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## Consumerism and consumer protection- A study on consumer dispute redressal forum in India

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### ABSTRACT

*Consumers play a very important role in the development of an economic system, no business activities without the consumers. Protection of the interest of the consumer is also a very essential and integral part of the economic system of the country. Though there is no activity without the consumer, although the consumers are being exploited by the unscrupulous manufacturers, traders and some business peoples and they are losing their pleasure and happiness. In view of this, the consumer redressal forum has been established by the Government of India to protect the interest of the consumer, those who have disputes, grievances, and litigations with regard to trading activity without financial burden. The present paper focuses on consumerism and the performance of Consumer Dispute Redressal Forum (CDRF) and also the challenges before the working of the forum. The performance of the forum is analyzed based on a number of cases filed and disposed of and pending at the National level State level and District level forum. For analyzing the performance ANOVA statistical tool has been applied to find the relation between the cases pending and disposed of.*

**Keywords:** Consumers, Government, CDRF, Cases, District and national level forums

### 1. INTRODUCTION

Every human being has a desire to use or to consume the required goods and services. It is an integral part of the life system, the pleasure, and happiness of the customer is depends on the quality, quantity, availability, and price etc., of the goods and services. Thus, consumers play a very important role in the development of the economic system. They are the foundation of the system, no business activities without the consumers. But the consumers are exploited by the unscrupulous manufacturers, and sellers. Protection of the interest of the consumer is also a very essential and integral part of the economic system of the country. The government of India has taken initiative to protect the welfare of consumers against a wide range of product and services; it has passed a series of Acts and mechanism to protect the interest of the consumers.

Among the series of Acts, Consumer Protection Act 1986 is a comprehensive part of legislation for protecting the interest of the consumers. Consumer forums established under the Consumer Protection Act 1986 with the intention to protect the interest of the consumers and provide better and speedy justice for unfair practices. The forum is a platform where both parties come together reconciling their differences regarding their grievances, this Act set up the hierarchy of three redressal agencies, District Forum and State Commission and National Commission. Any person having a grievance against firm or trader can file a complaint in the district forum for value up to rupees 25 lakhs, file complaint in state commission the value of Rs 1 crore and the national commission for the value of above Rs1crore in respect of deficiency in goods and services. The present paper focuses on the Consumerism, Consumer Protection and Functioning of Consumer Dispute Redressal Forum in India and also challenges before CDRF

### 2. RESEARCH METHODOLOGY

The present study is based on the analysis of quantitative data. The data has been collected by a researcher from the concerned official records, websites, and right to information Act up to 30/09/2017. The collected data has been arranged and tabulated as per the needs and requirements. The study analyzed and interpreted by using the ANOVA statistical tool has been applied to find the relation between the cases pending and disposed of.

### 3. OBJECTIVES

- To study the historical aspect of Consumer movement.
- To study and evaluate the National Commission and state wise working of consumer redressal agencies in India.

- To evaluate the District wise working of consumer redressal agencies in Karnataka state.
- To analyze the challenges before the functioning of Forums

#### **Hypothesis:**

To achieve the above objective the following Hypothesis is formulated and tested

- $H_0$ : There is a significant association between the cases filed, disposed of and pending.
- $H_1$ : There is no a significant association between the cases filed, disposed of and pending.

#### **4. REVIEW OF LITERATURE**

**Yashpal Singh (2005)** in his study, he analyses the performance of district consumer forums in western Uttar Pradesh An exploratory research. The study reveals that the rate of disposal is lesser than that of the number of registered cases. It also reveals the increasing the pending case because of the new cases. The study also analyzed that significant difference has been surfaced amongst the performances of these dispute redressal bodies.

**Dr.Shambhav Garg(2010)** paper entitled “An exploration into working and Performance of Consumer Dispute Redressal Agencies in India” the study highlighted the performance of the different levels of agencies in India. The study also compares and analyzed the performance based on a number of cases filed, disposed of and pending in different states. Further, the study also compares and analyzed the performance of these agencies in India.

