

Role Of Consumer Redressal Agencies On Consumer Awareness.

Prasanth Kumar M¹ and Dr. R. Arunmozhi²

Research Scholar¹ and Associate Professor²,

Department of Business Administration, Annamalai University

Abstract

The Consumer Protection Act of 1986 was one of the milestones in the significant socio-economic movement in the country. This act gives the consumer the right to pursue a remedy against their poor-quality goods and services. Dispute Redressal Agencies have been established under Consumer Protection Act-1986. Consumer Forums have been authorized over the country at different levels to provide speedy, less expensive, and simple (hassle-free) dispute redressal to the consumers. For attaining the objectives, section 9 of the Consumer Protection Act provides three-tier dispute redressal agencies.

- A 'National Consumer Dispute Redressal Commission' established by Central Government by the notification. This Court is known as the "National Commission."
- A 'State Consumer Dispute Redressal Commission' established by State Government with prior approval of the Central Government, by notification. Furthermore, this Court is known as the "State Commission."
- A Consumer Dispute Redressal Forum established by the State Government in each district of the State by notification. Moreover, this Court is known as 'District Forum.'

These agencies have supremacies to endorse and defend consumer interests and rights. Every individual in society is a consumer in one way or the other. So, Consumer right is a human right. Due to the absence of awareness of these redressal agencies, until it cannot bring the desired social change in this field. This paper attempts to find the role of Consumer Disputes Redressal Agencies in terms of consumer awareness and consumer education.

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

INTRODUCTION

In the field of consumer awareness and protection, India plays a pioneering role in the Consumer Protection Act (CPA). It is considered as path-breaking legislation and enacted in 1986. In 1997 India established a separate government department solely devoted to consumer affairs in 1997. The main objective of this department is :

- Empowering consumers to make knowledgeable choices;
- Confirming fair, impartial and reliable outcomes for consumers; and
- Facilitating timely and operative consumer grievance redress.

It seems a profound transformation in consumer markets for goods and services since the enactment of the Consumer Protection Act in 1986. Liberalization, privatization and deregulation; reforms in new technologies and products; the fullness of new consumer services; and the rising ambitions of the consumers for better goods and services have been the significant whips of change. In today's modern marketplace, a surfeit of complex products and services are introduced daily. Here is the importance of the Consumer Protection Act and the consumer redressal agencies and departments to enact and enable and provide justice to ordinary and aggrieved consumers. The preamble to Consumer Protection Act reads as follows: "An act to provide for better protection of the interests of consumers and for that purpose of making provision for the establishment of consumer councils and other authorities for the settlement of consumers' disputes and for matter connected in addition to that".

Consumer Redressal under Consumer Protection Act.

Under the Consumer Protection Act of 1986, set an appropriate mechanism for the settlement of consumer disputes and redressal of consumer grievances at various levels.

1. District Consumer Redressal Forum in each district. Forums are situated in the district headquarter. In India, 659 District Forums are working in different states.

2. State Consumer Redressal Dispute Commission is located in every state. It has jurisdiction of the whole state in which it is constituted. There are 35 State Commissions are working in India.
3. The National Consumer Dispute Redressal Commission is situated in Delhi.

REVIEW OF LITERATURE

E.A Lizzy (1993), explained the effectiveness of the District Consumer Redressal Forum in Kerala State. The researcher depicts the performance of district-level consumer redressal forums in Kerala state based on the number of cases received and settled. It also makes a comparative analysis between the literacy rate and the number of cases received.

Michel Tuan Pham, Caroline Goukens, Donald R Lehman, and Jennifer Ames Stuart (2010), explore the field of consumer satisfaction through consumer awareness. Through several case studies, the researches illustrate the fact of consumer satisfaction based on the level of consumer awareness. Also, move in depth the correlation between satisfaction and consumer awareness.

Dr. Sambhav Garg (2010), make a comparative study of disposal of cases between state-level redressal forum and national level redressal form, and the researcher found that the district redressal forums are a better performer than national level redressal forum.

Alicia Barroso and Gerard Llobet (2012), explains how advertisement influences consumer awareness. Though a discrete-choice model, the researcher depicts a picture on expenditures, has a powerful effect in the insight that they boost consumer awareness of a product, improving present and future sales.

