

NIOS lesson adaptation project

By EMBRACE Volunteers

(A community initiative of Harchan Foundation Trust)

Chapter 18

Consumer Protection

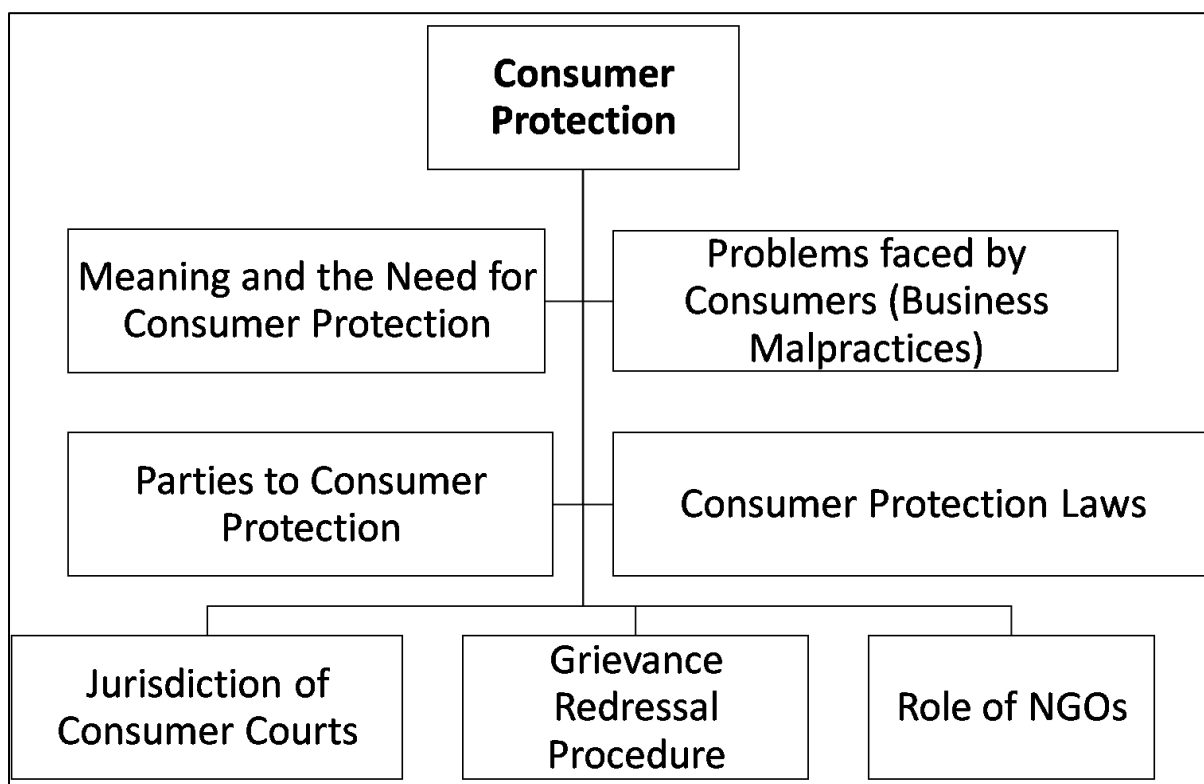
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- **Simplified Lesson**
- **Previous Year Questions with Answers**
- **Terminal Questions**

This project is aimed at supporting children with different needs. Information provided is adapted to the best of knowledge by the volunteers. For complete information please refer to the NIOS resources in <https://www.nios.ac.in/online-course-material/secondary-courses.aspx>.

LESSON 18

Consumer Protection



Meaning of Consumer Protection

Consumer protection refers to the steps to be taken to **protect consumers** from **business malpractices**.

