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CONSUMER AFFAIRS & PROTECTION

Dr Vineeth K M

A wooden gavel with a gold band is positioned on the left side of the image. To its right is a small metal shopping cart with blue handles. In the center, a chalkboard with a white border is hanging from a red string. The chalkboard has the words "CONSUMER PROTECTION" written in white chalk, with "Know Your Rights" written in yellow below it. The background is a dark wooden surface.

**CONSUMER
PROTECTION**

Know Your Rights

Consumer Affairs & Protection

[ISBN 978-81-969702-2-2]

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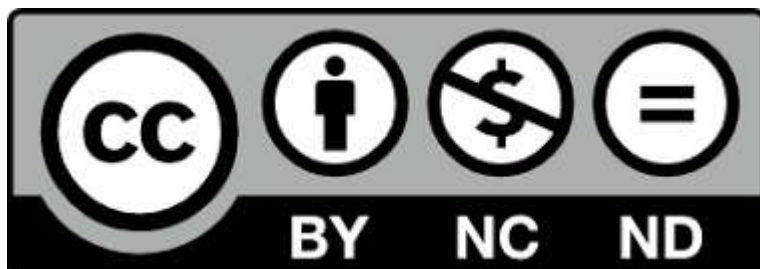
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FOREWORD

It gives me immense pleasure to write foreword for the book entitled ‘Consumer Affairs and Protection’. In an era where markets are dynamic and consumer choices are vast, equipping individuals especially students with knowledge about their rights and responsibilities as consumers is not only timely but essential.

This book offers a comprehensive insight into various facets of consumer rights, legal frameworks, grievance redressal mechanisms and the evolving role of consumers in the digital age. It serves as an excellent resource for learners across disciplines and anyone keen to understand the importance of consumer empowerment in a democratic society.

I am confident that this book will serve as an effective academic tool for spreading awareness about consumer protection, a subject that touches every individual’s life in one way or other.

I congratulate the author for his commendable contribution and wish all the students an enriching and enlightening experience.

Prof. (Dr.) Priya. P. Menon
Principal
Government College Tripunithura

ACKNOWLEDGEMENT

This material offers a learner level exploration of the aspects related to Consumer Affairs and Protection (Value Added Course in MGU UGP offered by PG Department of Commerce), providing readers with a solid foundation in the key concepts, theories, and practices that drive informed decision-making. Through a blend of theoretical insights and practical examples, we will delve into the various aspects of marketing particularly covering the syllabus of the MGU UGP course offered in the third semester.

Question Banks and additional materials to assist preparation shall be provided in the course delivery sessions separately.

I place on record our gratitude to *Prof (Dr) Priya P Menon* (Principal), *Sri. Eugene George* (IQAC Coordinator) for the support.

I am delighted to offer this compilation of material as a free resource material for the students.

Soliciting your support and patronage in future endeavors.

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Disclaimer: The author do not claim or endorse the views expressed in the Case Studies or examples. Discussions are for learning purpose only. No intentions of defaming of any brand or institutions meant in the same. Generative AI assistance has been sought at places where found necessary with due precautions.

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Consumer Affairs and Protection

Value Added Course

Course Outcomes

- CO1 Understand the concepts of consumer, consumer movements and quality and standardization (Learning Domain: Understand)
- CO2 Gain awareness regarding the rights of consumers, the various trade practices and the legislations for consumer protection (Learning Domain: Understand)
- CO3 Evaluate the provisions and procedure for redressal of consumer grievances (Learning Domain: Evaluate)
- CO4 Develop an idea on the role of regulating agencies in consumer protection (Learning Domain: Understand)

Course Content

Module 1. Introduction to Consumer and Consumerism

1.1 Consumer- Meaning- Who is a consumer and not a consumer? (CO1)

1.2 Consumerism- Concept- Features- Consumer movement- consumer movements in India (CO1)

1.3 Consumer movements in India- Formation of consumer organisations and their role- National Consumer Helplines (CO1)

1.4 Quality and Standardisation- Voluntary and Mandatory Standards- Role of BIS- An overview of ISO (CO1)

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2.2 Consumer Rights - Meaning of goods and services - Defect in goods - Spurious goods and services - Deficiency in service - Unfair trade practice - Restrictive Trade Practice – Misleading Advertisements (CO2)

