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# Assessment of Awareness about Consumer Protection Act and Empowerment

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## ABSTRACT

### ***“Know your rights before buying the products”***

*Consumer protection act intends to provide protection to the consumers, to safeguard their interest and to protect them from unfair practices. But the reality is something different; consumers are still a victim and are exploited for many unfair practices. This academic piece intends to study the awareness of consumer protection act and consumer's rights. In this paper, source of data is primary, which has been collected through a questionnaire that was circulated to around 100 people to access the current situation. This academic piece is divided into 3 parts.*

*First part consists of introduction, background, and landmark case laws, second part consist of methodology and analysis of the questionnaire. The study concludes with the finding of the study. It is inferred that awareness among the people is less, and due to lack of awareness people gets tricked by the seller. Efforts should be made to overcome the challenges and generate awareness regarding consumer rights and what measures they should take while purchasing the product. The objective of the study is to access the present situation and to study the consumer protection act and its amendment. According to the study, respondents have a good knowledge of challenges they are facing in practicing their rights and if challenges are identified then efforts should be made to overcome these hurdles so that consumers can enjoy their rights.*

**Keywords:** *Consumer Protection Act 1986 , Consumer Protection Act 2019.*

## I. INTRODUCTION

### **(A) Who is consumer and what is consumer protection and awareness?**

A consumer is an individual or a group of individuals intends to order, or uses purchased product or services that are primarily for personal, social, family or household needs, and are not directly related to business activities.

Consumer is a person who purchases goods for consideration for personal use and not for resale

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or manufacturing purpose.

### **(B) Consumer Protection**



In this dynamic world, frauds against consumer are increasing tremendously and due to this alarming situation there is a need of consumer protection.

It is the practice of protecting buyer's interest against an unfair practice. There are various measures established by law for safeguarding buyer's interest.

### **(C) Consumer Awareness**



It refers to the act of making sure that consumer is aware about the information of product or services. There are various consumer rights established by law, so it is very necessary for the

consumer to be aware about these acts and exercise them, which will help them to make right and rational choices.

Awareness plays a vital role in the development of a society as a whole, as it will bring knowledgeable and well-informed citizen in society. Due to increasing rate of crimes against consumers, they are exploited and it is very necessary for them to exercise their rights in order to control these frauds.

## **II. CONSUMER PROTECTION ACT 1986 & ITS AMENDMENTS**

In India, even after many years of independence, there was hardly any law that deal with the interest of consumer. After the report of 'Sachhan committee', the consumer protection bill passed and implemented in 1986.<sup>2</sup> Government of India through consumer protection act has wide has consumer rights under section of consumer protection act effort has been made to empower consumer and increase awareness among them.

The purpose of this act is to safeguard buyer's interest against unfair practices and exploitation.

According to the act, consumer is-

- who buys good and avails services
- Uses goods or services with the approval of provider.
- Uses goods and services to earn livelihood by self-employment.<sup>3</sup>

## **III. CONSUMER PROTECTION ACT 1986 VS CONSUMER PROTECTION ACT 2019**

### **(A) Pecuniary Jurisdiction**

- Old act- district forum- upto 20 lakhs, state commission-20 lakhs to 1 crore, national commission above 1 crore.
- New act- district forum- upto 1 crore, state commission-1 crore to 10 crores, national commission above 10 crores.

### **(B) MRP Purchase**

- Old act- MRP was considered for pecuniary jurisdiction.
- New act- after discount on price and actual price is considered.

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<sup>2</sup>KOTESHWAR BURNA, 'AWARENESS OF CONSUMER PROTECTION ACT A STUDY OF CONSUMERS DOMESTIC APPLIANCES' [2017] 3[2] INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN SOCIAL SCIENCES & HUMANITIES.

<sup>3</sup> Toppr, 'Who is a Consumer?' (Toppr, <https://www.toppr.com/ask/en-in/question/who-is-a-consumer/>) <<https://www.toppr.com/ask/en-in/question/who-is-a-consumer/>> accessed 29 March 2021

**(C) Territorial Jurisdiction**

- Old act- seller's office.
- New act- where complainant lives or work.
- Central consumer protection authority will be established.