Shaji Unnikrishnan (2013), makes a comparative study of three levels of Consumer Dispute Redressal Agencies (District, State, and National level) with their ability and performance of disposing of the consumer cases. Moreover, the study reveals that district-level redressal forums are showing a better performance than the other two layers.

NEED FOR THE STUDY

The three-layer consumer redressal mechanism under the Consumer Protection Act 1986 is constructive for providing inexpensive justice for consumers, and the act is considered as Magna Charta in the history of consumerism in India. This three-layer consumer redressal mechanism shall make the necessary initiative to make the consumers aware of the Consumer Protection Act. This study aims to find the influence of Consumer Redressal Agencies on consumer awareness.

OBJECTIVES OF THE STUDY

This study has been carried out with the following objectives

- To analyse the influence of consumer redressal agencies on consumer awareness and education.
- To analyze the performance of consumer disputes redressal agencies.

RESEARCH METHODOLOGY

This study aims at the analysis of the influence of consumer redressal agencies and their role in consumer awareness and education. The data collected for this study is purely from the secondary source. The data are taken from the Annual Report of the department of Consumer Affairs. The annual report of 2017-2018 was analysed. Other related and required data were collected from books, journals, and websites.

THE STUDY AND ANALYSIS

Today, technology has a severe impact on consumer buying behaviour. Nowadays, consumers using the internet not only for searching for information but for purchasing goods and services also and is growing tremendously. The intrinsic nature of the internet consumerism, cross border transactions are inevitable now. Naturally, exploitative and unfair trade practices have become common in internet consumerism. This situation postures new challenges in creating awareness among consumers. Furthermore, it needs a new mechanism

to prevent consumer damage as well as rendering the grievance redress process detached and the dispute firmness process simple, speedy, and inexpensive. The Consumer Protection Bill, 2018, and the newly enacted Bureau of Indian Standard Act, 2016, are efforts to provide the basis for such practices.

The Central Excise and Salt Act, 1944, was amended in 1991 to enable the Central Government to create a Consumer Welfare Fund (CWF). Financial support from CWF is given to several Institutions, including Universities, Voluntary Consumer Organization, and States to encourage the welfare and protect the interests of the consumers, create consumer awareness and fortify consumer movement in the country. A sum of Rs. 26.23 crore was available in the Consumer Welfare Fund as on 31.03.2017. Out of this, a budget provision of Rs. 17.45 crore has been provided for the financial year 2017-18. An amount of Rs. 11.65 crore has been utilized as on 31.12.2017 from the Consumer Welfare Fund. For promoting the consumer movement in the grass root level, in 2003, all state and union territories were setup State level consumer welfare fund.

In May 2014, a National Consumer Helpline, which was operating from Delhi University, is now being operated from the Centre for Consumer Studies at IIPA New Delhi. The Project identifies the requirements of consumers for a Telephone Helpline to pact with a host of problems arising in their day-to-day assignation with the market, business, and service providers. The helplines have since been made functional from October 2017 to cover all the states falling within their jurisdiction as under:-

Zonal Consumer Helplines	States/Union Territories covered	Language support other than English and Hindi
Jaipur	J&K, Punjab, HP, Haryana, Rajasthan, Kashmiri, Punjabi and Chandigarh	Kashmiri, Punjabi and Dogri
Patna	U.P. , Uttarakhand, Bihar, Jharkhand	Santhali, Maithili, Nepali, Urdu
Bengaluru	A.P., Karnataka, Telangana, Kerala, Tamil Nadu, Puduchery, Lakshadweep	Kannada, Malayalam, Tamil, Telugu and Konkani
Kolkata	West Bengal, Odisha, MP, Chhatisgarh, A&N Islands	Bengali, Oriya
Guwahati	Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh, Sikkim, Mizoram	Assamese, Bengali, Manipuri
Ahmedabad	Gujarat, Maharashtra, Goa, Daman & Diu, Dadra and Nagar Haveli	Gujarati, Marathi & Sindhi

Source: Annual reports of Ministry of Consumer Affairs 2017-2018, Government of India

In July 2015, the Department of Consumer Affairs approved a project suggestion for an amount of Rs. 1 crore over a period of five years to be released in five equal instalments of Rs.20.00 lacs each year to Consumer Education and Research Centre (CERC), Ahmedabad for fetching out National Consumer Magazine INSIGHT (in Hindi Grahak Sathi) for 5 years. “State of Consumer Safety in India Report,” a study by Consumer Unity & Trust Society, Jaipur, reveals some significant finds on consumer safety in India. One of the main reasons for poor implementation of safety-related measures is the lack of consumer awareness. The preponderance of consumers is not conscious of the actuality of such laws/rules. They are also not aware of their rights, and in case of any problem, they are not sure whom they should approach.