**Gurleen Kaur(2013)** in his study he noted that government of India enacted a number of laws for the protection of aggrieved consumers, but consumer protection act 1986 was one of the legislation for the speedy recovery of consumer problems. This paper attempts to elaborate the state of affairs of the cases filed/disposed of, at the 632 district consumer forum in India working in 34 states including Union Territories. This paper reveals that consumer’s forums have been disposed of 92.35%. It is further observed that Manipur stood first with 97.59%.disposal of the cases filed. The District Consumer Dispute Redressal Forums in the state of Mizoram 81.33% were having lowest disposal percentage, the study observed that the overall disposal rate of district consumer dispute redressal forum in India is 95.35% is much better as compared to the Union Territory/ state commissions 84.13%, as well as the National Consumer Dispute Redressal Commission is 86.55%

**G Deepa, Dr. K Vijayaram(2014-15)** has made an attempts to analyze the performance of consumer Dispute Redressal Agencies in Tamil Nadu. In their study, they focus on the origin and existence of a mechanism of consumer redressal Forums in India at a different level. They studied the functioning of redressal agencies working in Tamil Nadu, in the form of settlement of complaints by these agencies on the basis of secondary data from 2003-2014. The performance reveals the district forum was higher than that of the state commissions and the speed of state commissions was low. To draw the inferences they used ANOVA statistical tool for analyzing the data.

**Sushma D B, Dr. A Venkataraju, Dr.G.B.Ganesh and Pramod Udupa.B(2015)** their study is made an attempt to analyze the working of Consumer Dispute Redressal Agencies in Karnataka. The study analyzes the working of these forums and identifying the internal and external factors influencing adversely their working and to suggest some measures and findings for enhancement of effectiveness in their working. The study identified cases filed since inception is very very small because of lack of awareness among consumers about their rights. Secondly, of the selected 12 district 9 districts in receipt of consumer cases topping the list and 3 districts at the bottom. The study also reveals as far as disposal of cases is concerned 3 districts have demonstrated very high performance with more than 98% disposal.

**Ajita Gupta and Seema Kashyap (2016)** in their study, It aims to explore the nature of complaints filed with district consumer forum of Agra city and to assess the procedural awareness of filing and perusing complaints in consumer forum. The study was based on both primary and secondary data. Survey method and stratified random sampling technique were employed to collect the data. The researcher was selected 104 complaints (about 33%) of the cases filed. Paper revealed that the majority of cases filed for seeking justice in consumer forum were regarding the complaints of services form government and private sector agencies. They constitute 92.23% whereas, the complaints pertaining to products were only 6.73% and it is clear that, statistical value regarding procedural awareness of lower age group, shown significantly higher, it means that lower age group have more interest towards the remedies available than others

**Bhamy V Shenoy (2017)** in the research articles “Consumer Rights: India Needs to chart a different Path” has observed that consumer courts set up at the district, state, and national level have not fulfilled the intended vision of the consumer protection Act (COPRA) 1986 The original objective of parliament was to provide speedy justice with minimum adjournments and without lawyers. This objective has not been fulfilled by these courts. India’s consumer movements have a long way to develop in order to meet the urgent needs of long-suffering people who are not receiving the services and protection they have been assured. The author has referred to their nearly 2000 consumers organizations all over India to serve 1.2 billion people. Most of these consumer NGO’s look for government handouts to exist. By taking money from the government they become subservient to officials. The author has suggested that time has come to reinvest the consumer movement in India.

#### **5. ANALYSIS AND INTERPRETATION**

##### **5.1 Historical aspects of Consumer movement**

Consumerisms are a social and legal force, which aims at protecting the rights of consumers. It is a movement closely associated with the collective power of consumer designed to ensure fair and ethical practice towards them by manufacturers, retailers, dealers, and others [1]. Consumer constitutes the largest social group in the country. Protection of their interest and rights is vital

to the general welfare of the masses. It is a national commitment for the welfare of the state like India. A National commitment calls for the establishment of well regulated and independent mechanism to see and demonstrate that consumption of goods and services get satisfaction for their money's worth.

