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# CHAPTER - 5

## CONSUMER PROTECTION AGENCIES

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***E. Shirin Hima Bindu***

*Scientist, All India Coordinated Research Project on Women in Agriculture,  
PJTAU, Rajendranagar, Hyderabad*

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### INTRODUCTION

Consumer protection in India has evolved significantly over the years, reflecting the country's commitment to safeguarding the rights and interests of consumers in a rapidly changing marketplace. The establishment of the Central Consumer Protection Authority (CCPA) under the Consumer Protection Act, 2019 marks a pivotal moment in this journey. The CCPA, which became operational on July 24, 2020, is tasked with enforcing consumer rights, addressing unfair trade practices, and regulating misleading advertisements. This authority empowers consumers by enabling them to seek redressal for grievances collectively, rather than solely as individuals, thus facilitating class action suits against violators of consumer rights.

The Consumer Protection Act, 2019 itself is a comprehensive legislative framework designed to provide consumers with robust protections and remedies. It replaces the earlier Consumer Protection Act of 1986 and introduces significant improvements, such as the establishment of a three-tier quasi-judicial structure comprising District, State, and National Consumer Disputes Redressal Commissions. These commissions are designed to ensure that consumers can access justice quickly and affordably for complaints related to defective goods or deficient services.

In addition to the CCPA and the Consumer Commissions, the National Consumer Helpline serves as an essential resource for consumers seeking guidance and assistance with their grievances. This helpline not only provides information but also facilitates the registration of complaints, thereby streamlining the process for consumers who may feel overwhelmed by their options.

Moreover, the Indian government has initiated various schemes under the Department of Consumer Affairs aimed at enhancing consumer awareness and empowerment. Programs such as the Integrated Consumer Grievance Resolution System (ICGRS) and the Strengthening of Consumer Commissions (SCC) are instrumental in improving the efficiency of consumer grievance redressal mechanisms across the country. Consumer protection agencies in India are not merely regulatory bodies; they represent a broader commitment to ensuring that consumers can engage confidently in the marketplace. By addressing grievances effectively and promoting consumer rights through education and advocacy, these agencies play a crucial role in fostering a fairer economic environment where consumers are treated with respect and dignity.

The CCPA has been established under the Consumer Protection Act, 2019 and has come into force w.e.f 24th July 2020 to regulate matters relating to violation of the rights of consumers, unfair trade practices, and false or misleading advertisements that are prejudicial to the interests of consumers as a class and public at large.

#### **Powers of Central Consumer Protection Authority (CCPA) -**

- Protect, promote, and enforce the rights of consumers as a class, and prevent violation of consumers' rights under this Act;
- Prevent unfair trade practices and ensure that no person engages himself in unfair trade practices;
- Ensure that no false or misleading advertisement is made of any goods or services which contravenes the provisions of this Act or the rules or regulations made thereunder;
- Ensure that no person takes part in the publication of any advertisement that is false or misleading.

### **5.1 CENTRAL AND STATE CONSUMER PROTECTION COUNCILS**

The Central Consumer Protection Council (CCPC) plays a crucial role in the framework of consumer protection in India, established under the Consumer Protection Act, 2019. This council serves as an advisory body at the national level, aimed at promoting and protecting consumer rights across the country. The CCPC is chaired by the Minister of Consumer Affairs and includes a diverse group of members representing various interests, including government officials, consumer advocates, and industry representatives. This composition ensures that the council can address a wide range of consumer issues effectively and inclusively.

The primary objective of the CCPC is to enhance consumer awareness and safeguard their interests in an increasingly complex marketplace. It provides a platform for discussing significant consumer-related matters, formulating policies, and recommending measures to address grievances arising from unfair trade practices, misleading advertisements, and substandard goods or services. The council is tasked with advising the government on various aspects of consumer protection, including the formulation of policies that align with the evolving needs of consumers in India. In addition to its advisory role, the CCPC is instrumental in fostering collaboration between various stakeholders involved in consumer protection. This includes state-level councils that mirror its structure, thereby creating a comprehensive network for addressing consumer issues at both local and national levels.

The establishment of the CCPC represents a significant advancement in India's approach to consumer rights. It not only reflects the government's commitment to empowering consumers but also emphasizes the importance of collective action in addressing consumer grievances. By facilitating dialogue among stakeholders and providing recommendations for policy improvements, the CCPC aims to create an environment where consumers are informed, protected, and empowered to make educated choices in the marketplace.

The Central Consumer Protection Council embodies a proactive approach to consumer advocacy in India, ensuring that consumer rights are upheld and that consumers can engage confidently with businesses. Its establishment marks a critical step toward enhancing consumer trust and fostering a fairer economic landscape where consumers' voices are heard and valued.

The CCPA is empowered to take proactive measures against violations of consumer rights. This includes conducting inquiries into complaints received either through consumer grievances or on its initiative (*suo moto*). Upon identifying a *prima facie* case of unfair trade practices or misleading advertisements, the authority can initiate investigations and direct necessary actions, such as recalling unsafe products or imposing penalties on violators. The authority also has the power to issue guidelines aimed at preventing unfair trade practices and enhancing transparency in advertising, thus fostering a more informed consumer base.

Another significant objective of the CCPA is to enhance consumer awareness and education. By promoting knowledge about consumer rights and responsibilities, the authority aims to empower consumers to make informed decisions and advocate for their interests effectively. This educational role is complemented by efforts to encourage research in consumer rights, ensuring that policies remain relevant and responsive to emerging challenges in the marketplace.