**(D) Appeal**

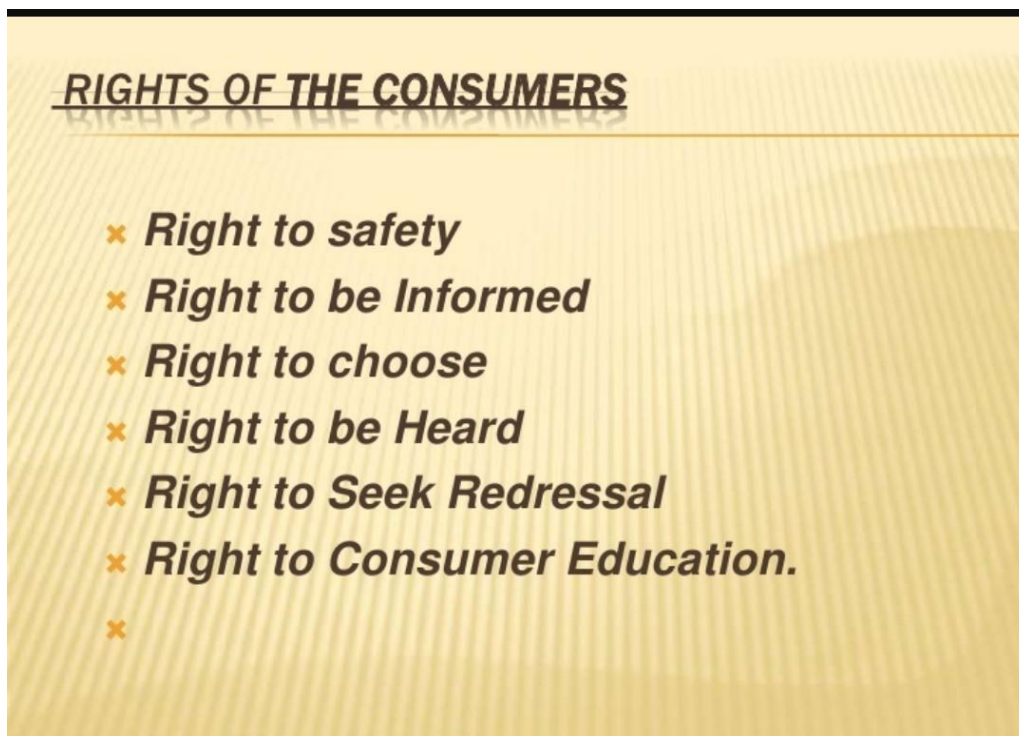
- Old act- 30 days were given for appeal and 50% or Rs.25000 whichever is less has to be paid.
- New act- 45 days is given for appeal and 50% of the award amount.

**(E) E-Commerce**

- Old act- no mention
- New act- all provisions applicable to direct sellers are now applicable to e-commerce.

**(F) Composition of State Commission**

- Old act- President along with 2 members.
- New act- President along with 4 other members.<sup>4</sup>

**IV. RIGHTS UNDER CONSUMER PROTECTION ACT**

<sup>4</sup> Muskan Narang, 'Consumer Protection Act, 1986 v Consumer Protection Act, 2019' (Lawcirca, 13 June 2020) <<https://lawcirca.com/consumer-protection-act-1986-v-consumer-protection-act-2019/>> accessed 29 March 2021

**(A) Right to Safety**

According to this right, consumers reserve a right to be protected against the marketing of goods and services that are injurious for the lives and property. This act deals with the safety and security of consumer. The purpose of this act is to safeguard the long-term interest of consumers. If any product or services is hazardous for lives, then it should be informed to the consumers beforehand.

For example- products with manufacturing defect like pressure cooker, electrical appliances, gas cylinder etc. that can cause serious harm if defective. So, this act protect consumer from sale of such harmful products and services.