**Consumer Awareness and consumer movement**

Consumer movement comprehends the collective power of the consumer to take a country forward with respect to awareness, education, and development. The philosophy of consumer movement is mainly centered around testing of consumer goods and evaluating services offered and acting both as source and also as a clearinghouse of information and formation and development of new consumer organizations and providing advice, holding of seminars and rendering practical assistance in consumer protection and consumer education activities.

Consumer movement is a social movement which seeks to enhance wellbeing and bargaining power of consumers. Consumer movement has threefold objectives viz:

- (i) **Product safety:** Product safety involves removing hazardous products, deceptive sales practice and consumer exploitation in the market
- (ii) **Solution to consumer problems:** Consumer movement interacts with the government to bring about appropriate new or amended regulation and for ensuring compliances from manufacturers and for imposing penalties for violations. It also addresses the issue of protecting consumers from health and environmental hazards by the government
- (iii) **Consumer information and awareness:** Consumer movement aims at providing consumer information --- informing consumers of Laws and products. (Quality, price, handling institutions and after sale services)

**Consumer Grievances and Protection Consumer Rights**

The consumer in India is faced with the problems of counterfeit products duplications and adulterations in the market. Consumers are exposed to adulterated food, polluted air contaminated water, spurious, unsafe and substandard products especially drugs we purchase and the recurrent shortage of essential commodities. Indian consumers suffer from humiliation and harassment in every market. Consumers in India are heterogeneous in composition following different religions, speaking different languages using sometimes different products and services and adhering to varied traditions. A deep-rooted cultural, economic, social and political force has made the consumer in India a mere receiver of goods and services rather than a chooser of what he would like to have and enjoy.

**Measures for protection of Consumer Rights**

Protection of consumer interests and rights has assumed paramount importance in view of the ever-increasing population leading to demand a large variety of goods and services. Further, the market in the Indian context is largely seller's market with little or no bargaining power on the part of buyers. Besides the buyers in India are not well organized and are not aware of their rights. Under their circumstances, the traders are prone to indulge in unfair practices while dealing with consumers. Efforts are being made by the Government and the consumer organizations to change the situations in favor of consumers and the ways and means of consumer's complaints and protecting their interests are evolved through consumer Forums and consumer councils under the consumer protection Act 1986. Major objectives of these councils are to protect the basic rights of a consumer which is also the objective of the consumer protection Act.

The six rights of consumers include:

- i) The rights to be protected against the marketing of goods and services which are hazardous to life and property
- ii) The rights to be informed about the quality, quantity, potency, purity, standard and price of goods or services, so as to protect the consumer against unfair trade practices
- iii) The rights to be heard and to be assured that consumer interests will receive due consideration at the appropriate forum
- iv) The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers and
- v) The rights to consumer education

**5.2 Evaluation of the National Commission and state wise working of consumer redressal agencies in India.**

The Consumer Dispute Redressal agencies are proving speedy and effectively disposing of the cases with few legal formalities. The data collected from the concerned agencies the details of the analysis and Interpretation of the data has been presented in the below-mentioned tables.

Table 1 provides the details regarding the cases filed, disposed and pending at all the state commission since the inception.

**Table 1: Details of the cases filed, disposed, and pending at all state commissions, since their inception (As per NCDRC) as on 30-09-2017**

S. No	Name of state	No. of cases filed Since Inception	No. of cases Disposed of Since Inception	No. of Cases Pending	% of cases disposed	% of cases pending	As on
	<b>National Commission</b>	<b>114931</b>	<b>98959</b>	<b>15972</b>	<b>86.10</b>	<b>13.90</b>	<b>30/09/2017</b>
1	Andhra Pradesh	32866	32000	866	97.37	02.63	31/08/2017
2	A & N Island	111	106	5	95.50	04.50	30/06/2015
3	Arunachal Pradesh	103	92	11	83.95	16.05	31/10/2015
4	Assam	2807	2451	356	89.32	10.68	30/06/2017
5	Bihar	19164	16500	2664	86.10	01.39	31/07/2017

