

# **An Analysis of Consumer Dispute Redressal Mechanism in India**

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**Abstract:** *Consumer is the backbone of every economy. Without consumer there is no visible boom in any kind of business as well as economy. Every person who exists in the world is a consumer. Hence, it becomes very necessary for every government to safeguard the rights of the consumers. Consumer dispute redressal agencies in India play crucial roles, including admitting or rejecting complaints, informing opposing parties, conducting examinations if necessary, and delivering timely decisions. This paper attempts to study the working and performance of Consumer Dispute redressal mechanism. However, it has been realized and rightly so that the Consumer protection is a socio-economic programme to be pursued by the government as well as the business as the satisfaction of the consumers is in the interest of both. In this context, the government, however, has a primary responsibility to protect the consumers' interests and rights through appropriate policy measures, legal structure and administrative framework.*

**Keywords:** Consumer, redressal, Mechanism, legal structure, framework

## **I. INTRODUCTION**

Consumer protection is a critical aspect of market regulation, aiming to safeguard the rights and interests of consumers in their transactions with businesses. In India, consumer protection has been addressed through various laws and regulatory frameworks designed to ensure fair practices and redressal of grievances. Key legislations, such as the Consumer Protection Act of 2019, provide a legal framework for protecting consumers against unfair trade practices, defective goods, and inadequate services. These laws also establish mechanisms for resolving consumer disputes and addressing grievances. Despite these legislative measures, consumer protection remains a significant concern in India. One of the major issues is the level of consumer awareness. Many consumers are unaware of their rights and the procedures for filing complaints. This lack of awareness often results in underutilization of available grievance redressal mechanisms, leading to dissatisfaction and loss of trust in consumer protection systems. Grievance redressal mechanisms in India are designed to offer remedies for consumer complaints, ranging from the Consumer Dispute Redressal Commissions at various levels to online complaint portals. However, these systems face challenges such as delays in processing complaints, inadequate resources, and inconsistent implementation across different regions. As a result, while some consumers successfully resolve their issues, others may experience significant obstacles in seeking redressal. This research paper explores the current state of consumer protection, awareness, and grievance redressal in India. It aims to assess how effectively consumer rights are protected, the level of awareness among consumers about their rights, and the efficiency of existing grievance redressal mechanisms. By analyzing secondary data, the study seeks to provide a comprehensive overview of these aspects and offer recommendations for improving consumer protection and grievance handling in India.

## **II. MECHANISM**

The study uses secondary data, which includes documents and reports from government agencies that provide information on consumer protection laws, complaint statistics, and regulatory activities. Studies and papers from scholars that analyze consumer protection practices, awareness levels, and grievance redressal mechanisms were also included. Evaluations and reports from industry experts and consumer organizations that discuss the effectiveness of consumer protection measures and identify gaps in the system also consulted. This data is reviewed to understand the

current state of consumer protection in India, assess consumer awareness, and evaluate the performance of grievance redressal systems<sup>8</sup>. By analyzing these sources, the study aims to offer insights into the strengths and weaknesses of the existing consumer protection framework and suggest improvements.

### **Legislative Framework**

Consumer dispute redressal is a critical aspect of consumer protection, ensuring that consumers have access to effective and efficient mechanisms for resolving disputes with businesses.

**Consumer Protection Act, 1986:** This Act is the primary legislation governing consumer dispute redressal in India. It establishes a three-tier consumer dispute redressal machinery: District Consumer Disputes Redressal Forum, State Consumer Disputes Redressal Commission, and National Consumer Disputes Redressal Commission.

The Consumer Protection Act, 1986 is a landmark legislation in India that aims to protect the rights of consumers and promote fair trade practices. The Act aims to provide better protection of the interests of consumers and for that purpose to make provision for the establishment of consumer councils and other authorities for the timely and effective disposal of consumers' disputes and for matters connected therewith. Here are the key features of the Act:

1. **Consumer:** A person who buys or agrees to buy any goods or services for a consideration.
2. **Goods:** Any movable property, including stocks and shares, and also includes agricultural produce.
3. **Services:** Any service provided by a person, including services provided by the Central Government or any State Government.

### **Consumer Rights**

1. Right to be protected against marketing of goods and services hazardous to life and property: Consumers have the right to be protected against the marketing of goods and services that are hazardous to life and property.
2. Right to be informed about the quality, quantity, potency, purity, standard and price of goods or services: Consumers have the right to be informed about the quality, quantity, potency, purity, standard, and price of goods or services.
3. Right to be assured, wherever possible, access to a variety of goods or services at competitive prices: Consumers<sup>2</sup> have the right to be assured, wherever possible, access to a variety of goods or services at competitive prices.
4. Right to seek redressal of grievances: Consumers have the right to seek redressal of grievances.

