CHAPTER-VII

SUMMARY OF FINDINGS AND SUGGESTIONS

In this chapter the summary of findings of the study and suggestions for creation of consumer awareness, better implementation of COPRA, improving the performance of Consumer Disputes Redressal Forum, starting voluntary consumer organisations, establishing centre for consumer protection at University level and the like are presented.

SUMMARY OF FINDINGS

The consumer movement can be described as the organisation of activities and attitudes of consumers in relation to the distribution of goods. It can be viewed also as the exchange of relationship between buyers and sellers. Consumer dissatisfaction arises in the exchange of relationship because the balance of power generally lies with sellers who are informed, well-organised and they possess professional knowledge of commerce. Consumerism gives new emphasis to the consumer's rights. The consumer has a right to get full and correct information on prices, quality of goods and costs.

Consumers in India suffer because of the blatant economic exploitation systematically followed by selfish businessmen through numerous restrictive and unfair trade practices. Consumer exploitation and the resulting dissatisfaction are the root causes of consumer movement. They also point out the need for strong and organized
consumerism. The progress of the consumer movement in India has been delayed due to various reasons such as lack of awareness, unscrupulous traders and lack of permanent redressal machinery. In the present study an attempt is made to study the awareness and attitudes of rural and urban consumers, to appraise the legal measures taken by the government for consumer protection, to analyse the role of voluntary consumer organisations and study the beneficiaries of the Consumer Protection Act, 1986.

**Awareness and Attitudes of Consumers**

1. Nearly two thirds of rural consumers and 83 per cent of urban consumers were aware of their rights and in total 74.5 per cent of them had the awareness. Urban consumers were more aware of their rights as compared to their counterparts in the rural area.

2. The awareness of consumers on their rights differs. Through t-test proportion, it was found that the right to safety, right to be informed, right to choose and right to redress were uppermost in the minds of the urban consumers. The right to be heard, the right to consumers education, the right to healthy environment and the right of basic requirements were known to some extent by both rural and urban consumers.

3. Consumers became aware of their rights through radio, newspapers, television and other chennels. A majority of the rural and urban consumers opined that the newspaper was the principal media through which they came to know their rights.
4. About 73 per cent of the rural consumers and 79.5 per cent of the urban consumers had the habit of visiting two or more shops to purchase their needs. There were some criteria like quantity, quality, price, brand and trade mark, appearance and others adopted in the choice of the goods. It was found through weighted average that quality was the main criterion for the choice of any product, for both rural and urban consumers.

5. Using t-test proportion, it was identified that the television and films mostly influenced the urban consumers only and the other media like radio, newspapers, retail advertisement and others influenced both the urban and rural consumers to buy products.

6. A majority of the urban consumers demanded bill while buying products and 78.5 per cent and 66 per cent of them had the practice of checking and preserving the bills respectively for future reference. Similarly a majority of the rural consumers demanded and checked the bills, but only 41.5 per cent of them preserved the bills.

7. About 75 per cent of the urban respondents were aware of the Maximum Retail Price (MRP) and 70 per cent of them compared the actual rate paid with MRP. As far as the rural consumers are concerned only 62 per cent were aware of MRP and 57 per cent of them compared the price paid with MRP.

8. Regarding the imposition of local tax, 72.5 per cent of the urban sample consumers and 56.5 per cent of the rural consumers were aware of local tax and only a
minority of them had knowledge about the local tax variance from one state to another state. Only a meagre percentage asked the seller to specify local tax while buying goods like drugs and medicines.

9. A majority of the urban (88.5%) and rural (70%) consumers were aware of ISI and AGMARK. In comparison to rural respondents, most of the urban respondents preferred ISI and AGMARK products and they opined that standard quality and fair price were the principal reasons for their preference.

10. About 76 per cent of the urban consumers used to purchase packed goods and 75 per cent of them read the instructions printed on the package. Whereas only 59.5 per cent of the rural consumers purchase packed goods and 55 per cent of them read the printed instructions.

11. A majority of the sample consumers purchased adulterated goods and they had given complaint to the sellers, health inspectors, consumer associations and so on. A few of them did not complain to anybody, as they thought that their complaints would have no effect. Besides they required time and money and they were unaware of complaint procedure.

