**Who is a Consumer?**

A Consumer is a person who purchases a product or avails a service for a consideration, either for his personal use or to earn his livelihood. The consideration may be:

- Paid
- Promised
- Partly paid and promised to paid

- It also includes a beneficiary of such goods/services when such use is made with the approval of such person.

- Buying goods/ hiring services includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing;

**Who is not a Consumer?**

A person is not a consumer if he/she:

- purchases any goods or avails any service free of charge;
- purchases a good or hires a service for commercial purpose;
- avails any service under contract of service

**What are Goods?**

"Goods" means every kind of movable property and includes "food" as defined in clause (j) of sub-section (1) of section 3 of the Food Safety and Standards Act, 2006;

**What is a Defect?**

“Defect” means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for time being in force or under any contract, express or implied, or as is claimed by the trader in any manner whatsoever in relation to any goods.
What are Services?

“Service” means service of any description which is made available to potential users and include, but not limited to, the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, board or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal services.

**Contract for Service** – It implies a relationship of a master and servant and involves the order to obey in the works to be performed and as to its mode and manner of performance. This does not come within the purview of CPA Act.

**Contract of Service** – It implies a contract whereby one party undertakes to render services e.g., profession or technical services to or for another in the performance of which, he is not subject to detailed direction and controlled but exercises professional skills and uses his own knowledge and decisions.

What is Deficiency in Service?

“Deficiency” means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a
person in pursuance of a contract or otherwise in relation to any service and includes—

(i) any act of negligence or omission or commission by such person which causes loss or injury to the consumer; and

(ii) deliberate withholding of relevant information by such person to the consumer.

**What is Unfair Contract?**

"Unfair contract" means a contract between a manufacturer or trader or service provider on one hand, and a consumer on the other, having such terms which cause significant change in the rights of such consumer. This includes:

- requiring manifestly excessive security deposits to be given by a consumer for the performance of contractual obligations;
- imposing any penalty on the consumer, for the breach of contract thereof which is wholly disproportionate to the loss occurred due to such breach to the other party to the contract;
- refusing to accept early repayment of debts on payment of applicable penalty;
- entitling a party to the contract to terminate such contract unilaterally, without reasonable cause;
- permitting or has the effect of permitting one party to assign the contract to the detriment of the other party who is a consumer, without his consent;
- imposing on the consumer any unreasonable charge, obligation or condition which puts such consumer to disadvantage;

**What is Unfair Trade Practice?**

An “unfair trade practice” means a trade practice, which, for the purpose of promoting any sale, use or supply
of any goods or services, adopts unfair method, or unfair or deceptive practice.

Some of these practices include:

- **False Representation**
  - When goods and services are not of stated standard, quality or grade;
  - When second hand, renovated goods are sold as new ones;
  - When the seller does not have the required sponsorship, approval, affiliation;
  - When goods and service do not have the claimed use, usefulness or benefit;
  - When products / services do not have the claimed warranty / guarantee;
  - When the price of product or service is misleading.

- **False and Misleading Advertisement of selling at Bargain price**

- **Offering gifts, prizes, etc. to lure customers with no intention of providing them**

- **Selling goods which do not fall within the safety standards set up by competent authority**

- **Hoarding or destroying goods with the intention of raising the cost of these or similar goods manufactured in greater number so as to manipulate higher prices and**

- **Manufacturing or offering spurious goods or adopting deceptive practices in the provision of services**
Do you know?

If the seller displays:

✓ “Goods once sold will not be taken back” or
✓ “No exchange”, or
✓ “No refund under any circumstances”

It amounts to Unfair Trade Practice and does not carry any legal weight.

What is Restrictive Trade Practice?

“Restrictive Trade Practice” means a trade practice which tends to bring about manipulation of price or conditions of delivery or to affect flow of supplies in the market relating to goods or services in such a manner as to impose on the consumers unjustified costs or restrictions and shall include—

(a) Delay beyond the period agreed to by a trader in supply of such goods or in providing the services which has led or is likely to lead to rise in the price;

(b) any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, services as condition precedent to buying, hiring or availing of other goods or services;

What are the rights guaranteed under the Act?

The Consumer Protection Act guarantees the following six Consumers Rights:
Right to Safety
The right to be protected against the marketing of goods and services, which are hazardous to life and property.

Right to be informed
The right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be so as to protect the consumer against unfair trade practices.