Problems Faced by Consumers (Business Malpractices)

Adulteration	Sale of Spurious Products	False Weights and Measurements
Sale of Duplicates	Hoarding and Black Marketing	Tie-in-Sales
Useless Gifts	Misleading Advertisements	Sale of Sub-standard Goods

Si No.	Malpractice	Description
1	Adulteration	Adding something inferior to the product being sold. For example, adding kerosene in petrol.
2	Sale of Spurious Products	Selling something of no value instead of the real product. For example, selling plain water in the place of distilled water.
3	False Weights and Measurements	Using weights and measures with false markings. For example: Weights have a hollow or a false bottom Shopkeepers using stones instead of proper weights
4	Sale of Duplicates	Products which are not original, but have marks of an original product.
5	Hoarding and Black Marketing	Essential commodities are stored away to create artificial scarcity . Then, these commodities are sold at higher price .
6	Tie-in-Sales	Sellers making it compulsory to buy an unnecessary product along with a necessary product. For example: Seller telling that it is compulsory to buy gas stove along with a new gas connection.
7	Useless Gifts	Sometimes gifts and coupons given by sellers have no immediate value. For example: Sellers giving coupons that can be used at next big purchase only
<u>8</u>	Misleading Advertisements	Advertisements which give false information about the quality, efficacy and working about a product. For example: Fairness creams claiming to make the skin white in color.
9	Sale of Sub-standard Goods	Sale of goods which do not conform to prescribed quality standard particularly for safety.

Need for Consumer Protection

1. Consumers lack awareness about their rights.
2. Consumers cannot test the quality of products always. For example, we cannot test the petrol quality every time we fill our vehicle's tank.
3. Consumers buy goods based on their beliefs. For example the belief, "all imported goods are of high quality" is not correct always.
4. Consumers are influenced by false and misleading advertisements.

Parties to Consumer Protection

Who are all part of (parties to) consumer protection?

Parties to Consumer Protection		
<u>Consumer</u>	<u>Seller</u>	<u>Government</u>
Consumers should be aware of their rights and responsibilities.	<ul style="list-style-type: none">*Sellers should refrain from malpractices.*Sellers should pay attention to consumer complaints.	<ul style="list-style-type: none">* Government should listen to the voice of consumers.* Government should enforce consumer laws efficiently.

Consumer Protection Laws

Agricultural Products (Grading and Marketing) Act, 1937	Industries (Development and Regulation) Act, 1951	Prevention of Food Adulteration Act, 1954
Essential Commodities Act, 1955	The Standards of Weights and Measures Act, 1956	Monopolies and Restrictive Trade Practices Act, 1969
Prevention of Black-marketing and Maintenance of Essential Supplies Act, 1980	Bureau of Indian Standards Act, 1986	Consumer Protection Act, 1986

Si No.	Act	Description
1	Agricultural Products (Grading and Marketing) Act, 1937	The agricultural products must be graded and stamped with AGMARK seal Agricultural marketing department of the Government.
2	Industries (Development and Regulation) Act, 1951	This Act provides for control over production and distribution of manufactured goods.
3	Prevention of Food Adulteration Act, 1954	<ul style="list-style-type: none"> This Act provides for severe punishment for adulteration of food articles. Food inspectors are appointed and they have powers to take samples and send them for analysis.
4	Essential Commodities Act, 1955	<ul style="list-style-type: none"> Government has the power to declare any product as essential commodity. Action is taken if essential commodity is hoarded and black marketed.
5	The Standards of Weights and Measures Act, 1956	<ul style="list-style-type: none"> This Act provides for the use of standard weights and standard measures of length throughout the country. 'Metre' has been specified as the primary unit for measuring length, and 'kilogram' as the primary unit for measuring weight.
6	Monopolies and restrictive Trade Practices Act, 1969	Consumers and consumer groups can exercise their right of redressal by filing complaints relating to restrictive and unfair trade practices .
7	Prevention of Black-marketing and Maintenance of Essential Supplies Act, 1980	Persons who may get involved in black marketing are detained to ensure supply of essential commodities.
8	Bureau of Indian Standards Act, 1986	<ul style="list-style-type: none"> Certifying quality of goods through BIS certification Goods with BIS certificate can print ISI standard mark on their products. Consumers can complain to public grievances cell

<u>9</u>	Consumer Protection Act, 1986	<ul style="list-style-type: none"> • Consumers can seek legal remedy for unfair practices in selling of both goods and services. • Consumer protection councils are made available at both state and national level • Consumer courts resolve consumer complaints
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Types of Consumer Courts

There are three types of consumer courts in India:

1. District Forum
2. State Consumer Disputes Redressal Commission(**State Commission**)
3. National Consumer Disputes Redressal Commission (**National Commission**)