12. All respondents purchased goods from provisions shops and only a minority of them from other sources. A majority of respondents opined that limited choice of goods, improper package and lack of proper response of the
salesman were main problems while buying goods from cooperative stores and fair price shops. Regarding purchase of goods from super-market high price was the main problem. But high price and selling of old and sub-standard goods were the principal problems while buying goods from provision shops.

13. An average of 5.9 per cent of rural consumers and 7.5 per cent of urban consumers were fully aware of Consumer Protection Act and allied Acts. It is interesting to note here that 70.5 per cent of rural consumers and 60.45 per cent of urban consumers had never heard of these Acts.

14. About 74 per cent of the urban consumers had knowledge of consumer organisations whereas only 28.5 per cent of the rural consumers had such knowledge. A large majority of both rural and urban respondents had knowledge of the Consumer Disputes Redressal Forum.

15. Sixty four per cent of the urban respondents stated that they had consumer organisations in their locality and 13 per cent of them were members of those associations. About 23 per cent of the rural respondents stated that they had consumer organisations in their area but only 2.5 per cent of them were members of those organisations. There were certain reasons for non-membership of these associations which included lack of knowledge of the association, non-availability of time to approach and the absence of membership campaign.

16. Though the consumer organisations are voluntary organisations of consumers, about 77.5 per cent of the rural consumer respondents and 79 per cent of
the urban consumer respondents preferred the Consumer Disputes Redressal Forum. They opined that the Forum was easily approachable, required less expenses and required less time. Thus majority of the consumers did not like to have an agency in-between.

17. A majority of both rural and urban consumers reported that illiteracy and the failure to implement COPRA were the main causes for lack of an effective consumer movement. A large number of respondents stated that lack of awareness, black-marketing and hoarding and misleading advertisements were their main problems as consumers.

18. Creating consumer awareness and establishing consumer associations were the suggestions given by the rural consumers. Creating consumer awareness and establishing consumer cooperatives were the major suggestions given by the urban consumers.

19. Regarding the functioning of Consumer Disputes Redressal Forum, majority of the respondents opined that it redressed their grievances and offered compensation. Creating awareness, redressal of grievances and imparting training to the members were considered important by the respondents in the functioning of consumer organisations.

20. Chi-square test revealed that: a) The area of residence of the consumers and the level of awareness of consumer protection measures were associated.
b) The sex and marital status of the consumers did not have association with awareness.

c) The age, educational qualifications, occupations and income of the consumers influenced their awareness.

Consumer Protection: Legislative Measure

1. Consumer is a person who purchased goods or services for a consideration, when the purchase of goods is not for commercial purpose. He can approach DCDRF for redressal only if he has suffered a loss or a damage as a result of the unfair trade practice or deficiency in service. If the amount of compensation exceeds rupees five lakhs, he can directly file his case in the State Consumer Disputes Redressal Commission and if it exceeds Rs.20 lakhs, he can file it in the National Consumer Disputes Redressal Commission under the Consumer Protection Act, 1986. These redressal forums are expected to dispose of cases within 90 days.

2. The number of cases filed in DCDRF had increased in all the years except 1995. DCDRF had disposed of cases at an average of 75 per cent of cases filed. An average of 50 per cent of cases disposed was in favour of and 25 per cent was against the complaints.

3. Despite the time limit fixed for disposing of cases, an average of only 21 per cent of the cases was disposed of within 90 days.
4. Regarding the seven selected DCDRF, the number of cases filed had increased regularly from 1991 except in 1995. An average of 61 per cent of the cases was favourable to the consumers and only a meagre percentage of the cases were against the consumers.

5. Initially a majority of the sample forums had only two to three staff members. At present all district forums have five staff members to perform the work except in one forum. Despite the increase in number of staff members the progress in disposal of cases has not been impressive.

6. One of the reasons for the delay in disposal of cases was non-appointment of members of the forums. About 71.43 per cent of the forums were functioning with break due to non-appointment of members and president.

7. Though the consumers can approach the forums directly for redressal of their cases, they file cases either through lawyers or voluntary consumer organisations. An average of 68 per cent of the cases was filed through lawyers. The cases filed through consumer organisations had decreased but cases filed directly had increased.