Right to Choose
The right to be assured, wherever possible, access to a variety of goods and services at competitive prices.

Right to be heard
The right to be heard and to be assured that consumer’s interests will receive due consideration at appropriate commission.

Right to Redressal
The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers.

Right to Consumer Awareness
What is Consumer Protection Act, 1986?

In 1986, the Indian Parliament passed the landmark Consumer Protection Act which is a milestone in the history of socio-economic legislation and is directed towards achieving public welfare by enabling the consumer to participate directly in the market.

The Consumer Protection Act, 1986 was a very unique piece of social welfare legislation. The Act was enacted with an objective to provide better protection of the interests of the Consumers. It was intended to provide effective and efficient safeguards to the consumers against various forms of exploitations and unfair dealings.
The Act was enacted with an objective to provide better protection of the interests of the consumers.

It applies to all goods and services and covers all sectors-private, public and cooperatives

The Consumer Protection Act is a weapon in the hands of consumers to fight against exploitation by traders, manufacturers and sellers on one hand and providers of services on the other.

It provides redress to the grievances of the consumers and makes provision for the establishment of Consumer Councils and other quasi-judicial authorities for the settlement of consumer disputes.

It provides for simple, speedy and inexpensive access to redress of consumer grievances and provides for granting compensation to the consumers for the inconvenience suffered.

The Act has been amended thrice in 1991, 1993 and 2002 to keep pace with time and to provide more teeth. The third amendment has brought drastic changes in the Act.

As per the Consumer Protection Act, 1986 a complaint can be filed in:

- **District Consumer Disputes Redressal Forum (DCDRF):** If the value of the claim is upto Rs. 20 lakh
- **State Consumer Disputes Redressal Commission (SCDRC):** If the value of the claim exceeds Rs. 20 lakhs but is within Rs.one crore.
- **National Consumer Disputes Redressal Commission (NCDRC)** If the value of the claim exceeds Rs. one crore.

**Consumer Rights under the 1986 Act**

The Act enshrined the following rights:
Right to Safety
Right to be informed
Right to Choose
Right to be Heard;
Right to seek Redressal
Right to Consumer Education.

What is Consumer Protection Act, 2019?

With the advent in technology, digitization has become norm of the day. e-Commerce, direct selling have redefined the market and provided a new dimension to consumer-seller relationship. These practices besides providing ease of transaction have also posed certain challenges for the consumers to deal with. With the aim to address the new challenges faced by consumers in the digital era and provide timely and effective administration and settlement of consumer disputes, the Parliament, passed the landmark Consumer Protection Bill, 2019 on 6 August 2019. The Consumer Protection Act, 2019 received the assent of the President of India and was published in the Official Gazette on 9 August 2019. Barring a few provisions, the New Act has come into force from 20th July 2020 with government notifying Rules and provisions like Consumer Protection Councils, Consumer Disputes Redressal Commissions, Mediation, Product Liability and punishment for manufacture or sale of products containing adulterant / spurious goods.

The New Act replaces the more than three-decade old Consumer Protection Act, 1986. The 1986 Act has been in operation for more than 33 years, still there were deficiencies and shortcomings with respect to its operation which made it difficult for the consumers to get relief. The Act was amended from time-to-time to bring it in accordance with changes brought about by liberalization, globalization and digitalization. But it failed to achieve desired objective of providing better protection of the interests of consumers.

Objective of the Act

An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and
settlement of consumers’ disputes and for matters connected therewith or incidental thereto.

**Salient Features of the Act**

- **Wider Ambit to address New Emerging Challenges**

  The New Act equip the machinery to meet the new emerging challenges like e-commerce, telemarketing, misleading advertisements, etc. and ensure efficiency in grievance redressal.

- **Inclusion of e-Commerce**

  The earlier Act did not specifically include e-commerce transactions. This lacuna has been addressed by the New Act. ‘E-commerce’ and ‘electronic service provider’ have been defined under the Act. ‘E-commerce’ has been defined as buying or selling of goods or services including digital products over digital or electronic network. The central government has been authorized to take measures and make rules to prevent unfair trade practices in e-commerce.

- **Broader Definition of Consumer**

  The definition of ‘consumer’ under section 2(7) is broader and includes both offline and online transactions. The ambit of consumer has been widened to cover not only online transactions but also telemarketing and multi-level marketing which will impose responsibility at all levels.

