

## The Redressal Mechanism under the Consumer Protection Act 2019-A Study

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### Abstract

Every one of us is a consumer somehow. It is important that we know and educate consumers about the goods and services we have in the marketplace. But very few consumers know what rights they have under the Consumer Protection Act, of 2019. The 2019 act replaced the 1986 act and seeks to expand its scope to respond to consumer concerns. Have you ever thought about what would happen to consumers if we didn't give them adequate protection? With growing competition and in an attempt to increase their sales and market share, manufacturers, sellers, and service providers may be tempted to engage in unscrupulous, exploitative, and unfair trade practices like defective and unsafe products, adulteration, false and misleading advertising, hoarding, black-marketing, etc. This means that a consumer might be exposed to risks due to unsafe products, might suffer from bad health due to adulterated food products, might be cheated because of misleading advertisements or sale of spurious products, might have to pay a higher price when sellers engage in overpricing, hoarding or black-marketing, etc. Consequently, the consumer becomes dangerous, feels deceived and is exposed to numerous risks and health problems. Can businesses afford to disregard consumers' interests? The market forces have changed from a seller's market, i.e., the earlier approach of caveat emptor which means Let the buyer beware, to a consumer market i.e., caveat venditor which implies Let the seller beware. A consumer is described as a king in the open market economy. As such, consumer protection is important for consumers and businesses alike. Under the Consumer Protection Act 2019, the Government of India has provided legal protection in the interests of a consumer.

**Keywords:** Consumer, rights, consumer redressal mechanism

### Introduction

As we all know consumer is the king, but in implementing the Redressal mechanism should have power to enforce the rights of the consumers when it comes before them. Redressal mechanism plays a vital role in the enforcement of rights conferred on consumers. We all are in the era of technology the patterns of purchasing and selling has been changed tremendously. So the scope of consumer disputes has been widened, especially during and after covid-19 pandemic. In this connection the new enactment of Consumer Protection Act 2019 with the major concern to dispose the disputes speedily and effectively. Under this act new powers have been enlisted. In this connection the present paper going to study the various Redressal mechanisms under the consumer Protection Act 2019, its powers and functions.

### Objectives of the Study

In the above context, the main objective of the study is to assess the role of the consumer Redressal mechanism in protecting consumer rights enforcement. However, the specific objective is as follows:

- To analyze the performance of a consumer Redressal mechanism after 2019 enactment.

### Methodology

The study is mainly based on secondary data. The methodology for the present study is doctrinal research.

### Literature Review

In a research paper on the consumer protection act-a study on consumer awareness, (Puja Bansal, 2017) the author has identified rights of the customer, enlightened about consumer protection.

Rebellow. A.J. has made enormous efforts to prove the point that consumers in India need protection. In a series of articles published in Indian Express., he has stressed on this point very well.

Harshika Kapoor in his paper on analysis of consumer protection act, discussed about consumer rights and consumer commissions.

### The New Definition of Consumer: The New Act has Widened the Definition of 'Consumer'.

A consumer is an individual or group of individuals who purchase goods and services for their own personal use and not for the purpose of manufacturing or resale. Section 2(7) of the Consumer Protection Act, 2019 defines a consumer as any person who buys goods or services in exchange for consideration and utilizes such goods and services for personal use and for the purpose of resale or commercial use. In the explanation of the definition of consumer, it has been distinctly stated that the term 'buys any goods' and 'hires or avails any services' also includes all online transactions conducted through electronic means or direct selling or Teleshopping or multi-level marketing.

### Historical Background of Consumer Rights Protection

The protection of consumer rights is not a new concept. Historically the practice of protection of consumer was in existence. During the ancient period 'Vedas', code of 'Kautilya', 'Manu Smriti', 'Yajnavalkya-Samhita' 'Narada Smriti, and various other ancient codes contained provisions with a view to cater and protect the interest of the consumers and provided punishment in case of the violations of those provisions containing directives. Efforts to protect consumers through laws were made in Ancient Hindu codes and the Holy Quran. With the advent of Britishers in India, the common law system of administration of justice was also implanted on Indian soil and during 17th, 18th and the first half of the 19th century, the rights and interest of consumers were mainly regulated and protected by the common law of contracts.