**(B) Right to Information**

According to this right, consumers have a right to be informed properly about the quantity, quality, MRP, labeling, purity, standard etc. Adequate amount of information given to consumer will help them to make a right decision and rational choice.

**(C) Right to Choose**

Consumers have right to get access to the wide variety of goods and services and fair competition should be promoted to ensure widest variety of goods and services available at fair and competitive prices.

**(D) Right to Be Heard**

According to consumer protection act, this right provides assurance to the consumers that if anything goes wrong, their interest will be given due care and they will have a right to represent the matter in consumer forum. The purpose of this right is to protect the consumer's right by assisting them with adequate care.

**(E) Right to Redressal**

In this right, if a consumer has suffered loss, damage or injury due to unfair practices, consumer will have a right to complain about the matter in a desired consumer forum, and compensation will be provided to the consumer.

**(F) Right to Consumer Education**

This right is related to consumer awareness; this right provides knowledge to the consumer about the present scenario of market, what remedies are available against unfair practice and consumer exploitation. This right aim to educate consumer by increasing awareness through various means like media, school curriculum, seminars etc.

## V. CASE LAWS

### **(A) Indian Medical Association v V.P. Shantha and others, 1995**

This case is a writ petition filed by Indian medical association seeking Supreme Court to declare that consumer protection act doesn't apply in the medical profession.

Court held that consideration paid for hiring services in government hospitals and beneficiaries of government or central government's health scheme doesn't make person consumer. Medical practitioners are governed under Indian council act 1956; this is the sector where 100% success cannot be promised. Thus, negligence can be handled by medical experts in their own jurisdiction; hence consumer protection act should not apply.<sup>5</sup>

### **(B) Karnataka Power Transmission Corporation (KPTC) v Ashok Iron Works Private Limited, 2009**

Ashok iron works, a private company that manufactures iron applied for obtaining electricity from state's power generation company. However, even after paying charges and obtained confirmation for supply, electricity was not supplied until 10 months after, due to which company incurred huge loss and case sent to Supreme Court under consumer protection act 1986.

Supreme Court allowed the complainant to sue as a person or can claim compensation. Court sent the case back to district forum for retrial for these above grounds.<sup>6</sup>

### **(C) Spring meadows hospital v. Harjot Ahluwalia, 1998**

This landmark case was against spring meadows hospital, where a child named Harjot Ahluwalia was admitted by his parents because he was suffering from typhoid. A nurse injected a solution that led to serious problem, because of overdose child's brain got damaged and he would live in a vegetative state. His parents filed a case in Supreme Court.

Supreme Court declared that when a child is admitted by his/her parents, then in that case parents would come under consumer who hired services and child would become consumer. Court also held that child is entitled to receive compensation for the vegetative state and parents are also entitled for compensation for pain, sufferings, mental agony etc. Court held compensation of 17.5 lakhs which was highest ever amount until the case was decided in 1997.<sup>7</sup>

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<sup>5</sup> Indian Medical Association v VP Shantha and others [1995] 8 JT (SC)

<sup>6</sup> Karnataka Power Transmission Corporation (KPTC) v Ashok Iron Works Private Limited [2009] (SC) (Markandey Katju, RM Lodha)

<sup>7</sup> Spring meadows hospital v Harjot Ahluwalia [1998] 2 (SC) (Saghir Ahmad, GB Pattanaik)

**(D) Horlicks Ltd. v. Zydus Wellness Products Ltd, 2020**

This case was filed in Delhi High Court against Zydus wellness products limited for telecasting false, misleading advertisement only to disparage product Horlicks.

