



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

CONSUMER PROTECTION IN INDIA: PROSPECTS AND CHALLENGES

¹Dr Anjali Panda, ²Subhranshu Dash,

¹Assistant Professor, D.A.V. School of Business Management, Bhubaneswar, India

²Advocate, Supreme Court of India

Abstract: The consumer protection Act must be implemented in a fair, effective, and efficient manner in order to foster a culture of good governance and improve the promotion and protection of consumer rights. There won't be any grounds for dissatisfaction if consumers' rights regarding the calibre of goods and services are guaranteed and taken care of. The environment would undoubtedly be created by this circumstance so that clients, customers, and consumers would feel happy with the needs that were most important to them. The consumer of goods or services must also be aware of the channels available for redress in the event of complaints. The Consumer Protection Act also includes provisions for consumer remedy. Affected customers can file a complaint with one of the numerous fora available, including the lokadalats, district consumer forum, state consumer forum, and the National Consumer Disputes Redressal Authority. While the government has been launching numerous schemes and programmes to protect consumers, it is essential that consumers accept responsibility for using all available safeguards and asserting some self-care while making purchases or using services. Only by asserting their rights can consumers take control of the situation.

Keywords: Consumer Protection Act, Consumer goods,

I. INTRODUCTION

Without the protection of consumer rights, no economy can grow. Every economy needs consumers since they are the ones who buy or hire goods or services from sellers, which increases employment overall. Protecting consumer rights is crucial because in the modern era, customer needs and expectations have changed as a result of globalisation and increased awareness. However, because not all sellers and service providers are trustworthy, the availability of a wide range of goods and services can occasionally prove to be harmful to the consumer.

“A customer is the most important visitor on our premises” Mahatma Gandhi. The success of any business is built on its relationship with its customers. The identification and fulfilment of customer needs and wants should be one of the main objectives of every organization's strategy. An organisation can increase customer satisfaction and accomplish its long-term objectives by giving the importance of the customer consideration at every level of its processes. India has a vast population, which gives every manufacturing and marketing business access to a substantial market. It is a heaven for organisations of all kinds due to the nation's development and its population's diversity in economic strata. Every manufacturer is attempting to create profit in this era of intense competition and globalisation and, in the process, is resorting to such aggressive and misleading advertising and marketing techniques while neglecting the interests of consumers.

Therefore, it is crucial for the customer to safeguard their own interests by becoming well-informed about the products or services they are acquiring or using. Having a thorough understanding of one's rights as a consumer, verifying the MRP of commodities, reading the fine print of extensive legal papers before signing, and taking all necessary precautions when making major transactions like real estate, among other things, are necessary. Examining the manufacturing date, expiry date, contents list, etc. while purchasing durable goods like food items, groceries, etc. is very important because failure to do so could result in food poisoning, at the very least.

The Consumer Protection Act of 1986, which included numerous provisions for the protection of consumers for both the purchase of goods and the utilization of services, marked the beginning of the consumer protection movement in modern India. Consumers must take proactive measures to safeguard themselves, and the government must create policies to do the same. In addition, the government has established a number of standards and measurements for checking goods and services, including the ISI mark, Hallmark for jewellery, Silkmark for silk products, and most recently, the RERA, a landmark regulatory measure designed to protect consumers from deception in the real estate industry.

Other government initiatives, such as the DBT and Ujjawala, are similarly meant to safeguard the common man from falling victim to fraud while benefiting from government programmes. With the introduction of digital technologies like the internet, the increasing adoption of ecommerce, smartphone, and cloud technologies, the Indian consumer market has undergone a significant transformation over the past two decades. The Consumer Protection Act (CPA), which was first passed in 1986 and is still in effect today, is out of date and does not address the fast-paced developments in consumer markets, particularly those involving online and teleshopping, product recalls, risky contracts, and deceptive advertising. It was decided to replace it with the Consumer Protection Act, 2019, for this reason.