The British rulers made different legislation from time to time in India to protect the consumer rights, but no evidence of improvement in the position of the consumers and they kept suffering due to unfair trade practices, and various malpractices were present in the market.

Following independence, India became more aware that consumer interest is a priority in a democracy.

After the growth and expansion of international trade and the industrial revolution which brought about the development in the industrial sector of the country, the number of goods and services in the Indian market increased which helped to satisfy the growing needs of the consumers. In addition, a number of other services such as finance, insurance, electricity, housing, etc. have been made available to consumers.

As a result of these growing numbers of services made available for the consumers, the demand increased which in turn led to the increase in production. To meet the increasing demand similar products were produced by different manufacturers, which made it hard for the consumers to make a choice. Such products were also subject to defects in manufacturing, which compromised their quality. Therefore, it became necessary to protect consumers from defective products and mistreatment of manufacturers. With the aim of providing protection to the interests of the consumers, the consumer protection bill was introduced in the Lok Sabha on 5th December 1986. The 1986 Consumer Protection Bill became the 1986 Consumer Protection Act following its adoption by The Houses of Parliament on December 24, 1986.

### The Consumer Protection Act, 2019

Due to the development of technology, the buying and selling of goods and services online has increased significantly during and after the COVID-19 pandemic. The consumer protection act was enacted to deal with matters relating to various consumer rights like misleading advertisements, unfair trade practices, and deficiency of services etc. which are prejudicial to the consumer rights in the era of technology. The primary objective of the Consumer Protection Act, 2019 is to ensure greater protection of consumer interests and rights through the creation of consumer protection boards.

Consumer protection councils resolve disputes and ensure adequate compensation for consumers if their rights have been infringed. The Act also provides for the early and efficient resolution of complaints through the alternative dispute resolution system. The Act is intended to promote consumer education to ensure that consumers are aware of the rights, responsibilities and redress mechanism for consumer complaints.

### Rights of the Consumer under Consumer Protection Act 2019

The rights of the consumers are mentioned under Section 2(9) under the Consumer Protection Act, 2019, which are as follows:

1. A consumer's right to be protected against the marketing of goods and services which are dangerous and injurious to life and property.
2. A consumer's right to be protected from unfair business practices by being aware of the quality, quantity, power, purity, standard and price of goods, products or services.
3. A customer's right to access various goods, services and products at competitive prices.
4. A customer's right to claim reparation in the respective forums against unfair and restrictive business practices.
5. A customer's right to be compensated or given adequate consideration by the respective consumer forums in case they have been wronged by the seller.
6. A customer's right of consumers to be educated.

### Central Consumer Protection Authorities

The new act is more concerned about the Redressal Mechanism in connection with this Central Consumer Protection Authorities given powers to regulate and address the consumer grievances in an effective and speedy manner.

Chapter III of the 2019 Act deals with the Central Consumer Protection Authority (CCPA) which has been added in order 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.

Central Authority shall consist of a Chief Commissioner and such number of other Commissioners as may be prescribed, to be appointed by the Central Government to exercise the powers and discharge the functions under this Act.

A director-general is the head of an investigation wing for the purpose of conducting an inquiry or investigation provided under this act or may be directed by the central Authority.

If the party is satisfied with the order passed by the Central Authority, An appeal can be placed before the National Commission within a period of 30 days from the date of the receipt of such order.

### How to Make a Complaint?

Section 17 states that a complaint relating to violation of consumer rights or unfair trade practices or false or misleading advertisements which are prejudicial to the interests of consumers as a class, may be forwarded either in writing or in electronic mode, to any one of the authorities, namely, the District Collector or the Commissioner of Regional Office or the Central Authority.