6	Chandigarh	19388	18829	559	97.12	02.88	31/08/2017
7	Chhattisgarh	12581	12075	506	95.98	04.02	31/08/2017
8	Daman & Diu and DHN	25	20	5	80.00	20.00	31/03/2011
9	Delhi	46963	40316	6647	85.85	14.15	31/08/2017
10	Goa	2974	2847	127	95.73	04.27	31/08/2017
11	Gujarat	55706	50722	4984	91.05	08.95	31/08/2017
12	Haryana	49903	47922	1981	96.03	03.97	31/08/2017
13	Himachal Pradesh	9738	9478	260	97.33	02.67	31/07/2017
14	Jammu & Kashmir	9038	7549	1489	83.53	16.47	31/05/2016
15	Jharkhand	6103	5543	560	90.82	09.18	30/06/2017
16	Karnataka	56337	47414	8923	84.16	15.14	31/08/2017
17	Kerala	30258	27783	2475	91.82	08.18	31/07/2017
18	Lakshadweep	18	16	2	88.89	11.11	31/07/2017
19	Madhya Pradesh	53180	43206	9974	81.24	18.76	31/08/2017
20	Maharashtra	76712	61508	15204	80.18	19.82	31/01/2017
21	Manipur	170	164	6	96.47	03.53	31/12/2015
22	Meghalaya	300	285	15	95.00	05.00	31/03/2015
23	Mizoram	230	216	14	93.91	06.09	31/08/2017
24	Nagaland	165	136	29	82.42	17.58	30/09/2015
25	Odisha	25258	18438	6820	73.00	27.00	30/06/2017
26	Pondicherry	1103	1029	74	93.29	06.71	31/08/2017
27	Punjab	37678	36414	1264	96.65	03.35	31/08/2017
28	Rajasthan	65427	59005	6422	90.18	09.82	31/08/2017
29	Sikkim	57	54	3	94.74	05.26	31/03/2015
30	Tamil Nadu	28411	24684	3727	86.88	13.12	31/08/2017
31	Telangana	2600	903	1697	34.73	65.27	30/07/2017
32	Tripura	1776	1750	26	98.54	01.46	31/08/2017
33	Uttar Pradesh	82187	56126	26061	68.29	31.71	30/06/2017
34	Uttarakhand	6102	5082	1020	83.28	16.72	31/07/2017
35	West Bengal	30388	25586	4802	84.20	15.80	31/03/2017
<b>Total</b>		<b>766041</b>	<b>56369</b>	<b>109672</b>	<b>85.68</b>	<b>14.32</b>	
<b>Average</b>		<b>21886.89</b>	<b>18753.40</b>	<b>3133.48</b>			

Source: Website of Department of Consumer Affairs New Delhi.

Table 1 shows that the total number of cases filed 766041 out of which 56369 cases have been disposed of in all the state commission since their inception. The average percentage of cases disposed of is 85.68 percentages. The state commission of Tripura functioning very successful in disposing of the cases It is 98.54percentage followed by Andhra Pradesh and Himachal Pradesh 97.37% and 97.33% respectively. Further, it also reveals that overall average pending rate is 14.32%.

**Table 2: ANOVA analysis**

		Sum of Squares	df	Mean Square	F	Sig.
<b>Cases disposed</b>	Between Groups	2.067E10	34	6.080E8	1.84	2.53
	Within Groups	.000	0			
	Total	2.067E10	34			
<b>Cases pending</b>	Between Groups	1.125E9	34	3.310E7	1.84	2.53
	Within Groups	.000	0			
	Total	1.125E9	34			

Based on the above ANOVA analysis it clears that there is a significant association between the cases filed, disposed of and pending.