Court observed that telecasting an advertisement where there is no voiceover with the disclaimers regarding serve size and viewers cannot read that disclaimers due to insufficient time. Viewers can only see comparison of one cup of complan to two cups of Horlicks. Therefore, court restrained the advertisement.<sup>8</sup>

**VI. METHODOLOGY**

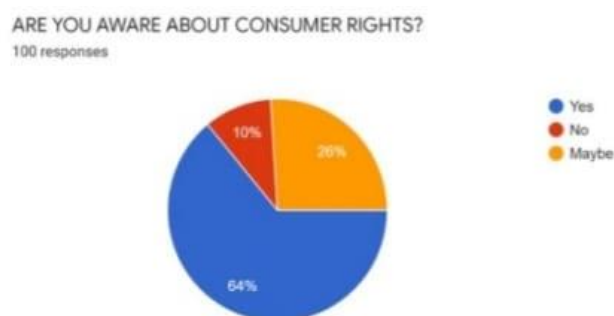
This academic piece intends to analyze consumer protection act and its empowerment by using the quantitative method. This paper includes questionnaire that was circulated to around 100 people to access the present awareness among people regarding consumer rights. The responses came through the questionnaire to access the present situation regarding consumer rights.

In order to show-

- The awareness of consumer rights among people.
- What measures consumer takes while purchasing any product.
- Awareness regarding consumer courts, offences and penalties
- How their grievances are addressed.
- Their experience while using e-commerce, and how customer support staff helped them in case of any issue.
- What are the challenges faced by consumers and how to empower them?

**VII. ANALYSIS**

The study conducted to access the present situation of consumer protection act, their rights and measures to be taken to empower them. The questionnaire recorded 100 responses.



<sup>8</sup> Horlicks Ltd v Zydus Wellness Products Ltd [2020] (Delhi high court)



When asked about awareness regarding consumer rights

64% of the people selected yes,

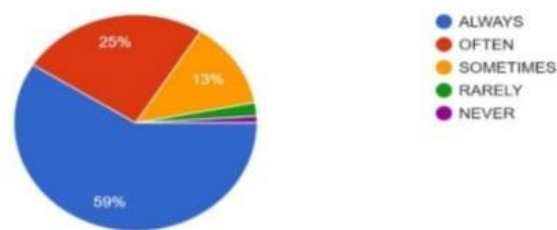
26% of the people selected may be and,

10% of the people selected no.

So, it is evident that majority of the people are aware regarding consumer rights, but still almost 36% of the people are not aware of consumer rights.

Measure should be taken to increase the awareness regarding consumer rights like while purchasing a product consumer should always look for a expiry date, MRP, correct labeling on the packaging.

DO YOU EXAMINE THE EXPIRY DATE AND MRP OF PRODUCT WHEN YOU BUY THEM?  
100 responses

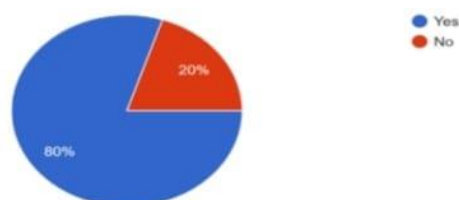


When asked about how many of them check expiry date and MRP of product when they buy any product.

It is evident that 59% of the people check for details always, which is a very positive thing, but on the other hand 25% of the people selected often, 13% of the people selected sometimes, others rarely.

This is the matter of concern as people should be made aware to examine the details on the packaging of product. Due to the increasing cases of frauds against consumers, they should be made aware to take required measures to avoid any kind of issues.

HAVE YOU EVER COME ACROSS ADULTERATION IN ANY OF THE FOOD STUFF?  
100 responses



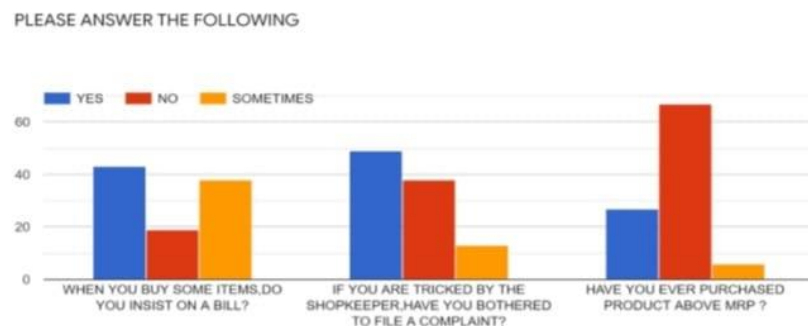
When asked about adulteration majority of the respondents said yes, i.e., 80% and 20% of the respondents said no.

