

A STUDY ON CONSUMER PROTECTION AWARENESS TOWARDS CONSUMER PROTECTION ACT 1986 IN COIMBATORE DISTRICT

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Abstract

The paper has been written to study the awareness among consumer for consumer protection act 1986. There is a need for creating awareness, and to motivate the consumers concerning quality products and services. The consumer must be aware of his rights and duties the consumer should be vigilant with a discerning eye to enable to protect him from any malpractice on the part of the traders. The study is intended with the objectives to assess the consumer awareness amongst people regarding their rights, responsibilities and consumer forum.

Keyword: Consumer Protection Act, Consumer Awareness, Consumer rights and Consumer forum

1.1. Introduction

Any person who buys goods and services for personal consumption and not for commercial purpose or for resale is consumer. Every consumer consumes different commodities and services from our birth to death. All business activity revolves around the consumer. Consumers are the origin of the modern marketing world, every marketing activity revolves around the consumer and the consumer is an originator of an organization consumers are the main pillars of the economic development in any economy. The consumers are the foundation for economic building & responsible for transformation of resources into productive things. In the words of Mahatma Gandhi “A Consumer is the most important visitor on our premises, he is not dependent on us. We dependent on him, he makes favour to us, not we favour on him”. Today’s consumer said to be king of the modern market. Nevertheless, in reality both public as well as private sector treat consumer very badly. The consumer is cheated in different ways by

middlemen, the forms of exploitation may be like adulteration, under-weight of goods, selling goods of inferior quality & duplicated goods, charging higher prices, misleading advertisement in the media etc., the consumer is not sure of getting qualitative goods manufactured & preserved in hygienic condition and at competitive prices

1.2. Consumer Protection Act 1986

The Consumer Protection Act 1986 is one of benevolent social legislation intended to protect the large body of consumer from exploitation. The Act has come as a remedy for consumers all over the country and has assumed the shape of practically the most important legislation enacted in the country during the last few years. It has become vehicle for enabling people to secure an inexpensive redressal of their disputes. With the enactment of this law, the consumers now feel that they are in a position to declare "sellers beware" whereas previously the consumers were at the receiving end and generally told 'buyer beware'. The Act postulates establishment of central consumer protection council and state consumer protection councils for the purpose of spreading consumer awareness. Central council is headed by minister, incharge of the consumer affairs in the Central Government and in the state it is the minister incharge of the consumer Affairs in the state government who heads state council. To provide cheap, speedy and simple redressal to consumer disputes, quasi-judicial machinery is set up at each District, State and National level called District Forums, State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commission respectively. At present there are 604 District Forums, 35 state commissions, with apex body as a National Consumer Disputes Redressal Commission having its office in New Delhi. Important information shows that the Act has started working in the right - direction.

1.3. Needs for Customer Protection Act

When we approach the market as a consumer, we expect value for money, i.e., right quality, right quantity, right prices, information about the mode of use, etc. But there may be instances where a consumer is harassed or cheated. The Government understood the need to protect consumers from unscrupulous suppliers, and

several laws have been made for this purpose. Many a time, the imperfections on the supply side, like hoarding and black marketing, mercilessly gouge the consumer. Hence, a socially responsible producer should see to it that whatever is produced reaches the ultimate consumer in time and at reasonable prices. Secondly, the Government has to come to the rescue of the helpless consumer to prevent him from being misled, duped, cheated and exploited. It should also take special care of the vulnerable sections. Governments should establish or maintain legal and or administrative measures to enable or, as appropriate, relevant organizations to obtain redress through formal or informal procedures that are expeditious, fair, inexpensive and accessible. Such procedures should take particular account of the needs of low-income consumers. Consumerism is a social force to make the business more honest, efficient, responsive and responsible, and pressurize the government to adopt the necessary measures to protect consumer interests by guaranteeing their legitimate rights. These are the reason why the consumer needs consumer protection;

- **Illiteracy and Ignorance:** Consumers in India are mostly illiterate and ignorant. They do not understand their rights. A system is required to protect them from unscrupulous businessmen.
- **Unorganized Consumers:** In India consumers are widely dispersed and are not united. They are at the mercy of businessmen. On the other hand, producers and traders are organized and powerful.
- **Spurious Goods:** There is increasing supply of duplicate products. It is very difficult for an ordinary consumer to distinguish between a genuine product and its imitation. It is necessary to protect consumers from such exploitation by ensuring compliance with prescribed norms of quality and safety.
- **Deceptive Advertising:** Some businessmen give misleading information about quality, safety and utility of products. Consumers are misled by false advertisement and do not know the real quality of advertised goods. A mechanism is needed to prevent misleading advertisements.

