

# Effectiveness of Consumer Protection Act in Securing Consumer Rights: An Empirical Prospective

**P.A. Anand,**

Associate Professor, Department of PDP, Graphic Era Hill University,  
Dehradun Uttarakhand India

Doi: 10.48047/jcdr.2021.12.04.338

## Abstract

The growth of globalization and policies of liberalization has allowed multiple businesses of foreign countries to enter in India. These policies also made the domestic market the most competitive market and as a result new products and services of a complex nature were introduced to the customer. Where only one or two products were sold, due to LPG policy and increase in industrial mechanization now this variety of products remained countless which made it difficult for customers to choose the one. This development was considered good for the customer and for various businesses, but it also caused various changes in the functional market. The marketing techniques also advanced because of growing businesses. A few market players started exploiting consumers and increasing sales through various unethical practices. This exploitation and unethical practices give birth to various protection laws in favors of consumer specially in India where the market size is larger than any other world. The country saw the emergence of consumer protection laws to protect the consumer and to make aware them of their rights.

**Keywords:** Consumer Protections Act, 1986, Consumer Protection Act, 2019, Consumer Rights, Exploitation, Unethical Practices

## Introduction

The Indian market is mainly dominated by the consumer, and it is because of the economic reforms implemented in the country. Before these economic reforms, the market was mainly controlled by sellers where only a few products and services were available for the consumer. But now, due to globalization and liberalizations the sellers are more concerned about the needs of the consumer and introduce new and innovative products from time to time. The technological

advancements and increasing consumer expectations has made businessmen to adopt various strategies to maximize the profit and to survive in the competitive environment. Despite various consumer laws available in favor of consumers and different measures being taken by the government to protect consumers from unethical and unfair trade practices, still the exploitation is increasing. The reason behind this exploitation is lack of awareness among the consumer about their rights and protections, lack of awareness about the redressal forums made in favour of consumers. Consumer being the king is largely denied of its rights because India though is technically advance there are many people who are illiterate, poor or are not aware about their rights. Though due to technological advancement there is an increase in awareness among the consumers but still the cases of unfair trade practices are prevalent in the country. The increase in these unfair trade practices highlights the importance of consumer protection act and its awareness among the consumer (Kumar, Prakash, 2014).

The 1986 Consumer Protection Act was put into effect to safeguard consumers from unethical business practices. According to the statute, a person who purchases an item for which they have already paid in full or have agreed to pay in installments is considered a consumer. One thing to keep in mind is that anyone who purchases things for resale, or any other business reason is not considered a customer under this definition. The act also defines unfair trade practices as those carried out with the intention of promoting the sale or usage of any item or service using unfair methods or misleading practices. It also defines the term false representation, which includes misrepresenting safety requirements or product quality, passing off used or renovated items as brand-new, selling goods or services without the seller's sponsorship, approval, or affiliation, and failing to provide the claimed warranty or guarantee. Inaccurate pricing of goods or services, as well as inaccurate or deceptive advertising tactics used to boost sales, are other examples of false representation. (Ijar, & Deshmukh, 2017 and Kanipakam, 2017). According to the Consumer Protection Act, 1986, there are various rights provided that a consumer should be aware of.

***Right to safety:*** This refers to the protection against any industrial method that might endanger a person's life or health. A customer has a right to protection from any type of property harm. A good or service shouldn't pose a risk to people's health or safety in any way. A product or service that the user uses should be of high quality and be safe.

**Right to Information:** This refers to the consumer's right to accurate and up-to-date information on products and services as well as the company responsible for their development. The business organisation and the customer should exchange information in both directions.

**Right to Choose:** This refers to the freedom of the customer to select and purchase whatever goods or services they desire. A consumer should have the option to choose from a selection of goods. The consumer is forced to purchase the offered product at the seller's chosen price when there is no other option.

**Right to be Heard:** It means that consumers have a right to express their interest and should be considered while formulating or executing any economic or other policies. It means the consumer has a right to represent itself in governmental or other policy bodies where he can play an important role. Right to seek redressal: This right gives the chance to complain about unfair practices and seek remedy. It offers the chance for a just resolution of complaints. Additionally, it guarantees payment.

**Right to Consumer Education:** Consumers have a right to receive an education that will enable them to stay informed throughout their lives. The customer has the right to take legal action against business practices that influence his choice. It implies that the customer has a right to knowledge and awareness of the factors influencing his decisions.

**Right to Basic Needs:** It guarantees that the customer has access to all the fundamental needs necessary for his existence. It covers things like food, clothes, housing, healthcare, education, and amenities for a good living.

**Right to a Healthy Environment:** This refers to a physical environment that enhances life. Additionally, it offers defense against risks over which a person has no control. (Lal, 2016 and Yadav, 2020).