2.3 Product Seller - Product Liability – Product liability Action - Harm in relation to product liability (CO2)

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3.2 Central Consumer Protection Authority - Constitution of CCPA – Powers (CO3)

3.3 Complaints – Who can file a complaint - Grounds and Procedure for filing complaints - Time limit - Fee for filing complaint (CO3)

3.4 Grounds for claiming compensation from product manufacturer, product service provider and seller (CO3)

3.5 Mediation and settlement of complaint – Reliefs provided by Consumer Commissions – Appeal Mechanism - Time limit for appeal (CO3)

3.6 Very brief overview of Role of regulators in consumer protection- RBI, IRDA, TRAI and FSSAI (CO4)

Module 4 Teacher Specific Content

4.1 Consumer in Action - Community Survey on Awareness of Consumer Rights (CO1, CO2)

4.2 Regulation Track – Case Studies (CO3, CO4)

MODULE 1: INTRODUCTION TO CONSUMER AND CONSUMERISM

1.1 Consumer - Meaning and Definition

Who is a Consumer?

According to the Consumer Protection Act 2019, a consumer is defined as:

- **Any person** who buys goods or hires services for consideration (payment)
- The consideration can be paid, promised to be paid, or partly paid and partly promised
- Includes any beneficiary of goods or services when used with the approval of the buyer

Key Elements of Consumer Definition:

1. **Purchase of goods or hiring of services**
2. **Consideration (payment)** - money, promise to pay, or deferred payment
3. **Personal use** - not for commercial resale or commercial purpose
4. **Beneficiary** - person using with buyer's approval

Who is NOT a Consumer?

- Person who obtains goods for **resale** or **commercial purpose**
- Person who uses goods or services for **earning livelihood** by means of self-employment
- **Free samples** or **gratuitous services** (though exceptions exist)

Examples:

- **Consumer:** Individual buying groceries, hiring cab service, purchasing mobile phone
- **Not Consumer:** Shopkeeper buying goods for resale, taxi driver buying car for commercial use

1.2 Consumerism - Concept and Features

Concept of Consumerism:

Consumerism is a social and economic movement that seeks to protect consumers' interests through:

- **Information** about products and services
- **Education** about consumer rights
- **Organization** of consumer groups
- **Representation** before businesses and government

Features of Consumerism:

1. **Consumer Awareness** - Knowledge of rights and responsibilities
2. **Quality Consciousness** - Demand for better products and services
3. **Price Consciousness** - Value for money expectations
4. **Organized Action** - Collective efforts for consumer protection
5. **Legal Framework** - Laws and regulations for consumer protection
6. **Redressal Mechanism** - Systems for complaint resolution

Consumer Movement:

A social movement aimed at:

- Protecting consumers from exploitation
- Ensuring fair trade practices
- Promoting consumer education
- Establishing effective redressal mechanisms

1.3 Consumer Movements in India

Evolution of Consumer Movement:

1. **Pre-Independence Era:** Limited awareness and organization
2. **Post-Independence (1947-1960s):** Cooperative movement focus
3. **1970s-1980s:** Organized consumer activism begins
4. **1986 onwards:** Legal framework establishment

Formation of Consumer Organizations:

Types of Consumer Organizations:

1. **Voluntary Consumer Organizations (VCOs)**
 - Non-profit organizations
 - Consumer education and awareness
 - Testing and research activities
 - Complaint handling
2. **Government-Supported Organizations**
 - Bureau of Indian Standards (BIS)
 - Consumer Guidance Society of India (CGSI)
 - State-level consumer organizations

Role of Consumer Organizations:

- **Education and Awareness:** Consumer rights and responsibilities
- **Research and Testing:** Product quality and safety testing
- **Advocacy:** Policy formulation and implementation
- **Complaint Handling:** Individual and collective grievances
- **Legal Support:** Assistance in consumer courts

National Consumer Helplines:

- **National Consumer Helpline:** 1915
 - Toll-free number for consumer complaints
 - Available in multiple languages
 - Online complaint registration
 - Follow-up and resolution tracking

1.4 Quality and Standardization

Quality Management:

Quality refers to the degree of excellence or superiority of products or services meeting customer expectations and requirements.