Furthermore, the CCPA plays a crucial role in facilitating access to justice for consumers by enabling them to file complaints before various consumer commissions. This support not only streamlines the grievance redressal process but also aims to reduce delays in resolving consumer disputes. By acting as a bridge between consumers and regulatory frameworks, the CCPA ensures that consumers have a reliable avenue for seeking redress.

The Central Consumer Protection Authority is instrumental in shaping a fair marketplace in India by enforcing consumer rights, preventing unfair trade practices, and promoting transparency in advertising. Its multifaceted approach—combining regulation, education, and advocacy—positions it as a cornerstone of consumer protection in an increasingly complex economic landscape.

The Central Consumer Protection Authority (CCPA) has a range of specific actions it can take against unfair trade practices as defined under the Consumer Protection Act, 2019. These actions are aimed at protecting consumer rights and ensuring fair trade practices in the marketplace. The key actions the CCPA undertakes are:

- a. **Inquiry and Investigation:** The CCPA has the authority to conduct inquiries or investigations into violations of consumer rights or unfair trade practices, either on its initiative (*suo moto*) or upon receiving complaints from consumers or directives from the central government.
- b. **Recall of Hazardous Goods:** If the CCPA determines that certain goods or services pose a danger to consumers, it can order their recall or withdrawal from the market. This action is crucial for protecting consumers from hazardous products.
- c. **Reimbursement:** The authority can direct manufacturers or service providers to reimburse consumers for the price paid for goods or services that have been recalled or found to be unsafe or defective. This ensures that consumers are financially compensated for any harm caused by unfair practices.
- d. **Discontinuation of Unfair Practices:** The CCPA can issue orders to discontinue practices that are deemed unfair and prejudicial to consumers' interests. This includes deceptive marketing strategies and any form of exploitation of consumer vulnerabilities.

- e. **Issuance of Guidelines:** The authority is empowered to issue necessary guidelines to prevent unfair trade practices. These guidelines serve as a framework for businesses to adhere to ethical marketing and sales practices.
- f. **Penalties for Misleading Advertisements:** The CCPA can impose penalties on manufacturers or endorsers of misleading advertisements, which may include fines of up to ₹10 lakh and imprisonment for up to two years for false claims. For subsequent offenses, these penalties can increase significantly.
- g. **Intervention in Consumer Disputes:** The CCPA can intervene in proceedings before consumer dispute redressal commissions, thereby representing consumer interests in cases of alleged violations of rights or unfair practices.
- h. **Safety Notices:** The authority has the power to issue safety notices to alert consumers about dangerous goods or services, thereby enhancing consumer awareness and safety.
- i. **Promotion of Consumer Awareness:** Beyond enforcement actions, the CCPA also focuses on promoting consumer awareness and education regarding their rights and protections under the law, which is essential for empowering consumers in their purchasing decisions.
- j. **Research and Recommendations:** The CCPA is tasked with conducting research on consumer rights issues and recommending best practices and policies based on international standards, thus continually improving the consumer protection landscape in India.

These actions collectively empower the CCPA to maintain a fair marketplace, protect consumer interests, and ensure accountability among businesses, thereby fostering a culture of trust and transparency in commercial transactions.

Businesses that fail to comply with directives from the Central Consumer Protection Authority (CCPA) face several significant consequences aimed at enforcing consumer rights and promoting fair trade practices. The key repercussions are:

- a. **Civil Penalties:** The CCPA can impose civil penalties for non-compliance, which can amount to up to ₹10 lakh for each violation. This includes both intentional and unintentional violations of consumer rights or unfair trade practices. The fines can escalate based on the severity and frequency of the violations, leading to substantial financial liabilities for businesses.
- b. **Legal Action:** The CCPA has the authority to initiate legal proceedings against businesses that do not adhere to its directives. This can involve court actions that compel businesses to cease unfair practices or comply with specific consumer protection regulations.
- c. **Injunctions:** The authority can seek injunctive relief, requiring businesses to stop certain activities deemed harmful or unfair to consumers. This could include halting misleading advertisements or the sale of unsafe products until compliance is achieved.
- d. **Reputational Damage:** Non-compliance can lead to negative publicity and damage a business's reputation, resulting in a loss of consumer trust. This reputational harm can have long-term effects on customer loyalty and overall business performance.

- e. **Private Right of Action:** Consumers are granted a private right of action under certain circumstances, allowing them to sue businesses for damages resulting from violations of their rights. This can lead to individual lawsuits or class-action suits, further increasing the financial burden on non-compliant businesses.
- f. **Increased Scrutiny:** Businesses that are found non-compliant may face increased scrutiny from regulatory bodies in the future, leading to more rigorous monitoring and potential audits of their practices.
- g. **Remediation Costs:** To rectify compliance issues, businesses may incur additional costs related to implementing necessary changes in policies, procedures, and employee training programs. These remediation efforts can strain resources and divert attention from core business activities.
- h. **Loss of Business Opportunities:** Companies that fail to comply with consumer protection regulations may find themselves excluded from partnerships or contracts with other organizations that prioritize compliance and ethical practices.

The consequences for businesses that do not comply with CCPA directives are multifaceted, involving financial penalties, legal actions, reputational risks, and operational challenges. These repercussions underscore the importance of adherence to consumer protection laws in fostering a fair marketplace and maintaining consumer trust.