## **Literature Review**

According to a study, the spread of consumer movement and improvement in the protection of consumers lead to enactment of Consumer Protection Act 1986. Though, there were many acts implemented in favor of consumer, but this act become a necessity because of the well manipulative organized sector of manufacturers, traders and service provider who have full

potential knowledge of market and other manipulative skills to exploit the consumer. Another reason for the enactment of this act was the delay in redressal of cases in other courts. To secure the interest of consumers and to protect them from the manipulative skills of traders this act became a comprehensive umbrella that covers all the goods and services. The consumer protection act provides numerous features to a consumer to secure his interest. The consumer protection act of 1986 stipulates the creation of a three-tiered consumer dispute resolution structure at the district, state, and federal levels. This law applies to all goods and services, as well as every sector, including the private, public, and individual. The customer receives relief and recompense from it. The Consumer Protection Council was established as an advisory body at the federal, state, and local levels to safeguard and advance consumer rights (Sadyojathappa, 2017 and Mutyala, Reddy, Reddy, 2016).

Research found that although the consumer protection legislation of 1986 was primarily created to solve issues encountered by consumers, it also included significant flaws that led to the creation of the consumer protection act of 2019. The primary issue with the prior Act was the delay in handling consumer complaints. It was discovered that the average wait period to get compensation was about 16.5 months. It was also discovered that the new act needed to be passed since consumers were not informed of their rights or how to resolve disputes. The 2019 Consumer Protection Act was created in response to the Consumer Protection Council's inefficiency and the lack of a clear mechanism to address misleading advertisements, unfair contract terms, etc. The new act established in 2019 was enacted with a view to protecting interest of consumer. With the establishment of this act, new definitions were also introduced for effective operation. This act defines the clear meaning of various terminology used in it. The major change made in the new act was the inclusion of e-commerce. As there has been a huge development of online transactions, the use of online platforms has created various problems for the consumer. To address the issues of the consumer related to E-Commerce, this act introduced a new provision of e-commerce in it. With this inclusion the interest of consumer is protected from Mal practices executed through online transactions. The act also provided provision for the establishment of consumer protection authorities. The mean idea behind this establishment was to deal with the violations of consumer rights, unfair trade practices, misleading advertisement which can harm the interest of consumer and public. The Consumer Dispute Redressal Commission, known as the forum in the 1986 statute, was also founded by this act. The new law

also placed a strong emphasis on using mediation to resolve consumer disputes. The new law also included provisions for product liability, which indicates that it is the seller or producer of the product's obligation to make up for any manufactured or sold defects by paying the customer. A new class action lawsuit mechanism was also added if several customers were involved. The new law also made it easier to utilize online and electronic methods to submit documents, serve notices, or file complaints (Pillai, 2020 and Voddepally, 2020).

In a study, it was observed that the government has established a separate department for addressing consumer affairs which comes directly Under Ministry of Consumer Affairs, Food and Public Distribution. The consumer affair department was constituted as a separate department. The main idea behind its establishment was to create awareness and educate the population about their rights as consumers. The department has successfully launched many initiatives and implemented them in an appreciable way. Many initiatives like 'Jago grahak Jago' became a powerful message and created an awareness among the people of the country. The advertisements have successfully called the attention of masses and made them aware of the consumerism in India. There were many loopholes found in the previous consumer protection act of 1986 and to address these issues, a new act was enacted which majorly included both offline and online consumers who purchase through electronic media. The act also established the punishment associated with manufacturing or selling of hazardous products (Kumar, Rao, Nageshwara, Narayana, 2014 and Kapoor, 2019).

It was discovered through study, that despite numerous efforts to safeguard consumers' interests across the board, consumers still encounter issues. Consumers continue to have issues with exorbitant costs, subpar quality, duplication, excessive billing, lack of availability, and even black marketing. The poor quality of the items, particularly when purchasing durable goods, is the largest issue that consumers encounter. It is the consumer's obligation to stop businesspeople or other sellers from engaging in unfair business practices. It is the duty of the consumer to verify the quality, quantity, price, packing, manufacturing date, expiry date, etc information before buying the product. If a consumer finds something mysterious or unethical, he should react immediately and act against the seller or the manufacturer. Apart from being aware of the rights of the consumer he needs to be aware of his responsibilities too. To stop the adulteration or other corrupt practices every consumer needs to be conscious of the quality of the product day

buy. There should be a clear awareness about certification marks like ISI, Agmark, Hallmark Eco Mark, etc. while purchasing a product. Consumers should be aware of the misleading advertisements and check carefully about the product and not rely on the advertisement. Consumers should collect the proof of their transactions and secure them as evidence (Ghosh, Sarma, 2020).