- **Redressal Agencies:** Various authorities set up under the Consumer Protection Act 1986.

1.4. Consumer Protection Councils

The Act provides for setting up a Central Consumer Protection Council by the Central Government and State Consumer Councils by each state of India. The Central Consumer Protection Council shall consist of (1) the Minister in Charge of Consumer Affairs in the Central Government who shall be its chairman and such number of other official or non-official members representing such interests as prescribed. It is required by the Act that Central Consumer Protection Council will meet as and when necessary. However, at least one meeting of the Central Council must be held every year. The objects of the council are to protect the rights of consumers and promote their interest as listed above from (a) to (f). The State Consumer Councils to protect consumer rights as per amendment in the Act in 1993 will consist of (1) the Minister in Charge of Consumer Affairs in the State Government concerned and members of other officials and non-officials representing such interests as may be prescribed by the State Governments. As in the case of the Central Council, the objects of State Councils will be to protect the rights of consumers as listed above from (a) to (f) within the State.

1.5. Consumer Disputes Redressal System

Under the Consumer Protection Act 1986 three-tier consumer disputes redressal system at the District, State and National levels has been set up. Thus the Act provides for establishing the following consumer redressal agencies:

- District Consumer Forum in each district of a state set up by the State Government.
- State Consumer Commission in each state set up by each State.
- National Consumer Commission set up by the Central Government.

1.6. Composition of Consumer Redressal Agencies

According to Consumer Protection Act 1986 each District Consumer Forum set up in each district of a State shall consist of a person who is or has been or is qualified to be a district judge. This person will work as president of the district consumer forum. A District Forum has the jurisdiction to deal with the complaints where the value of good or service and the compensation claimed, if any, does not exceed Rs. 20 lakh (as per amendment in the Act in 2002). A complaint by consumers will be filed in a District Forum in case when the opposite party or each of the opposite party if there are more than one resides or carries on business within the district concerned at the time of filing the complaint or any one of the party (if there are more than one) residing or carrying on business in the district at the time of the filing of the complaint if the district forum grants permission for this.

- **The State Consumer Commission shall consist of:**

- A person who is or has been a judge of a high court appointed by the State Government,
- Two other members of high standing and eminence who have adequate knowledge or experience concerning the problems relating to law, commerce, economics, industry, public administration etc. one of whom shall be a woman. The State Consumer Commission as per the amendment of the Act in 2002 shall have the jurisdiction to entertain complaints where the value of goods or services and compensation claimed if any exceeds Rs. 20 lakh but is not more than Rs. 1 crore.
- The State Consumer Commission will also entertain appeals against the orders of District Forums within the State. Besides, the State Consumer Commissions have been authorized to call for the records and give appropriate orders in case of any consumer dispute pending before the District Forum within the State or has been decided by it if the State Commission finds that a District Forum has exercised a

power not vested in it by the Act or has failed to exercise a power or jurisdiction vested in it or acted illegally in exercise of its powers.

- **The National Consumer Commission will consist of:**

- A person who is or has been a judge of the Supreme Court and is appointed by the Central Government in consultation with Chief Justice of India. He will also work as president of the national commission,
- Four other members of eminence having good knowledge or experience and ability to deal with the problems relating to commerce, economics, law, industry, public affairs or administration and one of whom shall be a woman.

- **National Consumer Commission has the jurisdiction:**

- To entertain complaints where the value of goods or services and compensation claimed if any is, according to Amendment Act 2002, one crore or more;
- National Commission is authorized to hear appeals against the order of any State Consumer Commission;
- The Central Commission has the right to call for the records from the State Commissions.

It is important to note that all forums, commissions appointed under the Consumer Protection Act are in substantial matters not different from the ordinary civil courts. They are quasi-judicial tribunals created to render speedy justice Remedial Action:

- **It may be noted that a complaint to a redressal agency may be filed by:**

- An individual, consumer;
- Recognized consumer association,
- More than one consumers who have the same interest; and