Standardization:

Process of establishing uniform criteria, methods, processes, and practices for products and services.

Types of Standards:

1. Voluntary Standards:

- **Optional adoption** by manufacturers
- **Market-driven** compliance
- **BIS standards** with ISI mark
- **Examples:** IS 694 (Dry cell batteries), IS 1656 (Safety glass)

2. Mandatory Standards:

- **Compulsory compliance** required by law
- **Safety and health** considerations
- **BIS Hallmarking** for gold jewelry
- **Examples:** Helmets, LPG cylinders, cement

Bureau of Indian Standards (BIS):

Role and Functions:

- **National standards body** of India
- **Formulation of standards** (Indian Standards - IS)
- **Certification and testing** services
- **Hallmarking** of precious metals
- **Product certification** schemes

BIS Certification Marks:

- **ISI Mark:** Indian Standards Institution mark
- **Hallmark:** For precious metals (gold, silver)
- **BIS-CRS:** Conformity assessment schemes

International Organization for Standardization (ISO):

Overview:

- **International standards** development organization
- **163 member countries** (including India through BIS)
- **Technical committees** for various sectors

Popular ISO Standards:

- **ISO 9001:** Quality Management Systems
- **ISO 14001:** Environmental Management Systems
- **ISO 45001:** Occupational Health and Safety
- **ISO 27001:** Information Security Management

MODULE 2: CONSUMER RIGHTS AND PROTECTION**2.1 History of Consumer Protection Legislation in India****Consumer Protection Act 1986:**

- **First comprehensive** consumer protection law
- **Quasi-judicial machinery** establishment
- **Simple and speedy** redressal mechanism
- **Three-tier system:** District, State, and National levels

Consumer Protection Act 2019:

- **Replacement** of 1986 Act
- **Strengthened provisions** and expanded scope
- **E-commerce inclusion** and digital transactions
- **Central Consumer Protection Authority** establishment

Key Features of Consumer Protection Act 2019:**1. Expanded Definitions:**

- Broader definition of consumer and services
- Inclusion of e-commerce and digital transactions
- Product liability provisions

2. Institutional Framework:

- Central Consumer Protection Authority (CCPA)
- Consumer Mediation Cells
- Enhanced powers to consumer commissions

3. Penalties and Punishment:

- Stringent penalties for violations
- Imprisonment provisions for serious offenses
- Higher compensation limits

Comparison: Acts of 1986 vs 2019

Aspect	1986 Act	2019 Act
Scope	Limited to traditional commerce	Includes e-commerce and digital platforms
Product Liability	Not explicitly covered	Comprehensive product liability provisions

Aspect	1986 Act	2019 Act
Central Authority	Not provided	Central Consumer Protection Authority (CCPA)
Pecuniary Limits	Lower limits	Increased limits (₹1 crore to ₹10 crore)
Mediation	Not emphasized	Mandatory mediation cells
Penalties	Limited penalties	Stringent penalties up to ₹1 lakh
Misleading Ads	Basic provisions	Detailed provisions with penalties

2.2 Consumer Rights

Six Fundamental Consumer Rights:

1. Right to Safety:

- Protection against hazardous goods and services
- Safety standards compliance
- Warning labels and instructions

2. Right to Information:

- Complete information about products/services
- Price, quality, quantity, potency, purity, and standard
- Mandatory disclosures

3. Right to Choose:

- Access to variety of products and services
- Competitive prices and satisfactory quality
- Monopoly prevention

4. Right to be Heard:

- Representation in consumer policy formulation
- Consideration of consumer interests
- Participation in regulatory processes

5. Right to Seek Redressal:

- Fair settlement of legitimate grievances
- Adequate compensation for losses
- Effective complaint mechanisms

6. Right to Consumer Education:

- Information about consumer rights and responsibilities
- Awareness programs and campaigns
- Skill development for informed choices

Meaning of Goods and Services:

Goods:

- Every kind of movable property
- Includes food, drugs, cosmetics, and other articles
- **Excludes:** Money, actionable claims unless held for commercial purpose

Services:

- Service of any description available to consumers
- **Includes:** Banking, financing, insurance, transport, telecommunication
- **Excludes:** Services rendered free of charge or under contract of personal service

Defect in Goods:

Any fault, imperfection, or shortcoming in:

- **Quality, quantity, potency, purity, or standard**
- **Required to be maintained** under law or contract
- **Express or implied** warranty conditions

Spurious Goods and Services:

- **Goods:** Products that are falsely branded or of substandard quality
- **Services:** Services that do not meet prescribed standards or are fraudulent

Deficiency in Service:

Any fault, imperfection, shortcoming, or inadequacy in:

- **Quality, nature, and manner** of performance
- **Standard expected** from service provider
- **Terms and conditions** of contract

Unfair Trade Practice:

Any practice that:

- **Misleads consumers** about goods/services
- **Conceals important information**
- **Makes false claims** about quality, standard, or price
- **Adopts deceptive practices** in advertising

Examples:

- False or misleading advertisements
- Offering gifts/prizes without adequate consideration
- Non-compliance with prescribed standards
- Hoarding or destruction of goods

Restrictive Trade Practice:

Any practice that:

- **Restricts, distorts, or prevents competition**
- **Manipulates prices** or conditions of delivery
- **Limits technical development** or investment
- **Controls production, supply, or distribution**

Misleading Advertisements:

Any advertisement that:

- **Falsely describes** or is likely to mislead consumers
- Makes **false claims** about goods or services
- **Conceals important facts** likely to mislead
- Violates **prescribed guidelines** for advertisements

2.3 Product Seller and Product Liability

Product Seller:

Any person engaged in:

- **Manufacturing** of products
- **Importing** products for sale
- **Distributing or selling** products

Categories of Product Sellers:

1. **Product Manufacturer**
2. **Product Service Provider**
3. **Product Seller (distributor/retailer)**

Product Liability:

Responsibility of product manufacturer, service provider, or seller for any harm caused by defective products or deficient services.

Key Elements:

- **Defective product or deficient service**
- **Harm or injury** to consumer
- **Causal relationship** between defect and harm
- **Strict liability** (no need to prove negligence)

Product Liability Action:

Legal action that can be taken against:

- **Product manufacturer**
- **Product service provider**
- **Product seller**

Grounds for Product Liability:

1. **Manufacturing defect**
2. **Design defect**
3. **Inadequate instructions or warnings**
4. **Breach of express warranty**

Harm in Relation to Product Liability:

- **Personal injury** or death
- **Damage to property** other than the defective product
- **Mental agony and trauma**
- **Loss of consortium** (loss of companionship)

MODULE 3: CONSUMER GRIEVANCES AND SETTLEMENT**3.1 Consumer Disputes Redressal Agencies****Three-Tier Structure:****1. District Consumer Disputes Redressal Commission:**

- **Jurisdiction:** Complaints up to ₹1 crore
- **Composition:** President and 2 members
- **Location:** Each district

2. State Consumer Disputes Redressal Commission:

- **Jurisdiction:** Complaints exceeding ₹1 crore but not exceeding ₹10 crore
- **Appellate jurisdiction:** Appeals from District Commissions
- **Composition:** President and minimum 4 members

3. National Consumer Disputes Redressal Commission:

- **Jurisdiction:** Complaints exceeding ₹10 crore
- **Appellate jurisdiction:** Appeals from State Commissions
- **Composition:** President and minimum 4 members
- **Location:** New Delhi

Pecuniary Limits (Revised 2019):

Commission	Original Jurisdiction	Appellate Jurisdiction
District	Up to ₹1 crore	Not applicable
State	₹1 crore to ₹10 crore	Appeals from District
National	Above ₹10 crore	Appeals from State

3.2 Central Consumer Protection Authority (CCPA)**Constitution of CCPA:**

- **Chief Commissioner** as head
- **Additional, Joint, and Deputy Commissioners**
- **Other officers and employees** as prescribed
- **Regional offices** across India

Powers of CCPA:

1. Regulatory Powers:

- Issue **safety notices** and **recalls**
- **Investigate** violations of consumer rights
- **Inquire** into unfair trade practices
- **Pass interim and final orders**

2. Enforcement Powers:

- **Impose penalties** up to ₹1 lakh
- **Discontinuation** of unfair trade practices
- **Refund** to consumers
- **Recall** of goods or services

3. Administrative Powers:

- Issue **guidelines** for prevention of unfair trade practices
- **Declare goods or services** as hazardous
- **Order recall** or reimbursement