## Methodology

This study is descriptive in nature in which data is obtained from 195 respondents who have faced unethical or unfair trade practices by the seller. A checklist question was used to analyze and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

**Table 1 Effectiveness of Consumer Protection Act in Securing Consumer Rights**

SL. No.	Effectiveness of Consumer Protection Act in Securing Consumer Rights	Yes	%Yes	No	%No	Total
1	Consumer Protection Act, protects consumer from exploitative practices	176	90.26	19	9.74	195
2	Consumer Protection Act, protects consumer from misleading advertisements	182	93.33	13	6.67	195
3	Consumer Protections Act spreads awareness among the masses	169	86.67	26	13.33	195
4	Consumer Protection Act, avoids monopolize practices	158	81.03	37	18.97	195
5	Consumer Protection Act, prevents companies from conducting unfair trade practices	172	88.21	23	11.79	195
6	Consumer Protection Act, educates people about their rights as a consumer	164	84.10	31	15.90	195
7	Consumer protection Act, provides quick redressal of complaints	153	78.46	42	21.54	195
8	Consumer Protection Act, provides justice in case of any	166	85.13	29	14.87	195

	misconduct					
--	------------	--	--	--	--	--

Table 1 shows that 93.33% respondents agree that Consumer Protection Act, protects consumer from misleading advertisements, while 90.26% respondents agree that Consumer Protection Act, protects consumer from exploitative practices. 88.21% respondents agree that Consumer Protection Act, prevents companies from conducting unfair trade practices while 86.67% respondents agree that Consumer Protections Act spreads awareness among the masses. 85.13% respondents agree that Consumer Protection Act, provides justice in case of any misconduct while 84.10% respondents agree that Consumer Protection Act, educates people about their rights as a consumer. 81.03% respondents agree that Consumer Protection Act, avoids monopolize practices while 78.46% respondents agree that Consumer protection Act, provides quick redressal of complaints.

## Conclusion

Consumers today have better exposure because of the internet, improvements in transit, greater independence, and media coverage, among other things. However, given the prevalence of mass poverty and illiteracy in emerging nations like India, consumers are a particularly vulnerable group to exploitation. Overcharging, unethical marketing, tampering with products, making a profit, and improper service on trains, in telecommunications, in the water system, on airplanes, etc. are all regular occurrences here. CPA 1986 is regarded as the most innovative law for consumer protection. The government has consistently worked to defend consumers' interests through legislation. The Consumer Protection Act of 2019 has introduced a new, quick-thinking law with more fangs to give relief for consumers. The law has given new meaning to the adage by establishing deterrent provisions for punishment to curb false product advertising and adulteration, as well as provisions to discourage service providers from providing subpar goods or services. Despite taking several initiatives to protect consumers' interests across all industries, problems still exist for consumers. Exorbitant prices, poor quality, duplication, excessive invoicing, a lack of availability, and even black marketing are still problems for consumers. The main problem that buyers run across is the low quality of the goods, especially when buying durable goods. Customers now have a responsibility to prevent businesses or other vendors from

participating in dubious business practices. It is the consumer's obligation to verify a product's quality, quantity, price, packing, manufacture date, expiration date, and other information before buying it. The customer should immediately report any questionable or unethical action on the part of the manufacturer or seller of a product.

## References

1. Kapoor, S. (2019). Effectiveness of Consumer Forums in India. *Pragati: Journal of Indian Economy*, 6(1), 69.
2. Ghosh, M., Sarma, K. (2020). Understanding Consumer Rights and Responsibilities Through Consumer Protection Act, 2019, *International Journal of Management*, 11(11), 2412-2417.
3. Ijar, J., & Deshmukh, S. (2017). The Serf of Modern Society is the Consumer and Analysis of Challenges Faced by Consumer Protection Act. 3. *International Journal of Advanced Research*.
4. Kanipakam, S. (2017). Consumer Protection in India: A Special Reference to the Right of Safety, *International Journal of Advance Research*, 5(6), 719-723.
5. Kumar, R., Rao, Nageshwara, Narayana, M.S. (2014). Consumer Protection in India, *International Journal of Scientific Research in Computer Science Applications and Management*, 3(4),
6. Kumar, M., Prakash, S. (2014). Globalization, Indian Market and Indian Consumer, *South Asian Journal of Marketing and Management and Research*, 4(9), 31-42.
7. Lal, B.S. (2016). Introduction to Consumer Rights and Responsibilities, *Public Health Environment and Social Issues in India*, 226-329.
8. Mutyala, S., Reddy, L., Reddy, K. (2016). Consumer Protection Law in India – Some Challenges and Measures in Global Market Milieu, *International Journal of Research in IT and Management*, 11 (10), 19-40.
9. Pillai, A. (2020). Promises and Nuances of Consumer Protection Act, 2019: A Birds Eye View, *Consumer Protection Judgements*, 4(6), 483-490.
10. Sadyojathappa, S. (2017). Need for Consumer Protection Act in India in the Present Scenario, *International Journal of Engineering Research and Development*, 13(9), 55-58.

11. Voddepally, M. (2020). Initiatives Taken by Consumer Council in Safeguarding the Consumer Rights in India: a Study, *Journal of Research in Business and Management*, 8 (12), 58-61.
12. Yadav, A.B. (2020). Powers of Central Consumer Protection Authority in Protection of Consumer Rights: A Critique, *Acclaims*, 12, 1-12.