- **Enhanced Pecuniary Jurisdiction**

<table>
<thead>
<tr>
<th>Pecuniary Jurisdiction under CP Act, 2019</th>
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</thead>
<tbody>
<tr>
<td>District Commission</td>
</tr>
<tr>
<td>State Commission</td>
</tr>
<tr>
<td>National Commission</td>
</tr>
</tbody>
</table>

- **Flexibility in Place of Filing the Complaint**
The New Act provides flexibility to the consumer to file complaints with the consumer commission located at the place of residence or work of the consumer.

❖ **E-Filing of Complaints**

The New Act also enables consumers to file complaints electronically and for hearing and/or examining parties through video-conferencing. This is to ensure procedural ease and reduce inconvenience and harassment to the consumers.

❖ **Establishment of Regulator for Consumer Protection**

The New Act provides for establishment of the Central Consumer Protection Authority (CCPA) to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class.

❖ **Unfair Trade Practices**

The New Act introduces a specific broad definition of Unfair Trade Practices, which also includes sharing of personal information given by the consumer in confidence, unless such disclosure is made in accordance with the provisions of any other law.

❖ **Introduction of Mediation to resolve Consumer Grievances**

The New Act provides for mediation as an Alternate Dispute Resolution mechanism, making the process of dispute adjudication simpler and quicker. This will help with the speedier resolution of disputes and reduce pressure on consumer commissions.

❖ **Product Liability**

The New Act introduces Chapter VI dealing with Product Liability. These provisions based on strict liability principles will enable the complainant to claim compensation for the harm caused due to defective product or services.
**What are Consumer Protection Councils?**

The Act provides for establishment of Consumer Protection Councils at Centre, State and District levels. The purpose of these Councils are to review consumer related policies of the government and suggest measures for further improvements for protecting and promoting rights of the consumers. The composition of these councils is broad based. The Minister In-charge of Consumer Affairs in the Centre is the Chairman of the Central Consumer Protection Council and it has other official and non-official members. The State Consumer Protection Council is headed by Minister In-charge of Consumer Affairs in the State and the District Consumer Protection Council is headed by the Collector of the District. These Councils are advisory in nature and their object is to protect the rights of the consumers enshrined under the Act.

**What are Consumer Disputes Redressal Agencies?**

The Act provides for a three tier Consumer Disputes Redressal Agencies. These are: District Consumer Disputes Redressal Commission in the District, State Consumer Disputes Redressal Commission at the state level and the National Consumer Disputes Redressal Commission at the national level.

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**When can complaints be made?**
A complaint may be made in writing under the following circumstances:

- Loss or damage is caused to the consumer due to unfair contract, unfair or restrictive trade practice of a trader or service provider;
- the article purchased by a consumer is defective;
- the services availed of by a consumer suffer from any deficiency;
- a trader or service provider, as the case may be, has charged for the goods or for the service mentioned in the complaint a price in excess of the stipulated price;
- Goods or services, which will be hazardous to life and safety, when used, are being offered for sale to the public;
- a claim for product liability action can also be made against the product manufacturer, product seller or product service provider, as the case may be;

Who can file a Complaint?

- Any consumer;
- Any voluntary consumer association;
- Central Government or any State Government;
- Central Authority;
- One or more consumers, where there are numerous consumers having same interest
- In case of death of a consumer, his legal heir or representative;
- In case of a consumer being a minor, his parent or legal guardian;

Where to file a Complaint?

As per the Consumer Protection Act, 1986 a complaint can be filed in:

- **District Consumer Disputes Redressal Commission (DCDRC):** If the value of goods or services paid as consideration does not exceed rupees one crore
- **State Consumer Disputes Redressal Commission (SCDRC):** If the value of goods or services paid as consideration exceeds rupees one crore, but does not exceed rupees ten crore
- **National Consumer Disputes Redressal Commission (NCDRC) If** the value of goods or services paid as consideration exceeds rupees ten crore
I  **District Commission:**

- Each District has a District Commission.
- District Commission shall consist of one is President, who is or has been or is qualified to be a District Judge and not less than two members.
- Atleast one of the member or the President shall be a woman.
- It entertains complaints where the value of goods or services paid as consideration does not exceed rupees one crore.

