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## Role of Consumer Protection Act, 1986 in Protecting the Consumers

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### Abstract

Consumers are the largest economic group in any country. They are the central point of all economic activity. Everyone is a born consumer, whether he is an industrialist, a producer, a trader engaged in any profession or service or belonging to any other class. Whether one is a producer or whether he renders a service, the ultimate object of all production is to ensure consumption of goods and services to the satisfaction of the consumers. This could be achieved only when the products are of acceptable standard quality and are not produced and distributed with the only motive of making profits. This idea referred to the concept of consumer protection. Consumer protection is a group of laws and organizations designed to ensure the rights of consumers as well as fair trade, competition and accurate information in the marketplace. In India, consumer protection is specified in The Consumer Protection Act, 1986. Under this law, Separate Consumer Dispute Redress Forums have been set up throughout India in each and every district in which a consumer can file his complaint on a simple paper with nominal court fees and his complaint will be decided by the Presiding Officer of the District Level. The complaint can be filed by both the consumer of goods as well as of the services. An appeal could be filed to the State Consumer Disputes Redress Commissions and after that to the National Consumer Disputes Redressal Commission (NCRDC). The procedures in these tribunals are relatively less formal and more people friendly and they also take less time to decide upon a consumer dispute. This paper is designed to throw a light upon the role of Consumer Protection Act, 1986 in protecting the consumers in India.

**Keywords:** Consumer, Protection, Awareness. Redressal Machinery.

### Introduction

Consumer protection is a form of social action which is hatched to attain the well-being of the society namely consumers. Since an individual consumer is considered more vulnerable, in the modern world, to exploitation and harassment by the manufacturers and distributors or sellers because of environmental complexities of business operations, technological changes, application of mass production techniques, vast resources, manpower and acrimonious advertising, it is necessary that the various groups of society namely, government, judiciary, business units, traders, voluntary associations of consumers are to play their due role to protect and promote the consumer interest-economic, social and environmental, all rolled into one.

The law relating to consumer protection is contained in the Consumer Protection Act, 1986. The Act applies to all goods and services. The Act extends to the whole of India except the state of Jammu and Kashmir [Sec 1 (2)]. The provision of chapter 1, 2, and 4 came in to force on April 15, 1987 and of chapter 3 on July 10, 1987. Act 1986 is referred to as the Act as amended by the Consumer Protection (Amendment) Act, 2002. The Amendment Act came into the force with effect from 15th March, 2003. The consumer protection is nothing but to provide safeguard against the basic rights of the consumers. In India, Consumer Protection Act of 1986 is the law governing consumer protection. Under this law, Separate Consumer tribunals have

been set up throughout India in each and every district in which a consumer [complaint can be filed by both the consumer of a goods as well as of the services] can file his complaint on a simple paper without paying any court fees and his complaint will be decided by the Presiding Officer of the District Level. Appeal could be filed to the State Consumer Disputes Redressal Commissions and after that to the National Consumer Disputes Redressal Commission (NCDRC). The procedures in these tribunals are relatively less formal and more people friendly and they also take less time to decide upon a consumer dispute when compared to the years long time taken by the traditional Indian Judiciary.

The Consumer Protection Act, 1986 recognizes six consumer rights. There rights are:

- (a) The right to be protected against marketing of goods which are hazardous to life and property;
- (b) The right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices;
- (c) The right to be assured, wherever possible, access to a variety of goods at competitive prices;
- (d) The right to be heard and to be assured that consumer interests will receive due consideration at appropriate forums;
- (e) The right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and
- (f) The right to consumer education.

For the first time a statute recognized that consumer had certain specific rights, that these rights are enforceable, that where there was default on the part of manufacturers and traders in the provision of any of these rights, punishment would be awarded for the default.

The Act provides a more accessible and speedy Legal Avenue for consumers-no fees, no lawyers and the judgment is to be delivered in 90 days. Redressal machinery is provided for in the Act for the enforcement of the rights of the consumers. It is laid down in the act that quasi-judicial machinery, in the shape of special consumer courts, will be established all over the country to enable aggrieved consumers to knock at its door for ready redress. The machinery is to comprise a District forum, a State and union territory level and a National commission at the apex level in Delhi. Jurisdiction of this three-tier quasi-judicial machinery is defined.