II. CONCEPT OF CONSUMER PROTECTION

The United Nations General Assembly (UNGA) initially adopted the United Nations Guidelines for Consumer Protection (UNGCP) on April 16, 1985. The UNGCP are regarded as "a valuable set of principles for outlining the key features of effective consumer protection legislation, enforcement institutions, and redress systems, and for assisting interested member states in formulating and enforcing domestic and regional laws, rules, and regulations that are suitable to their own economic, social, and environmental circumstance, as well as promoting international enforcement cooperation among member states and encouraging the sharing of understandings in consumer protection. Since then, there have been two updates to the UNGCP, with new resolutions being adopted in 1999 and 2015, respectively. After that, nations started taking action to create legal channels for resolving complaints and educating customers about their rights, obligations, and duties. The primary objective of consumer protection is to educate consumers about goods and services, their qualities, and other factors including where to purchase them, how much they cost, and whether they are necessary. The primary objective of the research article is to understand the significance and implications of consumer empowerment.

2.1 Objectives and Research Methods

- To understand the significance and implications of consumer empowerment.
- To identify different elements of empowerment.
- To explore the instances that were filed and disposed.
- To make suggestions on empowering consumers.

The research is descriptive in nature and the information was gathered from a variety of books, websites, government documents, newspapers, etc. Data presented in the form of tables and analysed in form of percentage and trends

III. CONSUMER EMPOWERMENT AND TRUST-BUILDING

The Indian Government and business are investing in ecommerce. Therefore, it is important to develop consumer-trustworthy online payment methods. Newspaper articles frequently discuss security breaches, the theft of digital personal documents, including emails, passwords to internet accounts, medical records, and bank account information. Losing all of this data may result in monetary loss, identity theft, and severe distress due to the discovery of personal information in the public domain. Large amounts of consumer personal data can be collected, shared, and stored by businesses to support the performance of their products, yet many of these data points aren't actually essential or even necessary. Particularly child consumers should be covered by personal security and safety in the digital environment, since they are more susceptible to harm or less equipped to manage online threats. Consumers should thoroughly understand the security element before utilising any new product or service because it might be challenging to identify risks and/or new risk threats in sophisticated new and unfamiliar digital products that are now readily available. Along with promoting online safety awareness, regulators should work with businesses to create user-friendly safe and secure system practises. Building system confidence can also be accomplished by offering clear personal data security and a behind-the-scenes view at data utilisation. It is extremely challenging to find the proper solutions due to the constant evolution of digital technologies, which obscure traditional borders and cross nations with sectoral laws and regulations.

To increase consumers, trust on business, it is necessary to willingly listen, understand consumer undercurrent demands, with a consumer centric approach and respond to their expectations. Upholding digital consumer protection and treating them fairly, should be the corporate; culture and fundamental objective in governance of digital providers and regulatory policy legislation should be such, that companies not adhering to it or practising adverse methods that harm vulnerable consumers be severely penalised. Truly, regulation is not an absolute dilution, but still has a very crucial role in providing certainty and a strong foundation of protection guarantees, for consumers to participate confidently in the digital economy. Increasing consumer confidence in business requires listening willingly, understanding the underlying consumer demands, with a consumer-centric approach, and responding to consumer expectations. The company must uphold the protection of the digital consumer and treat him fairly. The culture and basic tenets of digital provider governance and regulatory policy legislation should be such that businesses that disobey it or use unfair practises that harm vulnerable consumers are severely penalised. Despite the fact that regulation does not completely eliminate consumer rights, it nevertheless plays a critical role in ensuring consumer confidence and a strong basis of protection guarantees.

The regulation of consumer empowerment and protection is essential for users of digital media to manage the complexities of online security, liability, incompatibility, and affordability. For both online and offline purchase activities, protection levels should be equivalent to the feature, type, and range of digital services and products. It is crucial to remember that interventions and solutions that are evidence-based and outcome-focused are required since they have a better influence on customer satisfaction. Building consumer trust and confidence requires an open, complementary, and globally measurable standard for the digital economy, as well as a proportionately powerful, efficient, and easily accessible legal framework that provides sanctions against abuse and technical failures, protecting consumers from fraud and unfair online treatment errors. More importantly, a regulatory framework that keeps up

with the pervasiveness of any technological change is crucial to cultivating consumer confidence and trust. This framework must ensure that consumers are clear about their ownership and guarantee rights to fair use, due process, and proportionality.