Jurisdiction of Consumer Courts

Court	Jurisdiction
District Forum	If the value of goods, services and claim is less than Rs 20 Lakhs.
State Commission	If the value of goods, services and claim is between Rs 20 Lakhs and Rs 1 Crore. OR Appeals against the orders of any district forums within the state
National Commission	If the value of goods, services and claim is more than Rs 1 Crore. OR Appeals against the orders of any State Commission

Consumer Grievance Redressal Procedure

1. Fill the details in the complaint form (Names, description of the complaint etc)
2. Attach the necessary documents
3. File the complaint in district, or state, or national court, as per jurisdiction
4. Pay the nominal fee

Points to Remember While Filing the Complaint

1. Complainant or authorized agent can file the complaint.
2. Complaint can be sent by post also.
3. Five (5) copies of the complaint must be filed.

4. Complaint should be filed within two years from the date on which the grievance arose.
5. Consumer court resolves the complaint within 3-5 months.
6. Consumer court may order removal, replacement, refund or compensation depending on the nature of complaint.

Role of Non-government Organizations

- Create awareness about consumer protection through seminars, workshops, and journals
- Provide legal support
- Help in testing the quality of products in accredited labs
- Carry consumer voice to government
- File Public Interest Litigation (PIL) to enforce consumer rights

PREVIOUS YEARS QUESTIONS

1. State Consumer Commission has the jurisdiction to deal with the complaints where the value of goods or the compensation claimed does Not exceed (D) 1

- (A) R10 lakh
(C) R50lakh

- (B) R 20lakh
(D) R 1crore

2. Briefly explain the need for consumer protection in India.

Need for Consumer Protection

- Consumers lack awareness about their rights.
- Consumers cannot test the quality of products always. For example, we cannot test the petrol quality every time we fill our vehicle's tank.
- Consumers buy goods based on their beliefs. For example, the belief, "all imported goods are of high quality" is not correct always.
- Consumers are influenced by false and misleading advertisements.

3. Describe the role of 'non-governmental organizations' in protecting the interest of consumers.

Role of Non-government Organizations

- Create awareness about consumer protection through seminars, workshops, and journals.
- Provide legal support.
- Help in testing the quality of products in accredited labs.
- Carry consumer voice to government.
- File Public Interest Litigation (PIL) to enforce consumer rights.

4. This malpractice involves sale of goods which do not conform to prescribed quality standard particularly for safety.(C)

- (A) Tie-in-sales
- (B) Sale of duplicates
- (C) Sale of Sub-standard goods**
- (D) Use of false Weights and Measurements

5.You as consumer may have been deceived in various ways or the other by Un scrupulous businessmen including traders, producers, etc. State in brief the

Si No.	Malpractice	Description
1	Adulteration	Adding something inferior to the product being sold. For example, adding kerosene in petrol.
2	Sale of Spurious Products	Selling something of no value instead of the real product. For example, selling plain water in the place of distilled water.
3	False Weights and Measurements	Using weights and measures with false markings. For example: Weights have a hollow or a false bottom Shopkeepers using stones instead of proper weights
4	Sale of Duplicates	Products which are not original but have marks of an original product.
5	Hoarding and Black Marketing	Essential commodities are stored away to create artificial scarcity . Then, these commodities are sold at higher price .

6. Explain the jurisdiction of consumer courts.

Jurisdiction of Consumer Courts

Court	Jurisdiction
District Forum	If the value of goods, services and claim is less than Rs 20 Lakhs .
State Commission	If the value of goods, services and claim is between Rs 20 Lakhs and Rs 1 Crore . OR Appeals against the orders of any district forums within the state

National Commission	If the value of goods, services and claim is more than Rs 1 Crore. OR Appeals against the orders of any State Commission
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7. The following court is not regarded as a consumer court: (B)

- (A) District Forum
- (B) Supreme Court
- (C) State Commission
- (D) National Commission

8. Give the objectives of “Prevention of Food Adulteration Act, 1954” are:

The objectives of “Prevention of Food Adulteration Act, 1954” are:

- This Act provides for severe punishment for adulteration of food articles.
- Food inspectors are appointed and they have powers to take samples and send them for analysis.

9. How can businessmen and government help in safeguarding the interests of consumers? Explain.

Parties to Consumer Protection

Who are all part of (parties to) consumer protection?