## Literature Review

- Cary Coglianese, Adam Feinkel and David T. Zaring (2009) from University of Pennsylvania Law School in their research paper entitled “Consumer Protection in an Era of Globalization” have discussed the challenge of protecting the public from unsafe imports arises from the sheer volume of global trade as well as the complexity of products being traded and the vast number of inputs each product contains. It is further compounded by the fact that as products move across jurisdictional boundaries regulators face a host of legal, cultural and practical obstacles.
- Aman Chatterjee and Sheetal Sahoo (2011) have done a study to analyze the various problems and prospects relating to consumer protection. They concluded that there is no doubt that the legal system in India provides some remedies for the consumers’ problems. But in reality, consumer is powerless to assert his rights and to compel a solution of his grievances in the marketplace.
- Ms. Kiran Choudhary, Ms. Tanu Chandhok and Mrs. Parveen Deman (2011) made an analysis to explore the consumer protection consumerism in India in their research paper “Consumer Protection and Consumerism in India”. They analysed that consumer awareness through consumer education and action by the government, consumer activists, and associations are needed the most to make consumer protection movement a success in the country.

- Bolazinb (2012) in his article “The Role of Consumer Protection Agency and The Judiciary on Consumer Protection” has discussed various laws and organizations designed to ensure the rights of consumers as well as fair trade competition and the free flow of truthful information in the marketplace.
- Dr. J.K.Raju, Mr. Asifulla A, (2013) in their research paper “Consumer Protection Act, 1986: Issues and Challenges” contends about the issues and challenges associated with the Consumer Protection Act, 1986. They have drawn some possible suggestions/ recommendations in order to avoid and reduce unfair trade practices made by the various companies in India.
- Virender Pal Singh, Amit Bery, Gautam Biswas, Akashdeep Aggarwal (2014) conducted a study to know awareness about Consumer Protection Act, 1986 and medical negligence among medical and surgical specialists working in Private and Government Medical Colleges. They have found that the awareness about Act and medical negligence among medical as well as surgical specialists was unsatisfactory.
- Dr. P. Jayasubramanian and Ms. A. Vaideke (2012) have studied the consumer awareness and attitude towards consumer protection measures. The study shows that consumers’ protection measures are not aware to general public because of lack of proper communication. It further reveals that government brings out lot of measures to protect consumer, but consumers are not using it properly.
- Sharma Vijay Kumar Ramchandra (2013) in his study of Consumer Protection Act related to Banking Sector, throw a light on the negligence and deficiency in service of banks in relation to shares and investments and he has also discussed some cases related to topic.

### **Need for the study**

A wide range of consumers pay their hard – earned money to buy several products, but in case they do not get the right value for their money in terms of the right quality or quantity of goods and services bought or if they are made wrong promises, they are supposed to stand against their deceit. Quite often, they are either unaware of their rights or unable to raise their voice against exploitation. So, they need protection against malpractices and deceit by seller.

### **Objectives of the study**

1. To study level of awareness of consumers towards their rights and responsibilities.
2. To analyse the general awareness and impact of consumers towards Consumer Protection Act, 1986.

### **Methodology**

The study is based on both primary and secondary data. The primary data were collected from the sample of 100 respondents of Jalandhar District of Punjab in India. Apart from this, the secondary data were collected from journals, books, websites and published data. The respondents were selected on simple random method.

### **Findings**

In the present study, an attempt is made to study the awareness of consumers about the consumer rights and consumer legislations such as Consumer Forum and Consumer Organization. Study is also made to know about whether consumers approach to Consumer Redressal Machinery any time or not. Data has been collected from 100 respondents at ransom basis of which 41 respondents are male and 59 are female. Age wise categorization has made viz., below 30 years, 31 to 50 years and above 50 years.