The Central Authority under Section 21 has been provided with the powers to issue directions and penalties against false or misleading advertisements.

### Consumer Dispute Redressal Commission (CDRC)

Chapter IV of the Act deals with the establishment, qualifications, jurisdiction, method of complaint, procedures, and so on with respect to the Consumer Dispute Resolution Commission. The CDRC has the authority to resolve complaints related to unfair and restrictive business practices, defective goods and services, over billing, and goods that pose a risk to life and safety.

Three tier Redressal Mechanism under consumer protection act. They are...

1. District Consumer Disputes Redressal Commission (earlier known as the District Forum)
2. State Consumer Disputes Redressal Commission (earlier known as the State Commission)
3. National Consumer Disputes Redressal Commission (earlier known as the National Commission)

#### **District Consumer Disputes Redressal Commission (Earlier known as the District Forum)**

District Consumer Disputes Redressal Commission at district level. District Commission shall consist of a President and not less than two members and not more than such number of members as may be prescribed, in consultation with the State Government. The District Commission now has the jurisdiction to entertain complaints where the value of the goods and services paid as consideration does not exceed one crore rupees.

Section 34(2) (d) emphasizes that the complaint can now also be instituted in a District Commission within the local limits of whose jurisdiction the complainant resides, or personally works for gain, apart from filing in the jurisdiction where the other side actually or voluntarily resides, or carries a business, or has a branch office or personally works for gain.

#### **State Consumer Disputes Redressal Commission (Earlier known as the State Commission)**

According to the Section 42(3) of the Act, in the State Commission has one President and not less than four or not more than such number of members as may be prescribed in consultation with the State Government.

The State Commission shall have jurisdiction to entertain the complaints where the consideration exceeds one crore rupees but does not exceed ten crore rupees.

#### **National Consumer Disputes Redressal Commission (earlier known as the National Commission)**

According to the Section 54 of the Act the National Commission shall consist of a President; and not less than four and not more than such number of members as may be prescribed.

The National Commission shall have the jurisdiction to entertain complaints where the consideration paid exceeds ten crore rupees.

#### **Concept of Mediation in consumer Redressal**

The concept of mediation as an alternative dispute resolution mechanism for resolving consumer disputes has been introduced in a new chapter (Chapter V). The primary purpose of including mediation is to resolve issues in a timely manner. By this way the consumers can resolve their matters, in case the whole matter in dispute successful entirely, such terms of agreement shall be recorded by the commission, in the case of part of the matter in dispute settled the same shall be recorded by the commission and shall hear the remaining issues associated with the dispute. In the event of failure of mediation, the respective Commission shall, from seven days of this report, issue an appropriate order and deal with the matter accordingly.

#### **Conclusion**

The Consumer Protection Act, 2019 is indeed a solution to long discussions about the various changes that have occurred in the marketplace over the past three decades, especially

digital consumption. The new legislation has given the consumer the power to act on a larger scale, no doubt, but it has the capacity to create serious repercussions on the various channels of activity. Though the media and academia had been discussing the Act from the consumer empowerment viewpoint, the implications in the various communication channels such as Manufacturers, sellers, e-tailers, advertisers, celebrity endorsers and E-commerce channels are important and worth discussing. That's because the law is strong enough to make fundamental changes in the approach of marketers in India, where aggressive promotion and advertising have been seen as ideal strategies. Now that the Act has effectively transferred responsibility to these channels, making them more responsible for delivering the product/service with quality and confidence. This would be a challenge for advertisers, service providers and celebrities who claim they need to take extra precautions in promotional strategies. However, the approach can provide long-term credibility in the quality of service. The new law had certainly identified the problem of the quality of the market, as it was necessary of the hour. The market is becoming increasingly versatile with regard to multiple channels and increased access to goods and services.

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