3.1 Consumer Rights

The six rights of the consumers, sought to be protected and promoted by the Consumer Protection Act, are:

- The right to be protected against the marketing of hazardous goods and services.
- The right to be informed about the quality, quantity, potency, purity, standard, and price of goods and services, so as to protect the consumer against Unfair Trade Practices (UTPs).
- Availability of a variety of goods and services at competitive prices.
- The right to be heard at appropriate grievance redress forums.
- The right to seek redress against unfair trade practices or Restrictive Trades Practices (RTPs) or exploitation in any other way.
- The right to consumer education

IV. MAJOR DEVELOPMENT IN CONSUMER PROTECTION IN INDIA

1. Statutory measures for effective protection & promotion of consumer interest (Passing of the Consumer Protection Act 1986)
2. Strengthening of statutory measures for standardisation and quality control of goods (Passing of the Bureau of Indian Standards act, 1986, which repealed and replaced the Indian Standards Institution Act, 1951)
3. Conferring on consumers the statutory right of hearing under certain allied legislations (December, 1986)
4. Setting up of the Department of Consumer Affairs, in the Central Government (June, 1991)
5. Setting up of the Consumer Welfare Fund, 1992, for supporting various consumer welfare schemes.
6. Strengthening the consumer protection legislation, by enlarging its scope and enhancing the consumer courts' powers (June 1993).
7. National Commissions pronouncement upholding the consumer's right to seek redressal before consumer courts for any negligence or deficiency in medical services (April 1992), later affirmed by the Supreme Court (Nov. 13, 1995) bringing to the medical services under the fold of the CPA
8. Further strengthening of the CPA, through wide ranging amendments (Dec. 2002, w.e.f. March 15, 2003)
9. Establishment of the Competition Commission of India (CCI) to prevent anti-competitive business practices, to promote competition and protect consumer interests (Passing of the Competition Act, 2002, w.e.f. March 31, 2003).
10. Prohibition of advertising of cigarettes and other tobacco products and ban on the sale of tobacco products to minors (Passing of the Cigarettes and Other Tobacco Products (Prohibition of Advertising and Regulation of Production, Supply and Distribution) Act, 2003.
11. Setting up of the Food Safety and Standards Authority of India (FSSAI) for laying down science-based standards of food articles (Passing of the Food Safety and Standards act, 2006, effective from August 5, 2011)
12. Proposal to establish central Consumer Protection Authority, to promote, protect and enforce and consumers' rights and to provide for product liability, and mediation (Introduction of the Consumer Protection Bill, 2015, in the Lok Sabha, on Aug. 10, 2015). After its passage by both the Houses of Parliament (hopefully in the Winter Session in Nov. Dec. 2017), it is expected to be the new Consumer Protection Law.
- 13 Some Other Developments:
 - a. Setting up of Product Testing and Rating Laboratory at Ahmedabad by CERC and publication of its comparative product test reports.
 - b. Setting up of numerous voluntary consumer organisations;
 - c. Setting up of consumer grievance cells in industry and trade;
 - d. Growing media interest in consumer affairs;
 - e. Increased Govt. efforts to create consumer awareness; and
 - f. Accumulation of rich case law on the subject.
14. Consumer Protection Act, 2019

Table-1

Name of Agency	2016		2017		2018		2019	
	Filed	Disposed	Filed	Disposed	Filed	Disposed	Filed	Disposed
NCDRC	7733	6070	10807	5899	9005	6378	623	355
SCDRC	32222	21773	34621	25875	28765	23304	2166	1530
District Forum	132462	113832	122225	107539	119653	96150	8519	6770
Total	172417	141675	167653	139313	157423	125832	11308	8655