**Table 1: Profile of Respondents**

Age (in Years)	Gender		Educational Qualification												Total
			Upto Matric		HSC		Graduate		Post Graduate		Prof. Degree		Illiterate		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Below 30	12	28	1	2	1	1	4	5	3	17	3	3	0	0	40
31 - 50	17	23	2	1	1	2	8	6	4	8	2	6	0	0	40
Above 50	12	8	4	1	1	2	4	3	1	1	0	0	1	2	20
Total	41	59	7	4	3	5	16	14	8	26	5	9	1	2	100

Source: Primary Data

The consumers have a number of rights regarding the purchase of things, but at the same time they have some responsibilities too. Table 2 shows level of awareness of consumers towards rights.

**Table 2: Awareness about Consumer Rights**

Age (in Years)	Awareness										Total
	Extremely		Very		Moderately		Slightly		Not at all		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Below 30	3	6	7	9	0	7	1	5	1	1	40
31 - 50	4	5	8	6	8	3	3	3	0	0	40
Above 50	1	0	4	0	3	3	1	3	1	4	20
Total	8	11	19	15	11	13	5	11	2	5	100

Source: Primary Data

Consumer Protection Act plays a vital role for each and every individual. By this Act consumers and marketers both are well treated in the society. The consumer must be aware about Consumer Protection Act, 1986 regarding his rights and the available legal measures against exploitation. Table 3 shows about General awareness about Consumer Protection Act, 1986.

**Table 3: Awareness about Legislations such as Consumer Forum and Consumer Organization**

Age (in Years)	Awareness										Total
	Extremely		Very		Moderately		Slightly		Not at all		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Below 30	2	1	6	7	3	13	0	6	1	1	40
31 - 50	1	4	12	7	4	3	5	3	1	0	40
Above 50	1	0	3	0	4	1	3	3	1	4	20
Total	4	5	21	14	11	17	8	12	3	5	100

Source: Primary Data

The Independent Samples *t* Test compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. The Independent Samples *t* Test is a parametric test. So we have used Independent Sample *t* Test for testing the difference of awareness level of male and female. Two sections (boxes) appear in the output: **Group Statistics** and **Independent Samples Test**. The first section, **Group Statistics**, provides basic information about the group comparisons, including the sample size (*n*), mean, standard deviation, and standard error of male and female respondents. We have data of 41 males and 59 females. The mean of male respondents is 4.00 and of female respondents 4.13. It is revealed that both males and females are slightly aware.

**Table 3.1 : Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Freq	Male	41	4.000	0.287	.362
	Female	59	4.133	0.670	.771

The second section, **Independent Samples Test**, displays the results most relevant to the Independent Samples  $t$  Test. There are two parts that provide different pieces of information: (A) Levene's Test for Equality of Variances and (B)  $t$ -test for Equality of Means.

**Table 3.2: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	d.f.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
freq	Equal variances assumed	39.983	.000	-4.174	98	.000	-0.133	.990	-6.099	-2.168
	Equal variances not assumed			-4.855	81.835	.000	-0.133	.851	-5.827	-2.440

**Levene's Test for Equality of of Variances:** This section has the test results for Levene's Test. From left to right:

- $F$  is the test statistic of Levene's test.
- $Sig.$  is the  $p$ -value corresponding to this test statistic.

The  $p$ -value of Levene's test is printed as ".000" (but should be read as  $p < 0.001$  -- i.e.,  $p$  very small), so we reject the null of Levene's test and conclude that the variance in awareness of male respondents is significantly different than that of females. **This tells us that we should look at the "Equal variances not assumed" row for the  $t$ -test (and corresponding confidence interval) results.** (If this test result had not been significant -- that is, if we had observed  $p > \alpha$  -- then we would have used the "Equal variances assumed" output.)

**$t$ -test for Equality of Means** provides the results for the actual Independent Samples  $t$  Test. From left to right:

- $t$  is the computed test statistic.
- $df$  is the degrees of freedom.
- $Sig$  (2-tailed) is the  $p$ -value corresponding to the given test statistic and degrees of freedom.