### 5.1.1 Eligibility Criteria of Central Consumer Protection Council (CCPC)

The eligibility criteria for members of the Central Consumer Protection Council (CCPC) and State Consumer Protection Councils (SCPCs) in India are outlined in the Consumer Protection Act, 2019. These councils serve as advisory bodies aimed at protecting and promoting consumer rights at both national and state levels. Below are the specific eligibility criteria for members of each council:

- a. **Chairperson:** The Minister in charge of the Department of Consumer Affairs in the Central Government serves as the chairperson of the CCPC.
- b. **Official Members:** The council includes various official members representing necessary interests related to consumer affairs. These members are typically nominated by the Central Government.
- c. **Non-Official Members:** The CCPC may also consist of non-official members, including:
  - Representatives from consumer organizations.
  - Experts from fields relevant to consumer protection, such as law, economics, and social sciences.
  - Individuals with experience in consumer rights advocacy.
- d. **Regional Representation:** The council includes ministers in charge of consumer affairs from two states of India from each region—North, South, East, West, and North-East—ensuring diverse regional representation.
- e. **Tenure:** Members serve a term of three years, allowing for periodic renewal and fresh perspectives within the council.

### 5.1.2 Eligibility Criteria of State Consumer Protection Councils (SCPCs)

The State Consumer Protection Councils are integral components of India's consumer protection framework, established under the Consumer Protection Act, 2019. Each state government is mandated to create a State Consumer Protection Council, which serves as an advisory body focused on promoting and safeguarding consumer rights within

the respective state. The council is chaired by the Minister in charge of Consumer Affairs for that state, ensuring that consumer issues are addressed at a high governmental level. Additionally, the council comprises various official and non-official members who represent diverse interests relevant to consumer protection, including consumer advocacy groups, industry representatives, and legal experts. One of the primary objectives of the State Consumer Protection Councils is to advise the state government on matters related to consumer rights and to recommend measures for their protection. This includes promoting awareness about consumer rights and responsibilities, as well as addressing unfair trade practices that may adversely affect consumers. The councils are required to convene at least twice a year, providing a platform for stakeholders to discuss pressing consumer issues and formulate strategies for improvement.

- a. **Chairperson:** The Minister in charge of Consumer Affairs in the respective state government is appointed as the chairperson of the SCPC.
- b. **Official Members:** Each SCPC consists of official members who represent various government departments concerned with consumer interests. The number and specific departments may vary by state.
- c. **Non-Official Members:** The councils also include non-official members representing necessary interests, such as:
  - a. Representatives from voluntary consumer organizations.
  - b. Individuals from sectors like agriculture, trade, and industry.
  - c. Experts or professionals with relevant experience in consumer rights.
- d. **Central Government Nominations:** The Central Government may nominate up to ten additional official or non-official members to each SCPC to enhance expertise and oversight.
- e. **Diversity Requirements:** Many states emphasize gender representation among non-official members to promote inclusivity within the councils.
- f. **Meetings:** State councils are required to meet at least twice a year to discuss consumer issues and formulate strategies for improvement.
- g. **Term of Office:** Similar to the CCPC, members typically serve a term that allows for regular turnover while maintaining continuity in addressing consumer concerns.

These eligibility criteria ensure that both the Central and State Consumer Protection Councils are composed of individuals with diverse backgrounds and expertise, enabling them to effectively advocate for consumer rights and address various issues affecting consumers across India.

### 5.1.3 Powers of State Consumer Protection Councils

- a. **Composition and Structure:** Each State Consumer Protection Council is chaired by the Minister in charge of consumer affairs and includes members from various sectors, including government officials, representatives from consumer organizations, and other stakeholders. This diverse composition allows the council to address a wide range of consumer issues effectively.
- b. **Policy Formulation:** The councils are responsible for formulating policies aimed at promoting and protecting consumer interests. They advise the government on measures to enhance consumer protection and monitor the implementation of these policies.

- c. **Complaint Handling:** SCPCs have the authority to receive and investigate complaints from consumers regarding violations of their rights. They can direct companies to address these complaints and ensure that appropriate actions are taken against violators.
- d. **Enforcement Powers:** The councils can initiate legal proceedings against businesses that engage in unfair trade practices, such as false advertising or selling substandard goods. This includes filing lawsuits to seek redress for consumers who have been wronged.
- e. **Consumer Education:** A significant function of the SCPCs is to raise awareness among consumers about their rights and responsibilities. They conduct educational campaigns, distribute informational materials, and organize workshops to empower consumers.
- f. **Monitoring Compliance:** The councils monitor compliance with consumer protection laws and regulations. They have the authority to conduct investigations into market practices and can recommend reforms or changes in legislation to better protect consumers.
- g. **Advisory Role:** SCPCs guide other governmental bodies on consumer-related issues, helping to ensure that consumer interests are considered in various policy decisions

#### 5.1.4 Notable Success Stories (2020-2024)

From 2020 to 2024, several significant success stories emerged from consumer education initiatives undertaken by State Consumer Protection Councils (SCPCs) and related organizations in India. These initiatives aimed to enhance consumer awareness and protect consumer rights across various sectors.

##### 1. Video Conferencing Facility for Dispute Resolution (2024):

- **Initiative:** Launched on World Consumer Rights Day 2024, this facility allows consumers to participate in dispute hearings from their homes.
- **Impact:** Operational in regions like Chandigarh, Punjab, Haryana, Maharashtra, and Delhi, it has expedited complaint resolution and improved accessibility for consumers, making the process more convenient and efficient.

##### 2. Consumer Education through "The Consumer Journey" Booklets (2024):

- **Initiative:** In collaboration with Amar Chitra Katha, the Department of Consumer Affairs launched educational booklets aimed at children.
- **Impact:** These booklets raise awareness about consumer rights and responsibilities among young audiences, fostering a culture of informed consumerism from an early age.

##### 3. National Consumer Helpline Expansion (2020-2024):

- **Initiative:** The National Consumer Helpline has been expanded to provide better support for consumers facing issues.
- **Impact:** This helpline has guided thousands of aggrieved consumers, helping them navigate complaints effectively and ensuring they are aware of their rights.