Parties to Consumer Protection		
<u>Consumer</u>	<u>Seller</u>	<u>Government</u>
Consumers should be aware of their rights and responsibilities.	<ul style="list-style-type: none"> *Sellers should refrain from malpractices. *Sellers should pay attention to consumer complaints. 	<ul style="list-style-type: none"> * Government should listen to the voice of consumers. * Government should enforce consumer laws efficiently.

10. Samiksha purchased a car for 10 lakhs and found its engine defective. Despite many complaints to the dealer the defect was not rectified. Suggest her the appropriate authority to file her complaint under the Consumer Protection Act, 1986. (A)

- A. District Forum
- B. State Commission
- C. National Commission
- D. Supreme Court

11. Describe briefly the role of Non-Governmental Organizations in protecting the interest of consumers.

Role of Non-government Organizations

- Create awareness about consumer protection through seminars, workshops, and journals
- Provide legal support
- Help in testing the quality of products in accredited labs
- Carry consumer voice to government
- File Public Interest Litigation (PIL) to enforce consumer rights

12. List the various consumer courts and mention their pecuniary jurisdiction.

Jurisdiction of Consumer Courts

Court	Jurisdiction
District Forum	If the value of goods, services and claim is less than Rs 20 Lakhs .
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13. This Act formulates quality standards for goods and their certification (B)

- (A) Industries Act, 1951
- (B) Bureau of Indian Standards Act, 1986**
- (B) Consumer Protection Act. 1986
- (C) Prevention of food Adulteration Act. 1954

14. Explain briefly the role of businessmen and consumers help groups for consumer protection

Parties to Consumer Protection

Who are all part of (parties to) consumer protection?

Parties to Consumer Protection		
<u>Consumer</u>	<u>Seller</u>	<u>Government</u>
Consumers should be aware of their rights and responsibilities.	<ul style="list-style-type: none">*Sellers should refrain from malpractices.*Sellers should pay attention to consumer complaints.	<ul style="list-style-type: none">* Government should listen to the voice of consumers.* Government should enforce consumer laws efficiently.

15. Explain how 'The Standards of Weights and Measures Act, 1956' provides legal protection to consumers

The Standards of Weights and Measures Act, 1956:

- This Act provides for the use of standard weights and standard measures of length throughout the country.
- 'Metre' has been specified as the primary unit for measuring length, and 'kilogram' as the primary unit for measuring weight.

16. Abhinav purchased a machine for ` 22 lakhs to manufacture steel utensils from 'Hi-tech Machines Ltd'. After few days of operating the machine, Abhinav found that the utensils manufactured were defective. He complained this to 'Hi-tech Machines Ltd', but despite many complaints, the defect was not rectified.

- a. Where can Abhinav file a complaint ?
- b. What remedies are available to Abhinav if the court is satisfied with the genuineness of the complaint?

Ans:

- a. Abhinav can file complaint with state commission because the value of the machine is between 20 lakhs to 1 crore
- b. Court can order the seller to **replace** the machine, or pay **refund** such that Abhinav can buy a new machine from another seller.

17. State in brief the need for consumer protection giving any five points.

Need for Consumer Protection

- Consumers lack awareness about their rights.
- Consumers cannot test the quality of products always. For example, we cannot test the petrol quality every time we fill our vehicle's tank.
- Consumers buy goods based on their beliefs. For example, the belief, "all imported goods are of high quality" is not correct always.
- Consumers are influenced by false and misleading advertisements.

18. Consumers are unable to make use of their rights due to the lack of (A)

(A) Awareness and ignorance

(B) Funds

(C) Education

(D) Coverage

19. Amogh purchased a Home Theatre System for Rs. 20,000 with one year warranty. After some time it stopped functioning. Amogh approached the dealer for the replacement of the system, but it was not done. He is advised to go to consumer court. Which consumer court he should approach and why? Name the other consumer courts with their pecuniary jurisdiction. Also state which documents he must possess as a proof of transaction.