8. Majority of the cases filed were relating to unfair trade practices, finance and chit funds, followed by other categories which include municipalities and other Government departments.

9. It was identified that the main bases for disposal of cases were original petition number, petitioner and opposite party. The major reasons for the dismissal of
cases by the consumer forums were absence of the petitioner, absence of the opposite party, endorsement made and settled out of the forums and irrelevant cases.

10. The study reveals that the awards and compensations are given based on Consumer Protection Act, customs and practices and argument of the lawyers.

11. As per COPRA, the execution should be made within 30 days, but it has been found that the execution of the decree varied from 30 to 90 days.

12. Granting power of interim injunction, the appointment of sufficient staff members and restricting unwanted consumer organisations were the major suggestions made by the employees of the forums to improve their functioning.

13. Regarding the profile of employees working in the selected forums, all head clerks and office assistants were males. A large majority of typists-cum-stenos were females. Majority of the employees of the forums were below 45 years of age except in the case office assistants. All head clerks of the forums were deputationists and majority of the other staff members were permanent. Majority of the employees were not satisfied with their jobs especially office assistants.

14. There was no consistent increase of the cases filed in SCDRC by way of original petition. But the cases filed through appeal was consistently increasing. An average of 75 per cent and 69 per cent of the cases were disposed of through original
petitions and appeals respectively. An average of about 52 per cent and 56 per cent of the cases were in favour of the consumer, in the cases of original petition and appeals respectively.

15. The National Consumer Disputes Redressal Commission disposed of all the cases in the first three years of its formation. However, the number of cases filed and pending had increased from year to year. In 1993 the cases pending in original petition and first appeal were more than the previous years.

Role of Voluntary Consumer Organisations

1. Consumer activists form their organisations voluntarily with the objectives of creating awareness and educating and protecting consumers against unfair trade practices.

2. The selected consumer organisations had membership generally ranging from 100 to 400. It was found that majority of the organisations had only less than 100 members during the study period.

3. The number of active members had increased from year to year and during 1995 the organisations had the maximum of 4497 active members. The majority of the organisations had less than 25 active members during 1991 and 1992 but the percentage started increasing. On an average, about 51 per cent of the members were active members to the total number of members in the selected organisations.
4. Consumer organisations admit any individual as a member after filling the prescribed application form and paying the fees due.

5. It was identified that to become executive members minimum qualifications like active participation in consumer affairs, being a social worker, devoting time for the development of the organisation and not involved in business were required. These executive members have some specific powers and duties according to the by-laws.

6. The funds for consumer organisations came from subscriptions, donations and Government grants and aids, but subscription was the main source. About 57.14 per cent of the sample organisations collected less than Rs.50 as annual subscription but only one organisation collected more than Rs.200 from each member.

7. The fee prescribed for becoming life membership was more than that for ordinary membership. Majority of the organisations (57.14 per cent) collected life-membership subscription of Rs. 100 to Rs.300.

8. About 52.38 per cent of the organisations spent annually upto Rs.20000. Nearly 52.38 per cent of them had received an annual income below Rs. 10000. Hence every year majority of the organisations faced deficit balance in their accounts.

9. A large number of office-bearers were paid honorarium for the work done in the organisation.
10. All office-bearers except a few treasurers were males. Majority of them were married and highly qualified. Majority of the presidents were above 50 years of age. A large number of secretaries were young and were lawyers. Similarly majority of the treasurers were employees in Government departments or housewives.

11. Majority of the organisations had good relationship with their federation at State level. The organisations had proper working hours and about 38.10 percent of them worked from 10 A.M. to 5 P.M.

12. The organisations try to settle the consumer grievances by themselves at their level. If it is not possible, they send the same to the consumer forums on behalf of the consumers. In all the five years, a large majority of the cases were settled by the consumer organisations.

13. In 1991, 66.66 per cent of the organisations had settled less than 50 cases whereas in 1994 and 1995 majority of them had settled more than 75 cases.

14. About 80.95 per cent of the organisations were not charging any fees for the services rendered to the consumers.

15. Execution of the decree was being delayed for which about 90 per cent of the consumer organisations were taking follow-up action.