**4. Establishment of Grahak Suvidha Kendras (2015 Onwards):**

- **Initiative:** Initially launched in 2015, these centers have continued to grow, providing a platform for rural consumers to register complaints in their local languages.
- **Impact:** They serve as one-stop shops for various consumer services, significantly improving access to consumer rights information in rural areas.

**5. Consumer Clubs in Educational Institutions (Ongoing):**

- **Initiative:** The Ministry of Consumer Affairs has promoted the establishment of Consumer Clubs in schools to engage students in understanding their rights.
- **Impact:** These clubs empower youth to educate their peers about consumer rights and promote responsible consumption practices.

**6. Dark Patterns Buster Hackathon (2023):**

- **Initiative:** This nationwide initiative aimed at combating deceptive online practices was launched by the Department of Consumer Affairs.
- **Impact:** It encouraged innovative solutions from young minds to enhance digital consumer protection, showcasing the government's commitment to promoting fair online practices.

**7. Integrated Price Monitoring Dashboard (2024):**

- **Initiative:** This dashboard enables stakeholders to monitor daily retail and wholesale prices of essential commodities.
- **Impact:** It promises greater transparency and accessibility in price monitoring, empowering consumers with information that can influence their purchasing decisions.

These success stories reflect the proactive measures taken by State Consumer Protection Councils and related organizations in India from 2020 to 2024. By focusing on education, accessibility, and innovative solutions, these initiatives have significantly contributed to empowering consumers and enhancing their understanding of rights within the marketplace.

## **5.2 CONSUMER FORUMS AND COMMISSIONS**

Consumer forums in India are specialized quasi-judicial bodies established under the Consumer Protection Act, 2019, to address grievances and disputes related to consumer rights. These forums provide a platform for consumers to seek redressal for issues arising from defective goods, deficient services, unfair trade practices, and other violations of consumer rights. The structure of consumer forums is tiered, comprising three levels: District, State, and National.

### **5.2.1 Types of Consumer Forums**

**1. District Consumer Disputes Redressal Forum (DCDRF):**

- **Jurisdiction:** Handles complaints where the value of goods or services does not exceed ₹50 lakh.
- **Composition:** Consists of a President (qualified to be a District Judge) and two other members, one of whom must be a woman.
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**2. State Consumer Disputes Redressal Commission (SCDRC):**

- Jurisdiction: Addresses complaints where the value exceeds ₹50 lakh but is within ₹2 crore.
- Composition: Led by a President who is or has been a judge of a High Court, along with two other members.

**3. National Consumer Disputes Redressal Commission (NCDRC):**

- Jurisdiction: Deals with cases where the value exceeds ₹2 crore.
- Composition: Includes a President who is or has been a Supreme Court judge and at least four other members.

**5.2.2 Filing Process**

Consumers can file complaints either offline at the relevant district commission or online through the E-Daakhil portal. The process typically involves:

1. Attempting to resolve the issue directly with the service provider.
2. Sending a legal notice if initial attempts fail.
3. Filing a formal complaint with the appropriate consumer forum if the issue remains unresolved.

**5.2.3 Importance of Consumer Forums**

Consumer forums play a crucial role in empowering consumers by providing them with an accessible and efficient mechanism for redressal. They are designed to be less formal than traditional courts, allowing consumers to present their cases without needing extensive legal representation. This accessibility helps ensure that consumer rights are upheld and that businesses are held accountable for their practices. Consumer forums are vital institutions in India's legal landscape, aimed at protecting consumer interests and promoting fair trade practices across various sectors.

Consumer forums and commissions in India handle a variety of complaints related to consumer rights violations. The most common types of complaints addressed by these forums include:

- 1. Defect in Goods:** Complaints regarding manufacturing defects in products are prevalent. Consumers often report issues such as malfunctioning items, substandard quality, or products not meeting the promised specifications. This includes complaints about electronics, appliances, and other consumer goods that do not perform as advertised.
- 2. Deficiency in Services:** Many complaints arise from inadequate or unsatisfactory services provided by businesses. This can encompass a wide range of services, including those offered by service providers in sectors like telecommunications, hospitality, and healthcare. Common issues include delays, poor service quality, and failure to deliver services as promised.
- 3. Unfair Trade Practices:** Complaints about unfair trade practices are significant, including misleading advertisements, false claims about products or services, and exploitation of consumers through deceptive marketing strategies. Consumers may report instances where they were misled into purchasing goods or services based on exaggerated or false representations.

4. **Excessive Pricing:** Overcharging or deceptive pricing practices are frequent sources of complaints. This includes instances where consumers are charged more than the Maximum Retail Price (MRP) or when hidden charges are applied without proper disclosure.
5. **Product Liability:** Complaints related to product liability arise when consumers suffer harm due to defective products or services that do not meet safety standards. This can include physical injuries caused by hazardous goods or medical negligence resulting from inadequate healthcare services.
6. **E-commerce Complaints:** With the rise of online shopping, complaints related to e-commerce transactions have increased significantly. Issues include non-delivery of products, receiving defective items, misleading product descriptions, and difficulties in obtaining refunds or exchanges.
7. **Food Safety Issues:** Complaints regarding food products are also common, particularly concerning adulteration, expired goods, and lack of hygiene in food preparation or packaging. Consumers may report grievances related to packaged foods that do not meet safety standards.
8. **Spurious Goods:** The sale of counterfeit or spurious goods is a serious concern for consumers. Complaints often involve products that are falsely labeled as genuine or branded items but are inferior imitations.
9. **Medical Negligence:** In the healthcare sector, consumers may file complaints against hospitals or medical professionals for negligence leading to harm or inadequate treatment.