Source:www.ncdrc.nic.in

Table-2

S.N.	Name of Agency	Cases Filed since inception	Cases Disposed of since inception	Cases Pending	% of Total
1	National Commission	132596	111597	20999	84.16%
2	State Commissions	943620	818719	124901	86.76%
3	District Forums	4301258	3959149	342109	92.05%
	TOTAL	5377474	4889465	488009	90.92%

Source:www.ncdrc.nic.in

The New Dawn:

The most important feature of the new consumer protection Act 2019 is the provisions for the establishment of a regulatory body, the Central Consumer Protection Authority, with wide ranging powers to promote, protect and enforce the rights of consumers. The provisions for the creation of a regulatory agency, the Central Consumer Protection Authority, with extensive powers to promote, protect, and enforce consumer rights are the new consumer protection Act 2019's most significant aspect. The Authority will be led by a commissioner, with Deputy Commissioners in charge of five bureaus that deal with (a) safety of goods and services, (b) quality assurance and standards, (c) enforcement of consumer protection laws, (d) prevention of unfair practices, such as false advertising, and (e) prevention of consumer damage and unfair terms in consumer contracts. The Act also attempts to enhance how the consumer courts operate and, in addition, calls for the formation of consumer mediation cells at the district and state levels that are connected to the consumer courts in order to expedite the resolution of disputes. The legislation also establishes a manufacturer's responsibility for any harm, loss of life, or property damage brought on by a defective product. The proposed new law will undoubtedly change consumer protection in India if it is properly implemented.

V. ANALYSIS OF THE CASES DISPOSED BY CONSUMER COURTS:

According to the data available from the Department of Consumer Affairs (Table-1), more than 80% case was disposed in 2016 while during 2019 more than 75% case are disposed. And more than 4.8 lakh cases are pending in the various consumer courts, which is an alarming figure.

Data from the Department of Consumer Affairs (As in Table-2) indicate that although more than 80% of cases were resolved in 2016, more than 75% of cases were resolved in 2019. Additionally, an alarming number of over 4.8 lakh complaints are still outstanding in the various consumer courts.

When the consumer courts were established, their principal goal was to give consumers access to affordable and quick redress where the customer may represent themselves in court. The complexity of the law led to an increase in the number of consumers engaging attorneys, and frequent adjournments by the consumer courts caused the entire adjudicatory process to lag. Data analysis on the volume of cases resolved by consumer courts reveals that District Consumer Forums performed better, with 92.05% of cases being resolved.

VI. CONSUMER PROTECTION ACT, 2019:

The Lok Sabha and Rajya Sabha both approved the Consumer Protection Bill, 2019, on July 30 and August 6, respectively. The Minister of Consumer Affairs, Food, and Public Distribution, Mr. Ram Vilas Paswan, proposed this measure in the legislature. The Consumer Protection Act of 2019's main goal is to protect customers' rights by establishing institutions for the prompt and efficient administration and resolution of consumer complaints.

Some major highlights of the Consumer Protection Act 2019 are:

a) Both offline and online consumers would fall under the concept of a consumer. The terms "buys any goods" and "hires or avails any services" refer to both offline and online transactions made using electronic tools, such as teleshopping, direct selling, or multi-level marketing.

b) The formation of the Central Consumer Protection Authority (CCPA) to promote, protect, and enforce consumer rights; to examine into and, if required, intervene to stop consumer harm resulting from unfair commercial practises; and to initiate class actions, including imposing product recall, refunds, and returns. Therefore, the CCPA may take the following actions:

- (i) Issue safety regulations,
- (ii) Set safety standards,
- (iii) Send complaints to additional authorities.
- (iv) Order the recall of products or the termination of services
- (v) Can file actions before consumer commissions,
- (vi) Possesses the ability to punish people by issuing fines. and
- (vii) Participate in proceedings involving consumer rights or unethical business activities

