

3. Consumer Awareness:

- A consumer, who is well informed about his rights and the reliefs available to him, would be in a position to raise his voice against any unfair trade practices or unscrupulous exploitation.
- This enables them to understand their responsibilities and to safeguard their interests.

4. Consumer Organizations':

- Force business firms to avoid malpractices and exploitation of consumers.

5. Government:

- The most important of these regulations is the Consumer Protection Act, 1986. The Act provides for three-tier machinery at the district, state and national levels for redressal of consumer grievances.