- *Mean Difference* is the difference between the sample means; it also corresponds to the numerator of the test statistic.
- *Std. Error Difference* is the standard error; it also corresponds to the denominator of the test statistic.

Note that the mean difference is calculated by subtracting the mean of the second group from the mean of the first group. In this case, the mean of females was subtracted from the mean of males (4.00 - 4.13). The sign of the mean difference corresponds to the sign of the  $t$  value. The negative  $t$  value in this case indicates that the mean of males is significantly smaller than the mean of females.

The associated  $p$  value is printed as ".000". Note that  $p$ -values are never actually equal to 0; SPSS prints ".000" when the  $p$ -value is so small that it is hidden by rounding error.

**Confidence Interval of the Difference:** This part of the  $t$ -test output complements the significance test results. Typically, if the CI for the mean difference contains 0, the results are not significant at the chosen significance level. In this case, the 95% CI is [-5.827,-2.440], which does not contain zero; this agrees with the small  $p$ -value of the significance test.

The findings from the table clearly indicate that there is no significant difference in the awareness level of the male and female as the significance value is .000 which is the less than 0.05.

**Table 4: Approach to Consumer Redressal Machinery**

Age (In Years)	Approach				Total
	Yes		No		
	Male	Female	Male	Female	
Below 30	2	4	10	24	40
31 - 50	4	3	19	14	40
Above 50	0	0	0	20	20
Total	6	7	29	58	100

Source : Primary Data

We have used One way ANOVA for testing the influence of age on the awareness level as shown in Table 4.1 :

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	581.660	2	290.830	13.211	.000
Within Groups	2135.300	97	22.013		
Total	2716.960	99			

The findings from the table suggest the that there is a significant difference in the awareness level with respect to age as significance value is 0.000 which is below 0.05.

Then, we have used One Way ANOVA for testing the influence of education on awareness level as shown in Table 4.2 :

**Table 4.2 :ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1299.444	5	259.889	17.234	.091
Within Groups	1417.516	94	15.080		
Total	2716.960	99			

This table indicates that there is no significant difference in the awareness level on the basis of education qualification.

- ❖ It is revealed that only 19% consumers were extremely aware about their consumer rights of which 8% were male and 11% were female.
- ❖ 34% consumers were very aware about their consumer rights whereas 24% consumers were moderately aware.
- ❖ 7% consumers are not at all aware about consumer rights. Consumer Protection Act, 1986 provides Consumers Forums at District Level for the protection of the rights of the consumers from unfair trade practices.
- ❖ It is inferred that only 9% consumers were extremely and 35% consumers were very aware about the consumer legislations such as consumer forum and consumer organization.
- ❖ 8% consumers are not at all aware about the consumer legislations.
- ❖ Only 13% consumers were approach to consumer redressal machinery in case of dispute.

### Conclusion and Suggestions

A vast majority of the people are not even aware of consumerism as a movement closely associated with the protection of their interests. Under such circumstances, it is important that consumer themselves, evolve certain principles and adopt certain methods to see that they got their money's worth. Awareness in the consumer is the type of social component which increases the collective consciousness among the people and generates confidence in the individual to face the problem fully. Generation of awareness develops a conscious attitude in the consumer. Majority of consumers are still completely ignorant of the existence of the Consumer Protection Act and the redressal agencies created under this Act. Many people may have heard about the Act and the redressal agencies but they do not make use of them as they do not know how to lodge complaint, where to go and how to go about. The ability of consumers to recall the various aspects of the consumer movement helps in exercising their rights and carrying out their responsibilities as consumers. The Consumer Protection Act and the other legislative measures paved the way for the protection of the interests of the consumers.

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 Vendor" – 'Let a seller be aware' through the strong efforts on the consumer side. Ultimately, consumers must have education and awareness for better implementation of their rights. There should be consumer education campaign through various communication media such as television, films, lectures, seminars, posters, publications, radio, and workshop training and so on. Effective steps should be taken to encourage youth to take active part in the activities of consumer movements.

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