II  **State Commission:**

- Each state has one State Commission.
- It consists of a President, who is or has been a Judge of a High Court and atleast four other members.
- Atleast one of the member or the President shall be a woman.
- It entertains complaint where the value of goods or services paid as consideration exceeds rupees one crore, but does not exceed ten crore rupees.
- Complaints against unfair contracts, where the value of goods or services paid as consideration does not exceed ten crore rupees can also be filed in SCDRC.
- Appeals against the Orders of the District Commission are also filed in the State Commission.

<table>
<thead>
<tr>
<th>CPA 1986 (Earlier)</th>
<th>CPA 2019 (New)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District Forum: Up to 20 Lakh</strong></td>
<td>District Commission: Upto 1 cr</td>
</tr>
<tr>
<td><strong>State Commission: 20 Lakh – 1 cr</strong></td>
<td>State Commission: 1 cr – 10 cr</td>
</tr>
<tr>
<td><strong>National Commission: Above 1 cr</strong></td>
<td>National Commission: above 10 cr</td>
</tr>
</tbody>
</table>

III  **National Commission:**

- The National Commission is located in Delhi.
- It consists of a President who is or has been a Judge of the Supreme Court and not less than four other members, one of whom shall be a woman.
• Complaints where value of goods or services paid as consideration exceeds rupees ten crore can be filed in the National Commission.
• Complaints against unfair contracts, where the value of goods or services paid as consideration exceeds rupees ten crore can also be filed in NCDRC.
• It takes appeals against Orders passed by the State Commissions.
• The Orders of this Commission can only be challenged in the Supreme Court.

Structure for Redressal Mechanism

Supreme Court

National Commission
Above Rs.10 Crore

State Commission
Above Rs. 1 Crore to Rs 10 Crore

District Commission

Upto Rs. 1 Crore

What is the Jurisdiction of Consumer Commissions?
A complaint shall be instituted in a Consumer Commission within the local limits of whose jurisdiction-

• the opposite party resides or carries on business or has a branch office or personally works for gain, or
• where the cause of action, wholly or in part, arises; or
• the complainant resides or personally works for gain.
The 2019 Act now provides an added advantage to the consumers by providing for filing of complaints where the complainant resides or personally works for gain.

The Act also provides for filing of Complaints before the Consumer Commissions electronically in accordance with the rules prescribed by the Central Government.

**Is there any Fee for filing Complaints?**

Every complaint filed shall be accompanied by a fee as specified in the table given below in the form of crossed Demand Draft drawn on a nationalized bank or through a crossed Indian Postal Order drawn in favour of the President of the District Commission or the Registrar of the State Commission or the Registrar of the National Commission, as the case may be, and payable at the respective place where the District Commission, State Commission or the National Commission is situated, or through electronic mode as per arrangement made by the Commission concerned.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Value of goods or services paid as consideration</th>
<th>Amount of fee payable (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District Commission</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>Upto rupees five lakh</td>
<td>Nil</td>
</tr>
<tr>
<td>(2)</td>
<td>Above rupees five lakh and upto rupees ten lakhs</td>
<td>200</td>
</tr>
<tr>
<td>(3)</td>
<td>Above rupees ten lakh and upto rupees twenty lakhs</td>
<td>400</td>
</tr>
<tr>
<td>(4)</td>
<td>Above rupees twenty lakh and upto rupees fifty lakh rupees</td>
<td>1000</td>
</tr>
<tr>
<td>(5)</td>
<td>Above rupees fifty lakh and upto rupees one crore</td>
<td>2000</td>
</tr>
<tr>
<td><strong>State Commission</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6)</td>
<td>Above rupees one crore and upto rupees two crore</td>
<td>2500</td>
</tr>
<tr>
<td>(7)</td>
<td>Above rupees two crore and upto rupees four crore</td>
<td>3000</td>
</tr>
<tr>
<td>(8)</td>
<td>Above rupees four crore and upto rupees six crore</td>
<td>4000</td>
</tr>
<tr>
<td>(9)</td>
<td>Above rupees six crore and upto rupees eight crore</td>
<td>5000</td>
</tr>
<tr>
<td>(10)</td>
<td>Above rupees eight crore and upto rupees ten crore</td>
<td>6000</td>
</tr>
<tr>
<td><strong>National Commission</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(11)</td>
<td>Above rupees ten crore</td>
<td>7500</td>
</tr>
</tbody>
</table>

**Is there any exemption from payment of Fee?**

The complainant where the value of goods or services paid as consideration is upto rupees five lakh is exempt from payment of fee.