These complaints can be filed electronically through various consumer forums at the district, state, and national levels under the Consumer Protection Act, 2019. The Act facilitates a structured grievance redressal mechanism that aims to resolve consumer disputes efficiently and effectively while promoting awareness of consumer rights across India.

The timelines for resolving cases in consumer forums in India can vary significantly based on the level of the forum and the complexity of the case.

### Factors Influencing Timelines

1. **Complexity of Cases:** More complex cases may require additional hearings and longer deliberation periods.
2. **Adjournments:** Frequent adjournments can significantly delay proceedings, impacting overall timelines.
3. **Pendency of Cases:** Backlogs in consumer forums often lead to longer waiting times for hearings and judgments.

Consumer forums in India are structured as a three-tier quasi-judicial mechanism designed to address consumer grievances effectively. The three levels include the District Consumer Disputes Redressal Forum (DCDRF), the State Consumer Disputes Redressal Commission (SCDRF), and the National Consumer Disputes Redressal Commission (NCDRC). Each forum has distinct characteristics, jurisdictions, and functions.

#### 1. District Consumer Disputes Redressal Forum (DCDRF)

- Jurisdiction: The DCDRF handles complaints where the value of goods or services, including compensation, does not exceed ₹20 lakh. This limit is proposed to increase to ₹1 crore under recent amendments.

- Composition: It consists of a President who is or has been qualified to be a District Judge and two other members, one of whom must be a woman.
- Powers: The DCDRF has powers akin to those of a civil court, allowing it to summon witnesses, receive evidence, and issue orders for the production of documents.
- Appeals: Decisions made by the DCDRF can be appealed to the SCDRC.
- Filing: The process generally takes a few weeks to a couple of months.

**Hearing:**

- First Hearing: Typically occurs within 1 to 3 months after filing.
- Subsequent Hearings: Scheduled every 1 to 3 months thereafter.
- Judgment: Final judgment can take anywhere from 6 months to 2 years, depending on the complexity of the case.

**2. State Consumer Disputes Redressal Commission (SCDRC)**

- Jurisdiction: The SCDRC addresses complaints where the value exceeds ₹20 lakh but does not exceed ₹1 crore. It also hears appeals against decisions from the DCDRF.
- Composition: The commission is headed by a President who is or has been a judge of a High Court, along with two other members, including at least one woman.
- Powers: In addition to the powers held by the DCDRF, the SCDRC can review decisions made by the DCDRF and has greater authority in handling more complex cases.
- Appeals: Appeals from the SCDRC can be made to the NCDRC.
- Filing: Similar to DCDRF, it may take a few weeks to a couple of months, especially if it follows an appeal from a DCDRF judgment.

**Hearing:**

- First Hearing: Usually takes place within 2 to 6 months after filing.
- Subsequent Hearings: Occur every 2 to 6 months.
- Judgment: The timeframe for reaching a judgment can range from 1 to 3 years.

**3. National Consumer Disputes Redressal Commission (NCDRC)**

- Jurisdiction: The NCDRC deals with complaints where the value exceeds ₹1 crore. It also hears appeals against decisions made by the SCDRC.
- Composition: This commission includes a President who is or has been a Supreme Court judge and not less than four other members, with at least one woman included.
- Powers: The NCDRC has comprehensive powers similar to those of High Courts, including reviewing decisions from lower commissions and addressing significant consumer issues at a national level.
- Filing: Filing may take a few weeks to a couple of months, particularly if it follows an SCDRC judgment.

**Hearing:**

- First Hearing: Typically occurs within 3 to 12 months after filing.
- Subsequent Hearings: Scheduled every 3 to 12 months.
- Judgment: The timeline for delivering a judgment can extend from 1 to 5 years, depending on various factors.

**Key Differences**

| Aspect              | District Forum (DCDRF)                | State Forum (SCDRC)                          | National Forum (NCDRC)                      |
|---------------------|---------------------------------------|--|---|
| <b>Jurisdiction</b> | Up to ₹20 lakh                        | ₹20 lakh to ₹1 crore                         | Above ₹1 crore                              |
| <b>Composition</b>  | 3 members; President (District Judge) | 3 members; President (High Court Judge)      | 5+ members; President (Supreme Court Judge) |
| <b>Powers</b>       | Similar to civil court                | Review decisions of DCDRF; greater authority | Review decisions of SCDRC; extensive powers |
| <b>Appeals</b>      | To SCDRC                              | To NCDRC                                     | To Supreme Court                            |

#### 5.2.4 Required Documents for Filing a Consumer Complaint

The structured hierarchy of consumer forums in India ensures that consumers have access to justice at multiple levels based on the value and complexity of their disputes. Each forum is designed to address specific types of complaints efficiently while providing consumers with an accessible means of redressal for grievances related to defective goods and deficient services. This tiered system aims to promote consumer rights and enhance trust in market practices across the country.

To file a case in a consumer forum in India, several documents are required to support the complaint. These documents help establish the facts of the case and provide evidence for the claims made. The list of the typical documents needed:

##### 1. Consumer Complaint Draft:

- A formal complaint document that outlines the details of the grievance, including the name, description, and address of both the complainant and the opposite party.

##### 2. Material Evidence:

- Copies of relevant documents such as:
- Bills or Receipts: Proof of purchase.
- Warranty/Guarantee Certificates: Documentation supporting claims related to product defects.
- Invoices: Detailed records of transactions.
- Emails or Correspondence: Communication with the service provider regarding the issue.