- The State or Central Government. The complaint to a redressal agency must be in relation to goods sold or delivered or service provided to the complainant. If the redressal agency is convinced that any of the allegations in the complaint filed before it is true, it shall issue an appropriate order to the opposite party.
- **This order may be any of the following types:**
 - To remove the defect if found to be true by the appropriate laboratory from the good in question;
 - To replace the defective goods with the new goods of the same type free from the defects;
 - To return to the complainant price of the defective good or charges paid by him;
 - To pay the compensation to the complainant as may be decided by the redressal agency for the loss suffered by him;
 - To remove the defects or deficiencies in the service rendered to the individuals;
 - To stop the unfair or restrictive trade practice or give undertaking not to repeat in future;
 - Not to supply hazardous goods;
 - To withdraw the hazardous goods being offered for sale; and
 - To give adequate costs to the parties in question.
- **Penalties**
 - The Consumer Commissions are authorized to impose penalties on trader or person against whom complaint is made if he fails to comply with the order of the redressal agency. The penalty or punishment may involve imprisonment for a period not more than 3 years or a fine of not more than 10 thousand rupees or both.

- In consumer protection the knowledge of consumer rights is the most fundamental issue. Both companies and consumers should have the sufficient knowledge of basic consumer rights; however, the latter is also required to how to use them. This paper is more related to the use of consumer rights, too; but first it would be beneficial to summarize the basic consumer rights. Universally recognized consumer rights are as follows:
- Rights 1 to 6 are directly guaranteed under the Consumer Protection Act 1986 while Rights 7&8 are implied under the Constitution of India.

1.7. Consumer Rights

- **Right to Safety**

- Means right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfill long term interests. Before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. They should preferably purchase quality marked products such as ISI, AGMARK, etc

- **Right to Choose**

- Means right to be assured, wherever possible of access to variety of goods and services at competitive price. In case of monopolies, it means right to be assured of satisfactory quality and service at a fair price. It also includes right to basic goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better exercised in a competitive market where a variety of goods are available at competitive prices.

- **Right to be Informed**

- Means right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices.

Consumer should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

- **Right to be Heard**

- Means that consumer's interests will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer's welfare. The Consumers should form non-political and non-commercial consumer organizations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers

- **Right to Consumer Education**

- Means the right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success.

- **Right to Seek Redressal**

- Means right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also includes right to fair settlement of the genuine grievances of the consumer. Consumers must make complaint for their genuine grievances. Many times their complaint may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organisations in seeking redressal of their grievances.

1.8. Consumer Responsibilities

- **The Responsibility to be aware** of the quality and safety of goods and services before purchasing.

- **The Responsibility to gather** all the information and facts available about a product or service as well as to keep abreast of changes and innovations in the marketplace.
- **The Responsibility to Think Independently** and make choices about well considered needs and wants.
- **The Responsibility to Speak Out**, to inform manufacturers and governments of needs and wants.
- **The Responsibility to Complain** and inform business and other consumers of dissatisfaction with a product or service in a fair and honest manner.
- **The Responsibility to be an Ethical Consumer** and to be fair by not engaging in dishonest practices which cost all consumers money.
- **The Responsibility to Respect the Environment** and avoid waste, littering and contribution to pollution.

1.9. Review of Literature

Raju and Asifulla (2013) in their research paper entitled “Consumer Protection Act, 1986: Issues and Challenges” throws light on the consumer protection act and its implementation. The consumer is not only the heart of marketing but also the controller of marketing functions.

Horen Goowalla (2013) A study on consumer protection: Its awareness among the rural people in Assam: A case study with special reference to Jorhat district of Assam. A survey was conducted on 400 consumers. 90% of the people surveyed have felt exploited by the seller at one time or the others. 75% people were aware of the Consumer Protection Act, 25% of the people are not. It is also found that 40% of graduate respondents were aware of the products and their quality while 30% Post Graduates.

Mohan and Suganthi (2013), Rural Consumers’ Awareness about Consumers’ Rights. The study conducted to know the awareness level of rural consumers about the consumers’ rights. The study revealed that there is a significant association between age,

educational qualification, marital status and monthly income of rural consumers and their awareness about consumer rights. And there is no significant association between gender, type of family, occupation and monthly income of rural consumers and their level of consumer rights awareness

Deepika and Kumari (2014), A Study on Awareness on Legal act of Consumer Protection among Students. The study was conducted to find the awareness level among the students towards various consumer protection legislations. Majority respondents are aware of the Indian Penal Code, 1860. Majority respondents are aware of various acts. Low level of awareness was reported towards the Hire Purchase Act and the Railway Claims and Tribunal Act. In the study, it was found that majority students getting awareness through newspapers, journals and from course syllabi. The awareness towards Consumer Protection Act is 53.3%.