**How to file a Complaint?**
The complaint can be filed on a plain paper.

- Stamp paper is not required for declaration.
- It should contain the details of the complainant and the opposite party.
- Complaint can be registered, in person, by the complainant or through his authorized agent or by post addressed to the Redressal Agency.
- It is not compulsory to engage a lawyer to file a case.
- The fees charged are very nominal according to the value of the claim.

**What is the Procedure to file complaints in Consumer Commissions?**

A complaint when made in District Commission or State Commission shall be filed in three sets and where it is filed in the National Commission, it shall be filed in four sets with additional sets equal to the number of opposite party(s).

Every complaint shall clearly contain particulars of dispute and the relief claimed and shall also be accompanied by copies of such documents as are necessary to prove the claim made in the complaint. A Consumer can argue his own case or can be represented through authorized person or agency.

**Is there a need to engage a lawyer for filing a complaint in the Commissions?**

There is no need to engage a lawyer or any other pleader and consumer can himself or through his representative file and represent his complaint.

**What are the particulars that should be furnished along with the complaint?**

The complaint should contain the following particulars:

- Name and complete address of the complainant.
- Name and complete address of the opposite party/parties.
- Date of purchase of goods or services availed.
- Amount paid for the above purpose.
- Particulars of goods purchased with numbers or details of services availed.
• Details of complaint, whether it is against Unfair Trade Practice / supply of defective goods / deficiency in service provided / collection of excess price, should explicitly be mentioned in the complaint petition.

• Bills / receipts and copies of connected correspondence, if any.

• Relief sought for under this Act.

• Complaint should be signed by the complainant or his authorised agent.

**What is the time limit for filing a complaint?**

A complaint has to be filed within two years from the date on which the cause of action/deficiency in service/defect in goods arises. However, a complaint may also be filed after two years, if the complainant satisfies the District Commission that he/she has sufficient reasons for not filing the complaint within such period.

**What is the provision for appeal?**

• Aggrieved by the Order issued by the District Commission, appeal petition may be filed before the State Commission **within 45 days** from the date of receipt of Order.

• Aggrieved by the Order issued by the State Commission, appeal petition may be filed before the National Commission **within 30 days** from the date of receipt of Order.

• Aggrieved by the Order issued by the National Commission, appeal petition may be filed before the Supreme Court of India **within 30 days** from the date of receipt of orders.

• Under Consumer Protection Act, 2019 second appeal cannot be filed unless there is a substantive question of law is involved.

**What are the Reliefs available to Consumers from Consumer Commissions?**

- Removal of defects from the goods;
- Replacement of the goods;
- Refund of the price paid;
- Removal of defects or deficiencies in the services.
- Award of compensation for the loss or injury suffered.
- Discontinue and not to repeat unfair trade practice or restrictive trade practice.
To withdraw hazardous goods from being offered for sale.

To cease manufacture of hazardous goods and desist from offering services which are hazardous in nature;

If the loss or injury has been suffered by a large number of consumers who are not identifiable conveniently, to pay such sum (not less than 25% of the value of such defective goods or services provided) which shall be determined by the commission;

To issue corrective advertisement to neutralize the effect of misleading advertisement.

To provide adequate costs to parties.

**Which is the Nodal Agency for Consumer Protection?**

The Department of Consumer Affairs (DCA), one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution is the nodal agency for consumer protection. **The mandate of the Department is consumer advocacy.** Translating this mandate into action entails:

- Enabling consumers to make informed choices;
- Ensuring fair, equitable and consistent outcomes for consumers; and
- Facilitating timely and effective consumer grievance redress.

The Department seeks to empower consumers through awareness and education; enhance consumer protection through prevention of unfair trade practices; enable quality assurance and safety through standards and their conformity; and ensure access to an affordable and effective grievance redress mechanism. The Department has been entrusted with administering:

- Internal Trade
- The Consumer Protection Act, 1986
- The Legal Metrology Act, 2009
- The Bureau of Indian Standards Act, 2016
- The Essential Commodities Act, 1955
- The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980
- National Test Houses
- Consumer Cooperatives

The Department also monitors the Prices and the Availability of Essential Commodities.

Website of the Department: [http://consumeraffairs.nic.in](http://consumeraffairs.nic.in)