##### 3. Written Complaints and Notices:

- Copies of any written complaints or legal notices sent to the service provider before filing the case are essential to file the complaint. [Note: While sending a legal notice though the above-mentioned notices are not mandatory, it is recommended as it provides the service provider an opportunity to resolve the issue amicably and strengthens the complainant's case by demonstrating prior efforts to seek a resolution.]

##### 4. Affidavit:

- An affidavit stating that the facts presented in the complaint are true. This is required for all forums except for District Commissions, where notarization may not be necessary.

**5. Index and Memo of Parties:**

- An index listing all documents submitted.
- A memo detailing the names and addresses of both the complainant and the opposite party.

**6. List of Dates and Events:**

- A chronological list describing the circumstances surrounding the complaint, including key dates related to the transaction and subsequent communications.

**7. Proof of Payment:**

- Any additional documentation that supports claims for refunds or compensation, such as bank statements or payment confirmations.

**8. Application for Condonation of Delay (if applicable):**

- If filing beyond two years from when the cause of action arose, an application seeking permission for delayed filing may be necessary, accompanied by an affidavit.

**9. Filing Fees:** A prescribed fee must be paid based on the value of goods or services involved in the complaint. The fee structure varies across different consumer forums (District, State, National). Gathering these documents is crucial for a successful filing in consumer forums. They not only substantiate the claims made but also facilitate a smoother process during hearings. Ensuring all necessary documentation is complete and accurate can significantly impact the outcome of a consumer dispute resolution process.

**Available Reliefs:** When a forum or commission rules in favor of a consumer, it can issue various directives, including:

- Repairing defective goods or rectifying service deficiencies.
- Replacing defective goods with new ones.
- Refunding the price paid for goods or services.
- Compensating for losses or injuries suffered.
- Issuing corrective advertisements to counter misleading promotions.
- Ceasing production of hazardous goods.

**Additional Mechanisms:**

- 1. National Consumer Helpline (NCH):** Consumers can also lodge complaints through the NCH, which collaborates with various companies for grievance redressal. This helpline serves as an alternative means for consumers seeking assistance.
- 2. Consumer Welfare Fund:** The Act also establishes a Consumer Welfare Fund, where penalties imposed on manufacturers or service providers can be deposited to support consumer education and awareness initiatives.

The redressal mechanisms established under the Consumer Protection Act, 1986, provide a robust framework for consumers in India to seek justice and resolution for grievances related to goods and services. By offering multiple levels of appeal and accessible processes, these mechanisms aim to enhance consumer protection and promote fair trade practices across the country.

Consumer forums in India, established under the Consumer Protection Act, provide a structured mechanism for addressing grievances between consumers and service providers. Ensuring fair representation for both parties involved is a fundamental principle of these forums.

### 5.2.5 Mechanisms for Ensuring Fair Representation

#### 1. Composition of the Forums

- Diverse Membership: Each consumer forum, whether at the district, state, or national level, consists of a president (usually a retired judge) and two other members with expertise in consumer affairs, economics, or law. This diverse composition helps ensure that decisions are made with a balanced perspective.
- Representation from Consumer Organizations: Some forums include representatives from registered consumer organizations, which helps in voicing consumer concerns and ensuring that consumer interests are adequately represented in discussions and decisions.

#### 2. Procedural Fairness

- Right to be Heard: The Consumer Protection Act guarantees both parties the right to present their case. Consumers can submit their complaints and evidence, while service providers can respond and present their defense. This ensures that all viewpoints are considered before a decision is made.
- Reasoned Orders: Decisions made by the forums must be documented with reasons provided for the ruling. This transparency allows both parties to understand the basis of the decision, promoting accountability and fairness.

#### 3. Access to Evidence: -Discovery of Evidence: Forums have the power to summon witnesses and require the production of documents relevant to the case. This ability allows both parties to present their evidence effectively, ensuring that decisions are based on comprehensive information. Affidavits and Testimonies: Both parties can submit affidavits and witness testimonies, providing a platform for presenting factual accounts that support their claims or defenses.

#### 4. Opportunity for Appeal: Multiple Levels of Redressal: If either party is dissatisfied with the decision of a district forum, they can appeal to the state commission, and subsequently to the national commission if necessary. This multi-tiered system allows for further scrutiny of decisions, ensuring fairness in outcomes.

#### 5. Simplified Procedures: Accessibility for Consumers: The procedures in consumer forums are designed to be user-friendly, allowing consumers to represent themselves without needing legal representation. This accessibility helps level the playing field between consumers and businesses. Informal Hearings: Unlike traditional courts, hearings in consumer forums are less formal, which encourages open dialogue and reduces intimidation for consumers unfamiliar with legal processes.

#### 6. Monitoring and Reporting: Regular Reporting: Consumer forums are required to keep records of complaints received and resolved. This data is submitted periodically to higher authorities, ensuring oversight and accountability in handling consumer grievances.

### 5.3 OMBUDSMAN AND REDRESSAL MECHANISMS

The concept of an Ombudsman serves as a crucial mechanism for addressing consumer grievances across various sectors, including insurance, banking, and telecommunications. The Ombudsman acts as an independent and impartial intermediary between consumers and service providers, facilitating the resolution of disputes without the need for lengthy court proceedings.

### 5.3.1 Definition and Purpose

An Ombudsman is a designated official appointed to investigate complaints against maladministration or violations of consumer rights. The primary purpose of the Ombudsman is to provide a cost-effective, efficient, and impartial means of resolving disputes between consumers and service providers. By doing so, it aims to enhance consumer confidence in the market and ensure accountability among businesses.