- a. Amogh should go to **District forum** because the value of the Home theatre system is 20, 000 Rs. District forum's jurisdiction is If the value of goods, services and claim is less than Rs 20 Lakhs.

b. Jurisdiction of Consumer Courts

Court	Jurisdiction
District Forum	If the value of goods, services and claim is less than Rs 20 Lakhs.
State Commission	If the value of goods, services and claim is between Rs 20 Lakhs and Rs 1 Crore. OR Appeals against the orders of any district forums within the state
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	<p>than Rs 1 Crore.</p> <p>OR</p> <p>Appeals against the orders of any State Commission</p>
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- c. He should carry the invoice of purchase as well as warranty and guarantee cards

TERMINAL QUESTIONS

1. What is meant by consumer protection?

Meaning of Consumer Protection

Consumer protection refers to the steps to be taken to **protect consumers** from **business malpractices**.

2. Why should consumers be protected?

Need for Consumer Protection

- Consumers lack awareness about their rights.
- Consumers cannot test the quality of products always. For example, we cannot test the petrol quality every time we fill our vehicle's tank.
- Consumers buy goods based on their beliefs. For example the belief, "all imported goods are of high quality" is not correct always.
- Consumers are influenced by false and misleading advertisements.

3. Describe the various problems faced by consumers in their daily life?

Sl No.	Malpractice	Description
1	Adulteration	Adding something inferior to the product being sold. For example, adding kerosene in petrol.
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<u>9</u>	Sale of Sub-standard Goods	Sale of goods which do not conform to prescribed quality standard particularly for safety.

4. Name the parties involved in consumer protection. Explain their role in protecting the interests of the consumers.

Parties to Consumer Protection

Who are all part of (parties to) consumer protection?

Parties to Consumer Protection		
<u>Consumer</u>	<u>Seller</u>	<u>Government</u>
Consumers should be aware of their rights and responsibilities.	<ul style="list-style-type: none"> *Sellers should refrain from malpractices. *Sellers should pay attention to consumer complaints. 	<ul style="list-style-type: none"> * Government should listen to the voice of consumers. * Government should enforce consumer laws efficiently.

5. Enumerate the various Acts passed by the Government for protection of consumer's interest.

Consumer Protection Laws

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Essential Commodities Act, 1955	The Standards of Weights and Measures Act, 1956	Monopolies and Restrictive Trade Practices Act, 1969
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<u>9</u>	Consumer Protection Act, 1986	<ul style="list-style-type: none"> Consumers can seek legal remedy for unfair practices in selling of both goods and services. Consumer protection councils are made available at both state and national level Consumer courts resolve consumer complaints

6. What information is required to be filed before the consumer courts while filing any complaint?

Information is required to be filed

- Name, description and address of the complainant;
- Name, description and address of the opposite party or parties, as the case may be;

- Facts relating to the complaint and when and where it arose;
- Documents, if any, in support of the allegations contained in the complaint (like cash memo, receipt, etc.)
- The nature of relief which the complainant is seeking.

7. State the possible relieves which a consumer court may order in favor of consumers.

Consumer court may order one or more of the following reliefs:

- Removal of defect in goods/deficiency in services.
- Replacement of the goods/restoration of the service.
- Refund of the price paid for goods or excess charge paid for service.
- Compensation for loss or injury suffered.

8. Mention the pecuniary jurisdiction of different consumer courts.

Jurisdiction of Consumer Courts

Court	Jurisdiction
District Forum	If the value of goods, services and claim is less than Rs 20 Lakhs .
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9. Describe the role of Non-Government Organizations in protecting the interest of consumers.

Role of Non-government Organizations

- Create awareness about consumer protection through seminars, workshops, and journals
- Provide legal support
- Help in testing the quality of products in accredited labs
- Carry consumer voice to government
- File Public Interest Litigation (PIL) to enforce consumer rights

10. State the procedure to be followed for redressal of consumer grievances.

Consumer Grievance Redressal Procedure

- Fill the details in the complaint form (Names, description of the complaint etc)
- Attach the necessary documents
- File the complaint in district, or state, or national court, as per jurisdiction
- Pay the nominal fee

Points to Remember While Filing the Complaint

- Complainant or authorized agent can file the complaint.
- Complaint can be sent by post also.
- Five (5) copies of the complaint must be filed.
- Complaint should be filed within two years from the date on which the grievance arose.
- Consumer court resolves the complaint within 3-5 months.
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