1.10. Statement of the Problem

The advancement of technology and the advent of sophisticated gadgets in the era of globalization have not only thrown open a wide choice for the consumers in the markets but the aggressive marketing strategies rendered the vulnerable to a plethora problems associated with such rapid changes. The consumer protection Act 1986 guarantees the rights such as right to safety, right to be informed right to choose, right to be heard, right to redress, and right to education the consumer to assert his rights and to develop consumer organizations. In this context, that the consumer should be well aware of his rights and responsibilities. To understand the level of the consumer awareness amongst the citizens of Coimbatore District, the researcher has selected the related title to enlighten of their rights and legal measures assumes importance in the light of safeguarding the interest of the consumer and that forms as the problem of the study.

1.11. Objectives of the Study

1. To study the awareness level of consumers towards consumer rights.
2. To study the awareness level of consumers and responsibilities.

3. To assess the consumer awareness towards consumer forum.

1.12. Methodology of the Study

- **Sampling Design:** The sampling technique applied for the study as simple random sampling method adopted, the respondents selected randomly from the total population.
- **Sample Size:** The sample size under this study is 50 respondents. The questionnaire used to collect data from the consumer respondents by approaching directly.
- **Nature of the study:** The study is descriptive. The required data for the study collected from the primary and secondary sources.
- **Primary data:** The primary source constitutes the main corpus of the information, as it is reliable complete and first-hand information about the awareness of consumers under the study. The primary data collected from the sample subjects, Coimbatore, as it is convenient to the researchers.
- **Secondary data:** Secondary data is the data already collected by some other context and which have been processed through the statistical process. The secondary data collected from the journals, books websites, and published data related to consumer education, consumer protection and consumer guidance of consumer research agencies, civil supply department & department of consumer affairs.
- **Statistical tools:** Simple descriptive statistical tools like averages, percentages and ratios applied to analyze the data for drawing the conclusions.

1.13. Results and Discussion

Table. 1.1. Level of awareness about consumer rights

Level of awareness	Respondents	percentage
Low	31	62
Medium	12	24
high	7	14

The above table indicates that the Level of awareness about the consumer rights: Majority of the respondents (62 percentages) had low level of awareness on consumer rights.

Table. 1.2. Level of Awareness about Consumer Rights

Level of Awareness	Multiple Respondents
Right to safety	40
Right to choose	50
Right to information	28
Right to heard	23
Right to education	25
Right to seek redressal	20

The above table explains that Level of awareness about the consumer rights, Majority of the respondents (62 percentages) had low level of awareness. It is further found that highest level of the awareness (100%) was regarding the right to choose and least awareness was found regarding right to seek redressal (20%) in direct observation.

Table. 1.3. Level of Awareness about Consumer Forums

Level of Awareness	Respondents	Percentage
Low	30	60
Medium	11	22
High	9	18

The above table explains that Majority of the respondents (60%) have low-level awareness about the consumer forums.

This study concludes that majority of the respondents showed low level of awareness of consumer rights. Respondents who are aware about the consumer rights but they never lodge complaint against exploitation. It is further found that highest level of the awareness (100%) was regarding the right to choose and least awareness was found regarding right to seek redress (40%) in direct observation.

1.14. Conclusion

The need for consumer protection arises because of the exploitation of consumer and the denial of consumer rights in the absence of protective measures. Therefore, there

is a need for creating the awareness, and to motivate the consumers concerning quality products. Higher the consumer awareness creates lower exploitation in the society. The consumer awareness defined as clearly, understanding the need and priority of purchasing, conditions and warranties of purchase agreement, proper usage of products and services, details of compensation in case of defaults and rights and duties of consumers, and becoming a prudent consumer. Consumer must be aware of his rights and responsibilities the consumer should be vigilant with a discerning eye to enable to protect him from any malpractice on the part of the traders. It clearly specifies the concept of goods, services, defect, deficiency etc. It clearly explains the procedure for filing complaint, relief available, appeals etc. It is working as a three tier system (District, State, and National) as quasi-judicial machinery. The survey clearly shows that all the respondents are having general awareness in relation to consumer protection. Government should include consumer education in the curriculum of colleges. This will help in creating awareness about consumer protection laws amongst the public. Government should also provide necessary encouragement for establishment and functioning of voluntary organizations. Thus, through use of mass media, training camps & awareness camps can improve awareness level of consumers and thereby increase the utilization of consumer rights by the commerce students. Consumer organizations and government through Consumer clubs must create awareness among the students on various issues of consumers.

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