### 5.3.2 Framework of Ombudsman Schemes in India

In India, several Ombudsman schemes have been established across different sectors:

1. **Insurance Ombudsman:** Established under the Insurance Ombudsman Scheme, this body addresses grievances related to life insurance, general insurance, and health insurance. Consumers can approach the Insurance Ombudsman if their complaints against insurers are unresolved after 30 days or if they are dissatisfied with the insurer's response. The Ombudsman has the authority to mediate disputes regarding claim settlements, repudiation of claims, misrepresentation of policy terms, and policy servicing issues. There are currently 17 Insurance Ombudsmen located across different regions in India.
2. **Banking Ombudsman:** The Banking Ombudsman operates under the Banking Ombudsman Scheme, which is a part of the Reserve Bank of India's initiative to address customer complaints against banks and financial institutions. This scheme covers issues such as delays in loan processing, non-adherence to banking norms, and deficiencies in services provided by banks. Consumers can file complaints regarding any grievances related to banking services that remain unresolved after approaching the bank directly.
3. **Telecom Ombudsman:** The Telecom Regulatory Authority of India (TRAI) has established a framework for addressing consumer complaints related to telecommunications services. The Telecom Ombudsman addresses issues such as service disruptions, billing disputes, and inadequate customer service from telecom operators.

### 5.3.3 Functions and Powers

**The Ombudsman possesses several key functions and powers:**

- i. **Investigation:** The Ombudsman has the authority to investigate complaints received from consumers against service providers.
- ii. **Mediation:** It acts as a mediator between consumers and service providers to facilitate amicable settlements.
- iii. **Recommendations:** After reviewing a case, the Ombudsman can make recommendations for resolving disputes. If both parties agree to these recommendations, they become binding.
- iv. **Awards:** In cases where mediation fails, the Ombudsman can issue awards that are binding on service providers. For instance, in insurance disputes, an award must be complied with by the insurer within a specified timeframe.
- v. **Awareness Promotion:** The Ombudsman also plays a role in promoting consumer awareness regarding their rights and responsibilities.

### 5.3.4 Advantages of the Ombudsman System

1. **Accessibility:** The process is designed to be user-friendly, allowing consumers to file complaints without needing legal representation.
2. **Cost-Effectiveness:** There are typically no fees associated with filing complaints with an Ombudsman, making it an affordable option for consumers.
3. **Timeliness:** The Ombudsman aims to resolve disputes promptly—often within three months—thereby reducing the backlog seen in traditional courts.
4. **Consumer Empowerment:** By providing a platform for redressal, the Ombudsman empowers consumers to assert their rights against powerful corporations.

### 5.3.5 Challenges Faced by the Ombudsman System

Despite its advantages, the Ombudsman system faces several challenges:

- i. **Awareness:** Many consumers remain unaware of their rights or how to approach an Ombudsman for grievance redressal.
- ii. **Enforcement Issues:** While recommendations by the Ombudsman are binding, enforcement can sometimes be lax if service providers do not comply voluntarily.
- iii. **Limited Jurisdiction:** The scope of issues that can be addressed by specific Ombudsmen may be limited by regulatory frameworks.

The role of the Ombudsman is pivotal in enhancing consumer protection and promoting fair practices across various sectors. By providing an accessible and efficient mechanism for dispute resolution, not only helps consumers seek justice but also holds businesses accountable for their practices. As consumer awareness increases and more individuals utilize these services, the effectiveness of the Ombudsman system is likely to grow, further solidifying its importance in India's consumer protection landscape. Moving forward, efforts should focus on enhancing public awareness about these mechanisms and ensuring robust compliance by service providers with the Ombudsman's recommendations to strengthen consumer rights further.

### 5.3.6 Comparison of the roles of an Ombudsman and Consumer Forums in India:

| Aspect              | Ombudsman   | Consumer Forums  |
|---------------------|---|--|
| <b>Definition</b>   | An independent official for investigating complaints against specific sectors.          | Quasi-judicial bodies addressing consumer grievances under the Consumer Protection Act.        |
| <b>Purpose</b>      | To provide an impartial avenue for resolving disputes without formal legal proceedings. | To offer a structured and legally binding mechanism for seeking redressal for consumer issues. |
| <b>Jurisdiction</b> | Limited to specific sectors (e.g., banking,   | Operates at three levels: District, State, and   |

|  |   |   |
|--|---|---|
|  | insurance, telecommunications).   | National, covering a wide range of consumer disputes.   |
| <b>Process of Complaint Resolution</b> | Informal process; consumers must first approach the service provider. Investigate and mediate complaints. | Formal complaint filing with specific documentation; conducts hearings and issues legally binding decisions.                      |
| <b>Powers</b>                          | Can recommend solutions and mediate but lacks enforcement authority.                                      | Has quasi-judicial powers; can summon witnesses, enforce attendance, and impose penalties.  |
| <b>Timeline</b>                        | Resolution may take several weeks to months, depending on the case complexity.                            | Generally resolved within a stipulated timeframe (typically within three months), but can extend longer based on complexity.      |
| <b>Accessibility and Cost</b>          | Services are typically free; no formal legal representation is required.                                  | Involves nominal fees based on the value of goods/services; legal representation is not mandatory but can be chosen by consumers. |

To file a complaint online through the E-Daakhil portal, consumers are required to gather and submit several specific documents. The list of the mandatory documents needed for filing a case is mentioned below:

### 5.3.7 Required Documents for Filing a Complaint on E-Daakhil

1. Index of the Complaint: A structured list outlining the contents of the complaint and supporting documents.
2. List of Dates and Events: A chronological account detailing the circumstances surrounding the complaint, including key dates relevant to the issue.
3. Memo of Parties: This document should contain the names and addresses of both the complainant and the opposite party involved in the dispute.
4. Complaint Document: The formal complaint must be supported by a verification statement and an affidavit from the complainant. The affidavit typically needs to be notarized, except when filing in District Consumer Forums.
5. Supporting Documents:
  - Copies of relevant evidence that support the complaint, which may include:
  - Receipts or bills related to the purchase.
  - Proof of payment (e.g., bank statements, transaction records).
  - Warranty or guarantee certificates.
  - Any written complaints or notices sent to the service provider regarding the issue.
  - Contracts or agreements, if applicable.
  - All annexures must be attested as true copies on the last page with the name and signature of the complainant.