16. A large number of consumer organisations had problems like lack of funds (80.95%), disinterest and delay in the forum to get judgement (61.90%) and lack of cooperation from forum officials (38.10%).
Profile and Perception of the Beneficiaries

1. The background of the complainants reflect their attitudes in approaching consumer forums for legal decisions. A few cases in which judgements were in favour of the consumers had been analysed. A study of the consumer beneficiaries showed that 69.7 per cent of the respondents were males. A majority of them were married (87.88%) and were graduates and post graduates (50.38%). Only 5.30 per cent of them were illiterates. It was found that income was not a criterion in filing cases. About 31.82 per cent of the respondents belonged to the forward castes and 64.01 per cent belonged to backward castes. Only 4.17 per cent were scheduled caste and tribes.

2. About 62.12 per cent of the respondents opined that the consumer forums had taken more than 180 days to redress their grievances. Hence it was inferred that forums were not able to dispose of the cases as specified in the Consumer Protection Act, 1986.

3. This study reveals that 32.20 per cent of the petitioners and nearly 36 per cent of the opposite party did not appear personally for hearings because they had engaged lawyers and other representatives.

4. About 48 per cent of the respondents had visited forums from 5 to 20 times for hearings. A little more than 22 per cent of the respondents had no idea about the number of times they had appeared for hearings.

5. Nearly 60 per cent of the respondents engaged lawyers and only 20.08 per cent filed their cases directly.
6. Nearly 50 per cent of the respondents demanded compensation of less than Rs. 10000. The remaining 51.38 per cent demanded more than Rs. 10000 as compensation for their cases. But, 58 per cent of them were offered compensation upto Rs. 10000 and the remaining were offered compensation ranging from 10000 to 40000. Nearly 10 per cent of the cases were disposed of for replacement of goods. It is interesting to note here that only 50 per cent of the respondents were actually able to receive compensation of which 30.68 per cent of them received compensation upto Rs. 10000. Thus a notable finding of the study is that 40.15 per cent of the respondents did not receive anything, even though the decree was in their favour.

7. Of the 264 respondents, 32.20 per cent of them were not satisfied with the judgement and hence about 81.18 per cent of the respondents who were unsatisfied appealed to the appellant forum. They had spent upto Rs.2000 for further action.

8. It was found that about 31.88 per cent of the respondents did not receive anything even after appeal.

9. A sizable portion of the respondents felt that the lack of response of the staff members of the forum and the lack of knowledge were the principal problems in filing cases.

10. Creation of awareness, settling the grievances within 90 days, appearing for hearings by both opposite party and the petitioner, taking steps for the execution of the decree and functioning without break were the major suggestions of the respondents whose cases had been finalised.
SUGGESTIONS

"No pain, no gain" holds good in consumer protection. The consumer must be aware of his basic rights and should fight for those rights. The famous principle of "Caveat Emptor" - 'Let a buyer be aware' must be replaced by "Caveat Venditor" - 'Let a seller beware' through the strong efforts on the consumer side. Ultimately consumers must have education and awareness for better implementation of their rights. A few suggestions are given below:

The Awareness of Consumers to be Improved

1. Consumers should be educated to visit two or more shops before purchasing any product and they should be made to understand the significance of demanding receipts for the payments made.

2. Consumers should be educated to join voluntarily the consumer cooperatives as members and use the society to safeguard their interests by availing the services at reasonable cost.

3. Consumer awareness should be created both in rural and urban areas by highlighting the rights of consumers, remedies available when cheated, the manner of lodging a complaint, the addresses of district forum, State and National Commissions.

4. A Consumer Guidance Centre should be set up by all business and Government departments to maintain a close liaison with consumers.
5. Business enterprises should accept consumer protection as their "Social Responsibility" and they should welcome the complaints of consumers and take step to redressing them.

6. Frequent exhibitions and demonstrations should be organised in many public places to highlight the consumer's rights, the unfair trade practices of the traders and so on.

7. The services of "Arivoli Iyakkam" should be availed of to propagate the significance of consumer's rights.

8. There should be a consumer education campaign through various communication media such as posters, publications, radio, television, films, lectures, seminars, workshop training and so on.