It is evident that people are aware of adulteration.

Adulteration is an illegal practice of adding another substance to the product to make it quality inferior.

It is very dangerous because if consumed it can harm someone's body, in case of food adulteration it can result in food poisoning, allergies and many serious diseases.

In such cases consumers should make efforts to complain about the matter in consumer courts so that they can do enquiry related to matter with shopkeepers and manufactures.



When some of the questions were asked to the people about measures, they take while purchasing anything from market.

So, according, when asked,

Do you insist on a bill while purchasing anything ‘? 43 said yes, 38 said sometimes, and 19 said no.

So, it is clear that we as a consumer don't insist on a bill always while purchasing anything. According to the observation people only prefer bill if they are purchasing expensive items which have guarantee/warranty.

Awareness should be generated among people to insist on a bill always as seller try to save on taxes by not providing original bills.

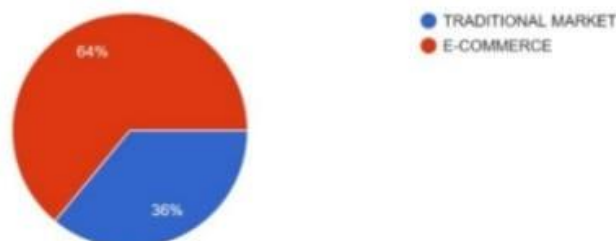
Another question,

If you are tricked by the shopkeeper, have you bothered to file a complaint’? According to the responses, 49 said yes, 38 said no, and 13 said sometimes. And have you ever purchased product above MRP’?

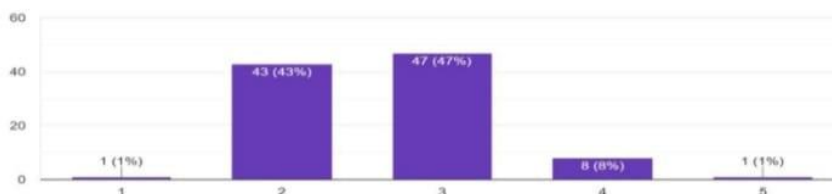
27 said yes, 67 said no and 6 said sometimes.

These are some of the activities sellers usually try to gain profit and if consumer is well aware about their rights and what precautions they have to take, then, seller cannot trick the buyer in any condition.

YOU EXPERIENCED CHEATING MORE IN-  
100 responses



ON A SCALE OF 1 TO 5 RATE HOW SUPPORTIVE IS CUSTOMER SUPPORT STAFF ON  
E-COMMERCE.  
100 responses



As we all know that with the advancement in the world, e-commerce is growing tremendously, but there are many drawbacks e-commerce is facing that needs to be addressed soon. Increasing incidents of cheating on e-commerce are recorded, cheating like insecure mode of payments, wrong or damaged product delivered, money frauds etc.

As goes with the traditional market, sellers sell the items above MRP, they quote their own price on price tags, sellers don't provide original bills, bad after sales service, don't refund or replace products.

These are some of the ways in which consumers are tricked by sellers by sellers on online platform and sellers in traditional market.

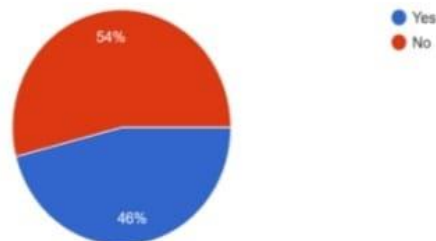
According to the responses people feel more cheated on e-commerce i.e., 64% and 36% of the people feel cheated on traditional market.

When asked to rate on a scale of 1 to 5, how supportive are customer support staff on E-commerce?