For the purpose of conducting an inquiry or investigation under the Act, the Central Authority will have an Investigation Wing under the direction of a Director General. Manufacturers and endorsers who engage in internet marketing may be subject to fines of up to 10 lakhs under the CCPA for deceptive and fraudulent advertising. If the offence is committed again, the fine might reach Rs 50 lakh. The period of restriction may be extended to three years for each consecutive offence. However, there are some circumstances in which an endorser won't be responsible for such a fine. A false advertisement can be removed on the CCPA's orders.

c) The Bill also outlines sanctions against individuals who are discovered importing, selling, distributing, or manufacturing counterfeit or adulterated goods.

d) The District Commission's financial jurisdiction expanded to Rs. 1 crore, the State Commission's to Rs. 1 crore to Rs. 10 crore, and the National Commission's to Rs. 10 crore or more. It has been planned to further simplify the complaint-filing process and allow for online complaint submission.

e) Provisions for mediation as an alternative dispute resolution (ADR) method are intended to provide a legal foundation for the mediation of consumer disputes, making the procedure less complicated, easier, and quicker. Under the direction of the consumer fora, this shall be carried out.

f) Several provisions aimed at simplifying the consumer dispute adjudication process in the consumer for a are envisaged. These include, among other things, expanding the monetary jurisdiction of the consumer dispute resolution agencies, raising the required number of members in the consumer for a to speed up the resolution of complaints, giving the State and District commission the authority to review their own orders, creating a "circuit bench" to speed up the resolution of complaints, reforming the selection procedure for the President and members of the district and adding enabling provisions to enable the consumers to make complaints online and in person with organisations that have jurisdiction over the complainant's location. If the issue of admissibility is not resolved within the required 21 days, the complaints are deemed admissible.

g) Product liability provisions that establish a manufacturer's obligation to compensate a claimant for harm brought about by or resulting from any product.

h) Consumer protection laws would require e-commerce regulations, which would include a 14-day refund request deadline. The process for resolving customer complaints would be rendered meaningless because it would require online retailers to display information about the suppliers of goods and services on their websites. The protection of clients' personally identifiable information would also be expected of e-commerce enterprises. To help customers make informed decisions, the terms of the agreement between the e-Commerce company and the seller relating to return, refund, exchange, warranty/guarantee, delivery/shipment, method of payments, grievance handling system, etc. must be published.

Online shoppers encounter a number of significant difficulties, including breaches in data privacy and security, duplicate and poor-quality products, phishing, and territorial jurisdiction. The Consumer Protection Councils at the federal, state, and local levels currently lack suomotu authority in cases involving deceptive marketing, particularly those that are digital. Action is only taken in response to complaints made in consumer forums, and only the affected consumer who brings a lawsuit in a consumer court is compensated. Similar to the Federal Trade Commission in the United States, the CCPA would investigate consumer complaints, issue safety notices for goods and services, issue orders for the recall of goods, and challenge misleading advertising. In accordance with the CPA of 1986, Central Government or State Governments have the authority to bring a lawsuit against manufacturers if they discover defective goods, inadequate service, unfair practices, or restrictive trade practises. But up to this point, we have discovered that the Government Suomotu hasn't really filed many cases. Setting up mediation centres at District, State, and National Commissions attached to the consumer courts can play a significant role in providing justice because the adjudication procedure in consumer courts is slow.

The Consumer Protection Act, 2019 has clauses 74–80 that define mediation as an alternative dispute resolution (ADR) mechanism. It intends to offer a legal foundation for the mediation of consumer disputes, making the procedure easier, more straightforward, and speedier. The State Government and the Central Government would establish the mediation cell's makeup, and the mediation centres would operate under the auspices of the Consumer Commissions.

Section - 74 of the New Consumer Protection Act mentions that the State Government would establish a consumer mediation cell which would be attached to the consumer courts and each of the regional benches. Every consumer mediation cell would submit a quarterly report to the District Commission, State Commission, or the National Commission to which it would be attached. Thus, every consumer mediation cell would maintain

- a. list of cases handled by the cell.
- b. A list of empanelled mediators.
- c. Record of proceeding. and
- d. Any other information as may be specified by regulations.