9. Educational institutions should introduce consumer education as the subject in their academic curricula.

10. Effective steps should be taken to encourage youth to take active part in the activities of consumer movements.

**Effective Implementation of COPRA**

1. A fullfledged Department of Consumer Protection should be established separately and a minister exclusively should be in charge of the department at the State as well as at the Central levels.
2. Government should provide or maintain adequate infrastructure to develop, implement and monitor Consumer Protection Acts. Special care should be taken to ensure that measures for consumer protection are implemented for the benefit of all sectors of the population, especially the rural population.

3. The legal procedures for filing cases against unfair trade practices should be made simple.

4. Transactions pertaining to shares and debentures should be brought under the definition of service to protect several investors on stock.

5. The Government should take necessary steps to bring out the deficiency in service of postal, railways and chit funds and bring it to the notice of COPRA.

6. There is no clear provision in the COPRA for execution of the decrees of consumer forums. Hence steps should be taken to empower COPRA, in this regard. The consumer forums should be allowed to execute warrants, as is done by civil courts. The party responsible for unfair trade practices should not be allowed to appeal to higher level forums, unless genuine, in order to avoid unnecessary expenses for consumer complainants and the consequent delay.

Effective Performance of DCDRF

1. The Government should provide necessary infrastructural facilities and appoint adequate and suitable staff members to the redressal forums.
2. The Government should appoint president and members to the DCDRF without any delay. Moreover, the political interference should be avoided in appointing them.

3. The DCDRF is located in the District Magistrate Court and it prevents the public from knowing more about the consumer forums. Hence steps should be taken to establish the DCDRF in a separate building which is easily accessible and convenient. In this regard wide publicity should be given about the location of the forum.

4. The petitioner and the other party should be made to attend the hearings without fail. There should be severe penalties for non-attendance.

5. The power of issuing interim injunction should be given to the consumer forum to prevent malpractices of traders.

6. Steps should be taken to maintain the records properly. The state commission should ask the District Forums to send the details of the cases every quarter, sectorwise.

7. Consumer Redressal Forum is a quasi-judicial body, hence, steps should be taken to make it a permanent judicial body like the civil court.

**Effective Functioning of Voluntary Consumer Organisations**

1. Consumer organisations should be formed even at the village level and they may be aided to run effectively.
2. Membership should be open for all sections of the consumers and from all communities.

3. Consumer organisations should form their own federation at the District Level.

4. Consumer organisations should impart training to the consumers to identify their rights and grievances. In this connection, the Government should take effective steps with the support of consumer organisations to celebrate the Consumer Day on 15th March every year in all parts of the State especially in educational institutions.

5. These organisations should not allow politicians and businessmen to become members. There should be a code of ethics which should be strictly followed. The organisation should safeguard the interest of the consumer against unfair trade practice.

6. The executive members of the organisation should be encouraged to perform selfless service.

7. Inadequate finance is the main problem for all consumer organisations. Hence steps should be taken by the Government to provide grants and aids to them based on their performance. Various recognised funding agencies may be approached by the consumer organisations on project basis, for getting funds.
8. COPRA should allow the voluntary organisations to file public interest litigations against fraudulent businessmen or companies.

9. The Government should allow the consumer organisations to test the products, free of cost, in the appropriate laboratories established by the Government.

10. The consumer organisations should help the consumers to file cases directly with the forums.

1. Model and common by-laws for registration of consumer organisations should be made available in Registrar's Office in the interest of uniform policies and practices.

Centre for Consumer Protection at University Level

A Centre for Consumer Protection should be established at the University level, with the objective of creating consumer awareness among the students. It should familiarise the students with the legal rights of consumers and procedures for redressal of consumer grievances. The centre should impart consumer education and undertake research and extension activities. Financial assistance should be provided on a project basis by the Department of Consumer Affairs, Government of India, through the UGC or directly (A model project proposal is shown in the Appendices-F).
Other Suggestions

1. Compulsory sealed packing should be introduced for all food items which will prevent adulteration. The procedure as per the Packaging Act should be followed in packing the materials.

2. Appropriate centres should be established at all market yards or district headquarters to enable the consumer to test the goods purchased by them and check the weight and measures.

3. Government machinery should insist on the issue of receipts to the consumer. It should also be made accessible to consumers wherever required.

4. A Citizens’ Charter and Public Utilities Commission for the country should be established effectively by the Government, so as to improve the quality, choice, standards and value of public services.