So, the responses that came are not satisfying, as majority votes 2 & 3 on a scale of 5,

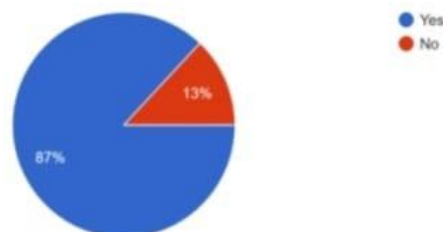
This is an average rating, people are not fully satisfied with the customer support staff, because there are many people who complain about the matter and their complaints are addressed on e-commerce, that's why they feel cheated on e-commerce.

ARE YOU AWARE OF OFFENCES AND PENALTIES UNDER CONSUMER PROTECTION ACT?  
100 responses



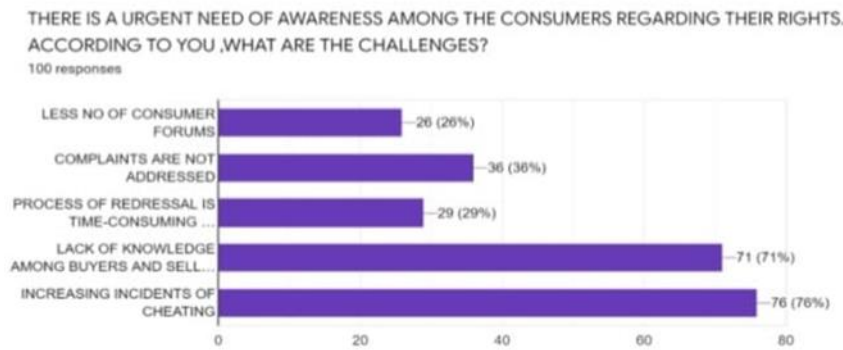
According to the responses, around 54% of the people are not aware of the offences and penalties under consumer protection act, and 46% of the people are aware. This denotes lack of awareness of offences and penalties among sellers and buyers that's why sellers are encouraged to trick buyers through their tactics.

DO YOU THINK MEDIA PLAYS VERY IMPORTANT ROLE IN INCREASING CONSUMER AWARENESS ?  
100 responses



When asked to the people do, they think media plays very important role in increasing consumer awareness.

According to the response, 87% of the people agreed to it. Yes, media plays an important role in increasing awareness among citizens. Media as a source of information is very effective for making people aware of their rights, penalties and offences under consumer protection act and what measures buyers and sellers should take to avoid any kind of disputes.



It is obvious that there are many challenges faced by consumers regarding consumer rights, grievances, court, offences and penalties etc.

When the question was asked about these challenges, majority of the people selected-

Lack of knowledge among buyers and sellers (71%) and increasing incidents of cheating (76%)

Other selected a smaller number of consumer forum, complaints are not addressed and process of Redressal is time consuming and expensive.

It is evident that all the above mentioned challenges are prevailing due to which there is lack of awareness and increasing crimes against consumers.

## VIII. RESULT AND CONCLUSION

It is evident from the above analysis that there is lack of awareness among people regarding consumer's rights, consumer protection act and offences & penalties in case of disputes. People should be made aware about the measures they should take while purchasing everything. They should check product packaging and labeling carefully. They should ensure that they are not tricked by the sellers or manufacturers. According to the responses we can see people feel cheated on e-commerce, e-commerce sites should improve these drawbacks to overcome the hurdles in the way of growth. Customer support should be available for help for the customers. Awareness needs to be increased, proper functioning of consumer courts should be ensured, fast and easy procedure should be adopted to address consumer's grievances. According to the analysis people feel, media plays a major role in creating awareness among people. So, this strategy should be adopted so that people are made aware about their rights. It is quite understandable that there are many challenges the people face in addressing their grievances and this is the reason, they hesitate to come forward. They feel redressal process is time-consuming and expensive and after that also there is no guarantee that their complaints will be addressed or not. We can observe that there is lack of knowledge among buyers and sellers,

and due to the increasing incidents of cheating, consumers are exploited.

Consumer must develop a sense in them to make themselves updated about their rights. This is an alarming situation now and therefore, it is suggested that consumer must be educated about the procedure of consumer courts, they should be well aware of their rights. Efforts should be made to increase awareness so that every consumer is aware about their rights and willing to come forward and take a stand against any wrong.

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