**5.3 Evaluation of the District wise working of consumer redressal agencies in Karnataka state**

**Table 3: Analysis of the functioning of District Forums of Karnataka state commission, since their inception As per KSCDRC (As on 31-12-2017)**

S. No.	Name of the District Forum	No. of cases filed Since Inception	No. of cases Disposed of Since Inception	No. of Cases Pending	%of cases disposed	%of cases pending
1	Bangalore Urban	28775	28002	773	97.31	02.69
2	Bangalore Rural	746	708	38	94.91	05.09
3	Bangalore Urban I addl.	11491	10695	796	93.07	06.93
4	Bangalore Urban II addl.	11379	10555	824	92.76	07.24

5	Bangalore Urban III addl.	7866	7039	827	89.49	10.51
6	Bangalore Urban IV addl.	7316	6557	759	89.63	10.37
7	Bellary	4440	4317	123	97.23	20.77
8	Belgaum	13450	12389	1061	92.11	07.89
9	Bidar	3014	2869	145	95.19	04.81
10	Vijapura	3758	3516	242	93.56	06.44
11	Chikkamagalur	5143	5051	92	98.21	01.79
12	Chitradurga	3847	3744	103	97.32	02.68
13	Dakshina Kannada	12721	12287	434	96.59	03.41
14	Dharwad	10185	10036	149	98.54	01.46
15	Kalburgi	3984	3839	145	96.36	03.64
16	Hassan	5600	5450	150	97.32	02.68
17	Kolar	3295	3256	39	98.82	01.18
18	Kodagu	3793	3731	62	98.37	01.63
19	Mandya	4810	4517	293	93.91	06.09
20	Mysore	13652	13166	486	96.44	03.56
21	Raichur	2636	2574	62	97.65	02.35
22	Shimoga	6238	6089	149	97.61	02.39
23	Tumkur	4871	4799	72	98.52	01.49
24	Uttar Kannada	3813	3709	104	97.27	02.73
25	Udupi	1915	1816	99	94.83	05.17
26	Davanagere	2512	2436	76	96.97	03.03
27	Haveri	5891	5857	34	99.42	00.58
28	Chamrajnagar	3784	3670	114	96.99	03.01
29	Gadag	3174	3070	103	96.72	03.28
30	Koppal	1090	1032	58	94.68	05.32
31	Bagalkoti	2173	1997	176	91.90	08.09
32	Yadagiri	66	48	18	72.73	27.27
<b>Total</b>		<b>197428</b>	<b>188822</b>	<b>8606</b>	<b>95.64</b>	<b>4.36</b>

Source: Computed from the data collected from concerned consumer Forum

Table 3 shows that the average percentage of cases disposed by the district forum of Karnataka state is 95.64% the district forum of Haveri is functioning very successfully in disposing the cases it is 99.42%, followed by the Kolar, Dharwad and Uttar Kannada district forum is 98.82%, 98.54%, and 98.52% respectively. Further, the overall average cases pending is only 4.36%.

**Table 4: ANOVA analysis**

		Sum of Squares	df	Mean Square	F	Sig.
<b>Cases disposes</b>	Between Groups	8.874E8	31	2.863E7	3.17525E-05	2.65
	Within Groups	.000	0			
	Total	8.874E8	31			
<b>Cases pending</b>	Between Groups	2795149.875	31	90166.125		
	Within Groups	.000	0			
	Total	2795149.875	31			

Based on the above ANOVA analysis it clears that there is a significant association between the cases filed, disposed of and pending.

**6. CHALLENGES BEFORE THE FUNCTIONING OF FORUMS**

The present study makes an effort and identifies some of the challenges before the functioning of the forum:

- a. Create awareness among customers about the present issues of unfair trade practices. It will be their great challenges and responsibility to educate customers in the society
- b. The consumer forum work process is slow because many posts are lying vacant.
- c. Quick decisions are a greater challenge for all councils and agencies in order to protect consumer’s interest.
- d. District consumer forum does not have the power to review its own order, once the judgment is given.
- e. Grievance redressal is lengthy if opponent party ask for an adjournment.

**7. CONCLUSION**

In fact, consumer protection is always a substance of huge concern. The present paper confirms from the performance analysis with regard to the disposal rate of cases of various Consumer Disputes Redressal Agencies in India. Also, it is a great concern for the all the level of agencies such as district and state forums to act actively to solve the consumer’s problems within a short period of time. It is found that district-level agencies are performing efficiently than the national level agencies. In the light of the above analysis that consumer forums (agencies) required to function still more effectively in order to decreases the cases pending.



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