**Consumer Protection Act, 2019:** This Act replaced the 1986 Act and introduced significant changes to the consumer dispute redressal mechanism, including the establishment of a Central Consumer Protection Authority. The Consumer Protection Act, 2019, is a significant legislation in India aimed at protecting consumer rights. It replaced the Consumer Protection Act, 1986, and introduced several new provisions to strengthen consumer protection. Prominent features of this are listed below:

**Establishment of Authorities:** The Act establishes the Central Consumer Protection Authority<sup>6</sup> (CCPA) to regulate consumer rights and unfair trade practices.<sup>2</sup>

**Consumer Disputes Redressal Commissions:** The Act provides for the establishment of consumer disputes redressal commissions at the district, state, and national levels to resolve consumer disputes.

**Rights of Consumers:** The Act<sup>4</sup> defines the rights of consumers, including the right to be protected against marketing of goods and services hazardous to life and property, the right to be informed about the quality, quantity, potency, purity, standard, and price of goods and services, and the right to seek redressal against unfair and restrictive trade practices.

**Penalties and Fines:** The Act prescribes penalties and fines for violations of consumer rights and unfair trade practices.

The primary objectives of the Consumer Protection Act, 2019, are to:

- Protect Consumer Rights: To protect the rights of consumers and ensure that they are not exploited by businesses.
- Promote Fair Trade Practices: To promote fair trade practices and prevent unfair and deceptive business practices.
- Provide Effective Dispute Resolution: To provide an effective and efficient dispute resolution mechanism for consumers.

Overall, the Consumer Protection Act, 2019, is a significant step towards protecting consumer rights and promoting fair trade practices in India.

**Mechanism and Legal implications of Consumer Protection Act:**

**Mechanism**

1. Central Consumer Protection Authority (CCPA): The CCPA is a regulatory body established under the Act to regulate consumer rights and unfair trade practices.
2. Consumer Disputes Redressal Commissions: The Act provides for the establishment<sup>7</sup> of consumer disputes redressal commissions at the district, state, and national levels to resolve consumer disputes.
3. Consumer Mediation Cell: The Act provides for the establishment of a consumer mediation cell to provide mediation services to consumers.

**Functioning**

1. Filing of Complaints: A consumer can file a complaint with the district consumer disputes redressal commission, state consumer disputes redressal commission, or national consumer disputes redressal commission, depending on the value of the claim.
2. Registration of Complaints: The consumer disputes redressal commission will register the complaint and issue a notice to the opposite party.
3. Hearing: The consumer disputes redressal commission will conduct a hearing, allowing both parties to present their cases.
4. Order: The consumer disputes redressal commission will pass an order, which may include compensation, refund, or replacement of goods or services.
5. Appeal: A party aggrieved by the order of the consumer disputes redressal commission can appeal to the state consumer disputes redressal commission or national consumer disputes redressal commission.

**Powers and Functions of CCPA**

1. Investigation: The CCPA can investigate into complaints regarding unfair trade practices and consumer rights violations.
2. Search and Seizure: The CCPA can conduct searches and seizures to gather evidence.
3. Recall of Goods or Services: The CCPA can order the recall of goods or services that are hazardous to consumers.
4. Imposition of Penalties: The CCPA can impose penalties on businesses that violate consumer rights or engage in unfair trade practices.

**II. CONCLUSION AND RECOMMENDATIONS**

In the modern era, consumer protection and unfair trade practices have expanded their legal and financial reach. The consumer dispute redressal mechanism in India provides consumers with a robust framework for resolving disputes with businesses. The three-tier machinery, along with the recent developments, ensures that consumers have access to effective and efficient mechanisms for redressal of their grievances. Antitrust laws and other consumer protection regulations are now in place in many nations across the world, ensuring that trade standards are raised and that unfair and restrictive commercial practices are curbed. The Indian government has launched numerous projects, but the customers aren't able to fully profit from them. Due to bad geographical condition, illiteracy, population explosion, less network coverage, low network accessibility and lack of communication between administration and consumer are main hurdles in the way of consumer awareness and grievance redressal. Despite these hurdles government of India has made good efforts to make its consumers aware and provided some safeguards to protect the consumer from unfair trade practices.

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