6. Application for Condonation of Delay (if applicable): If filing beyond two years from when the cause of action arose, an application seeking permission for delayed filing may be necessary, accompanied by an affidavit.

### **5.3.8 Filing Process Overview**

- Consumers must first register on the E-Daakhil portal using their email and mobile number.
- After registration, they can log in and proceed to file a new complaint by entering all required details and uploading the necessary documents.
- Once all information is submitted, consumers will receive an acknowledgment along with a complaint ID for tracking purposes.

These documents are essential for ensuring that complaints are processed efficiently through the E-Daakhil portal. Proper preparation and submission of these documents can significantly impact the resolution process in consumer disputes, facilitating a smoother experience for consumers seeking redressal for their grievances.

Filing a complaint through the E-Daakhil portal offers several benefits that enhance the consumer grievance redressal process.

### **5.3.9 Benefits of Filing a Complaint Online through the E-Daakhil Portal**

1. Accessibility: Anywhere, Anytime - Consumers can file complaints from any location, eliminating the need to visit physical consumer forums. This is particularly beneficial for those in remote areas or with mobility issues.
2. Convenience: User-Friendly Interface - The portal provides a straightforward process for filing complaints, allowing users to complete the entire procedure online, including document uploads and fee payments.
3. Time Efficiency: Quicker Processing - Online submissions can lead to faster processing times as complaints are directly received by the concerned authorities without the delays associated with physical submissions.
4. Real-Time Tracking: Complaint Status Updates - Users receive a unique complaint ID upon submission, enabling them to track the status of their complaint in real time through the portal.
5. Integrated Features: Comprehensive Tools - The portal includes features such as e-notices, downloadable case documents, and options to file written responses, making it easier for consumers to manage their cases effectively.
6. Online Payment Facility: Convenient Fee Payment - Consumers can pay the required fees online, streamlining the process and avoiding the hassle of cash transactions or bank visits.
7. Support for Rural Consumers: Common Service Centres (CSCs) - The integration of E-Daakhil with CSCs allows rural consumers who may lack digital literacy or access to technology to file complaints with assistance.
8. Reduced Paperwork: Digital Documentation - The online format minimizes the need for physical paperwork, making it environmentally friendly and reducing administrative burdens on both consumers and consumer forums.
9. Alerts and Notifications: Timely Updates - Users receive alerts via SMS or email regarding important updates related to their complaints, ensuring they remain informed throughout the process.
10. Facilitated Communication: Direct Interaction with Authorities - The portal allows for direct communication between consumers and consumer commissions, enhancing transparency and responsiveness in handling grievances.

The E-Daakhil portal significantly enhances the consumer grievance redressal process by providing a convenient, efficient, and accessible platform for filing complaints. Its various features not only empower consumers but also streamline operations within consumer forums, ultimately promoting better consumer protection in India.

India has established a robust framework for consumer protection through the Consumer Protection Act, 2019, which includes various redressal mechanisms designed to address grievances effectively. The consumer redressal system operates at three levels—District, State, and National Consumer Disputes Redressal Commissions—each with specific jurisdictions and powers to handle different types of complaints. Consumers can file complaints based on several grounds, including deficiency in services, defective goods, unfair trade practices, overcharging, and selling hazardous products.

The filing process is made accessible through the E-Daakhil portal, allowing consumers to submit complaints online or offline at the respective forums. Proper documentation is crucial for filing complaints; key documents include complaint drafts, supporting evidence such as receipts and warranties, and affidavits. While the Consumer Protection Act aims for timely resolution of complaints (typically within three months), actual timelines may vary based on case complexity and forum workload, sometimes extending to several years. Additionally, the Ombudsman serves as an independent mediator for specific sectors like banking and insurance, providing an informal avenue for dispute resolution without legal formalities. This framework empowers consumers by offering them avenues to assert their rights and seek redressal against malpractices in the marketplace. However, consumer awareness regarding their rights and the available redressal mechanisms are essential for effectively utilizing these systems. Continuous reforms are necessary to enhance the efficiency and effectiveness of consumer redressal mechanisms, ensuring they adapt to changing market dynamics and consumer needs. Overall, informed consumer participation is crucial for upholding rights effectively in an increasingly complex marketplace.

**End of Chapter Questions:**

1. Describe the role of the Ombudsman in the context of consumer protection in India. How does it differ from that of consumer forums?
2. What are some challenges consumers face when seeking redressal through consumer forums? Give at least two examples.
3. Explain the significance of documentation when filing a complaint in a consumer forum. What key documents should be included?
4. Imagine you purchased a high-end smartphone that was advertised as having a two-year warranty. After six months, the phone develops a major defect that renders it unusable. You approach the retailer for a replacement, but they refuse to honor the warranty, claiming it was misused.
  - What steps would you take to resolve this issue through consumer protection mechanisms?
  - Which forum would you consider filing your complaint with, and why?
  - What documents would you prepare to support your case?

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