Ministry of Consumer Affairs provide enough funding for consumer awareness (Table 1)

**Table 1: Year-wise allocation and Expenditure on Consumer Awareness during the
Last Five Years (In Crore)**

Sl. No	Year	BE	RE	Expenditure
1	2013-2014	75.00	71.00	68.07
2	2014-2015	75.00	76.47	71.50
3	2015-2016	75.00	80.00	71.30
4	2016-2017	60.00	60.00	86.68
5	2017-2018	62.00	62.00	56.50 (Approx) Till 31-12-2017

Source: Annual reports of Ministry of Consumer Affairs 2017-2018, Government of India

The latest reports by the National Commission, the average % disposal of cases in all three levels of Consumer Fora in the country, is an impressive 91.32%. The total number of cases filed and disposed of in the National Commission, State Commissions, and District Fora, as on 29.01.2018, since inception, are given below: -

Sl. No	Name of Agency	Cases filed since inception	Cases disposed of since inception	Cases Pending	% of total Disposal
1	National Commission	117430	100419	17011	85.51%
2	State Commissions	757887	649606	108281	85.71%
3	District Forums	4062476	3759249	303227	92.54%
TOTAL		4937793	4509274	428519	91.32%

Source: Annual reports of Ministry of Consumer Affairs 2017-2018, Government of India

Consumer Protection Bill 2018

For a comprehensive amendment in the Consumer Protection Act 1986, this bill was introduced. The main resolution of this bill is to modernize the legislation on consumer

protection to take care of the significant change in the market and to ensure a fair and equitable justice to consumers. The Consumer Protection Bill, 2015, was introduced in the Lok Sabha on 10th August 2015, and the same was committed to the Parliamentary Standing Committee, which recommended changes in specific provisions of the bill. Based on the accepted recommendations of the Parliamentary Standing Committee, a new Bill, the Consumer Protection Bill, 2018, was introduced in the Lok Sabha on 5th January 2018, and the Consumer Protection Bill, 2015, was withdrawn. The main feature of this bill is the establishment of an executive agency to be known as the Central Consumer Protection Authority (CCPA) to promote, protect, and enforce the rights of consumers as a class.

CONCLUSION

The critical role of the three-layered consumer redressal structure can play a crucial role in consumer awareness and education. To make this capable, both state and central governments should act as a catalyst in this redressal mechanism for protecting consumer interest. Without making the consumers aware of these systems and structures, they cannot make use of these facilities. Here is the importance of consumer awareness and education on these matters.

References

1. Lissy E A (August 1993) "Consumer Redressal Agencies: How Effective? Kerala Experience" Economic and Political Weekly, Vol No. 28, Issue No. 32 P 1638-1639.
2. Michel Tuan Pham, Caroline Goukens, Donald R Lehman and Jennifer Ames Stuart (2010) "Shaping Customer Satisfaction Through Self-Awareness Cues" Journal of Marketing Research, Vol. 47, No. 5 (October 2010), pp. 920-932.
3. Alicia Barroso and Gerard Llobet (2012) "Advertising and Consumer Awareness of New, Differentiated Products" Journal of Marketing Research, Vol. 49, No. 6 (December 2012), pp. 773-792.

4. Dr.Sambhav Garg (May 2010) "An exploration in to working and performance of consumer disputes redressal agencies in India"International Journal of Research in Commerce and Management, volume no 1, issue No1 p.142-161.
5. Shaji Unnikrishnan (December2013), "Performance analysis of the Consumer disputes redressal agencies in India" Globaladvanced research journal of management and business studies, volume2, (12) p 567-570.
6. Buss, David M. and Michael F. Scheier (1976), "Self-Consciousness, Self-Awareness, and Self-Attribution," Journal of Research in Personality, 10 (4), 463-68.
7. Hoyer, Wayne D. (1984), "An Examination of Consumer Decision Making for a Common Repeat Purchase Product," Journal of Consumer Research , 1 1 (3), 822-29.