The panel of mediators would be appointed for a five-year term, and they would be available for consideration for reappointment for a subsequent term, subject to any regulations that may be in place. The consumer mediation cell associated with the various consumer Courts is where the mediation will take place (Clause 75). With its cutting-edge modifications, the Consumer Protection Act of 2019 will assist in empowering consumers and speedily delivering justice to the poor.

VII. RECOMMENDATIONS AND SUGGESTIONS

- i. Improving the effectiveness of the current redressal system to provide justice more quickly.
- ii. Add an active ADR Mechanism to the current redress system.
- iii. Establishing a reliable mechanism for consumer advice and information.
- iv. Integrate State Consumer Helplines and Consumer Advice Centre to facilitate mediation.
- v. Putting the Consumer Protection Act of 2019 into practise as effectively as possible and taking the required actions to fix loopholes in order to cut expenses and broaden the Act's application to new consumer issues.
- vi. Consumer education and suitable building measure to create awareness
- vii. Information Technology tools for better delivery of service.
- viii. Countries including the UK, Ireland, and Belgium have made it illegal for celebrities to promote unhealthy food. Such restrictions are said to have a major influence.

VIII. CONCLUSION

Despite the fact that there are numerous regulations designed to safeguard consumers from unfair business activities, deceptive and misleading advertising continues to exploit the customers. If the hour demands stricter regulations that are in step with the times, greater enforcement, and corrective advertising, better self-regulation by industry independent regulator to control health and children-related commercials, then so be it. Inadequate regulation of advertising is a result of outdated legislation and ineffective enforcement. To succeed in the country, the consumer protection movement will need to increase consumer awareness through consumer education and initiatives from the government, consumer activists, and associations. A special cell for consumer protection has been established in the Ministry of Food and Supplies, and TV programmes have started to explore the issues surrounding consumer protection and the consumer movement. The government should establish certain requirements for the quality assurance of both domestic and imported items. As a result, domestic products should be of excellent quality to garner the interest and trust of consumers. It is clear that CPA 2019 differs significantly from CPA 1986 in a number of ways. CPA 2019 has widened the reach of consumer protection regime in India. The modifications introduced by CPA 2019 appear to provide consumers even more power by placing obligations on all of their counterparts, including merchants, manufacturers, and service providers.

Additionally, it tries to address matters like the class interests of consumers and other matters that CPA 1986 did not fully cover. The CPA 2019 has also made an effort to simplify and expedite the process of resolving consumer complaints by expanding the commissions' financial jurisdiction, adding mediation cells, expanding the number of commission members, enforcing harsher fines, etc. The effects of CPA 2019 are difficult to predict because so many new ideas have been offered. However, it is certain that everyone participating in a transaction—aside from the consumer—will need to exercise greater caution and attention than ever. The path to ensuring effective consumer justice is still very lengthy. In order to support the consumer movement in India, it is hoped that the new Consumer Protection Act 2019 would address the deficiencies of the previous law and that the consumer forums will work quickly to resolve the large backlog of cases that are currently pending before them.

REFERENCES

1. Aggarwal, VK. Consumer Protection: Law and Practice, Bharat Law House, Delhi..
2. Chadah, Sapana. Responsibility of service providers. Yojana Feb 2009.
3. Consumer Protection (Distance Selling) Regulations 2000 Ganesan, G. and Sumathy, M. Globalisation and Consumerism: Issues and Challenges, Regal Publications, New Delhi.
4. Gerard Joe, media@customerexpressions.com
5. Kapoor Sheetal. Consumer Affairs and Customer Care, Galgotia Publication Company.
6. Kapoor, Sheetal. Consumer Protection Act 2019, Yojana, A Development Monthly.
7. Kulkarni Preeti, Five basic rights for bank customers laid down by RBI, The Economic Times.
8. Mishra, Suresh. Is the Indian Consumer Protected? One India One People.
9. The Consumer Protection Act, 1986
10. The Consumer Protection Act, 2019 (The Gazette of India)
11. Unfair Terms in Consumer Contracts Regulations 1999
12. www.consumeraffairs.nic.in
13. www.ncdr.nic.in