3.3 Complaints Procedure

Who Can File a Complaint:

1. **Consumer** (individual or group)
2. **Registered consumer association**
3. **Central or State Government**
4. **Legal heirs** in case of death
5. **Any other person** authorized by consumer

Grounds for Filing Complaints:

1. **Defective goods** sold to consumer
2. **Deficient services** provided to consumer
3. **Overcharging** beyond displayed price
4. **Goods sold** not meeting prescribed standards
5. **Unfair or restrictive** trade practices
6. **Product liability** action

Procedure for Filing Complaints:

Step 1: Preparation

- **Written complaint** with necessary details
- **Supporting documents** and evidence
- **Payment of fee** (if applicable)

Step 2: Filing

- Submit to **appropriate commission** based on value
- **Online filing** through e-Daakhil portal
- **Physical submission** also accepted

Step 3: Processing

- **Scrutiny** by registrar
- **Admission or rejection** of complaint
- **Notice** to opposite party

Step 4: Hearing

- **Evidence presentation** by both parties
- **Cross-examination** if required
- **Final arguments**

Time Limit for Filing Complaints:

- **Within 2 years** from the date when cause of action arose
- **Condonation of delay** possible with sufficient cause
- **No limitation** for continuous cause of action

Fee for Filing Complaints:

- **District Commission:** No fee for complaints up to ₹5 lakh
- **State Commission:** ₹2,500 for complaints between ₹5-20 lakh
- **National Commission:** ₹5,000 for complaints above ₹20 lakh
- **Additional fees** for higher value complaints

3.4 Grounds for Claiming Compensation

From Product Manufacturer:

- **Manufacturing defects** in products
- **Failure to comply** with safety standards
- **Inadequate warnings** or instructions
- **Breach of warranty** terms

From Product Service Provider:

- **Deficiency in service quality**
- **Non-performance** of contractual obligations
- **Delay** in service provision
- **Overcharging** for services

From Product Seller:

- **Sale of defective goods**
- **Misrepresentation** of product quality
- **Unfair trade practices**
- **Violation** of prescribed standards

3.5 Mediation and Settlement

Mediation Process:

- **Voluntary process** for dispute resolution
- **Trained mediators** appointed by commissions
- **Confidential proceedings**
- **Mutually acceptable solutions**

Settlement of Complaints:

- **Pre-litigation settlement** encouraged
- **Conciliation** by commission members
- **Lok Adalat** mechanism
- **Alternative Dispute Resolution** methods

Reliefs Provided by Consumer Commissions:

1. Monetary Relief:

- **Refund** of price paid
- **Compensation** for loss and injury
- **Punitive damages** in appropriate cases
- **Cost of litigation**

2. Non-Monetary Relief:

- **Replacement** of defective goods
- **Rectification** of defects
- **Discontinuation** of unfair practices
- **Adequate safety measures**

3. Preventive Relief:

- **Corrective advertisement** publication
- **Recall** of hazardous products
- **Safety warnings** and notices
- **Standards compliance** directions

Appeal Mechanism:

Hierarchy of Appeals:

- **District to State Commission:** Within 45 days
- **State to National Commission:** Within 30 days
- **National Commission to Supreme Court:** Within 30 days

Time Limits for Appeals:

- **From District Commission:** 45 days to State Commission
- **From State Commission:** 30 days to National Commission
- **From National Commission:** 30 days to Supreme Court
- **Condonation of delay** possible with sufficient cause

3.6 Role of Regulators in Consumer Protection

Reserve Bank of India (RBI):

Functions in Consumer Protection:

- **Banking Ombudsman** scheme for complaint resolution
- **Fair practices code** for banks and NBFCs
- **Interest rate** regulation and transparency
- **Digital payment** security and consumer protection

Key Initiatives:

- Banking Codes and Standards Board of India (BCSBI)
- Grievance redressal mechanism in banks
- Financial literacy and consumer awareness programs

Insurance Regulatory and Development Authority (IRDA):

Functions in Consumer Protection:

- **Insurance Ombudsman** for complaint resolution
- **Policy holder protection** regulations
- **Claim settlement** monitoring and guidelines
- **Mis-selling prevention** measures

Key Initiatives:

- Integrated Grievance Management System (IGMS)
- Policyholder protection and compensation fund
- Insurance awareness and education programs

Telecom Regulatory Authority of India (TRAI):

Functions in Consumer Protection:

- **Tariff regulation** and transparency
- **Service quality** standards and monitoring
- **Consumer grievance** redressal mechanisms
- **Telecom Ombudsman** system

Key Initiatives:

- Do Not Call (DNC) registry or DND Registry
- Mobile number portability (MNP)
- Consumer protection measures in telecom services

Food Safety and Standards Authority of India (FSSAI):

Functions in Consumer Protection:

- **Food safety standards** formulation and enforcement
- **Licensing and registration** of food businesses
- **Food testing** and quality assurance
- **Consumer awareness** about food safety

Key Initiatives:

- Food safety and standards regulations
- Eat Right India movement
- Food fortification and nutrition security programs
- Consumer grievance redressal portal

Consumer protection is a comprehensive framework involving legal, institutional, and regulatory mechanisms designed to safeguard consumer interests. The evolution from the 1986 Act to the 2019 Act reflects the changing commercial landscape and the need for stronger consumer protection measures.

The three-tier dispute redressal system, supported by the Central Consumer Protection Authority and various sectoral regulators, provides multiple avenues for consumers to seek justice and fair treatment. Understanding these mechanisms empowers consumers to make informed decisions and effectively utilize available remedies when their rights are violated.

- Consumer protection is a fundamental right in modern commerce
- Legal framework provides comprehensive protection across all sectors
- Effective grievance redressal mechanisms ensure accessible justice
- Regulatory authorities play crucial role in sector-specific consumer protection
- Consumer awareness and education remain vital for effective protection

Relevant Cases for Discussion

MODULE 1 RELATED CASES: CONSUMER DEFINITION & CONSUMERISM

Case 1: Lucknow Development Authority vs. M.K. Gupta (1993)

Supreme Court of India

Facts:

- M.K. Gupta applied for allotment of a plot from Lucknow Development Authority (LDA)
- Despite fulfilling all conditions and paying the required amount, LDA failed to deliver possession
- Gupta filed complaint alleging deficiency in service by LDA

Issue:

- Whether statutory authorities like Development Authorities fall under the definition of “service” under Consumer Protection Act
- Can consumers file complaints against government bodies?

Judgment: The Supreme Court held that statutory authorities such as Lucknow Development Authority are covered under the Consumer Protection Act when they provide services for consideration

Significance:

- **Expanded scope** of consumer protection to include government services
- **Established precedent** that statutory bodies are accountable under consumer law
- **Affirmed** that payment of fees/charges brings services under consumer protection

Learning Outcome (CO1): Demonstrates broader interpretation of “consumer” and “service provider”

Case 2: Bar of Indian Lawyers vs. D.K. Gandhi (2024)

Supreme Court of India

Facts:

- Question arose whether legal services provided by advocates fall under Consumer Protection Act
- Complainants alleged deficiency in legal services provided by advocates

Issue:

- Whether advocates providing legal services can be held liable under Consumer Protection Act

Judgment: The Supreme Court affirmed that advocates are not liable under the Consumer Protection Acts, clarifying the scope with respect to the legal profession

Significance:

- **Clarified exclusions** from consumer protection coverage
- **Professional services** have different regulatory mechanisms
- **Limitation** of Consumer Protection Act scope

Learning Outcome (CO1): Understanding boundaries of consumer definition and service coverage

MODULE 2 RELATED CASES: CONSUMER RIGHTS & PROTECTION

Case 3: Samira Kohli vs. Dr. Prabha Manchanda (2008)

Supreme Court of India

Facts:

- Patient underwent hysterectomy without proper informed consent
- Doctor removed uterus during surgery for ovarian cyst without prior information
- Patient alleged medical negligence and lack of informed consent

Issue:

- What constitutes informed consent in medical treatment?
- Standards of medical negligence under consumer protection

Judgment:

- **Informed consent** is mandatory before any medical procedure
- **Failure to obtain informed consent** constitutes medical negligence
- **Right to information** extends to complete disclosure of medical procedures

Significance:

- **Established** informed consent doctrine in Indian medical law
- **Consumer's right to information** in healthcare services
- **Standard of care** requirements for medical professionals

Learning Outcome (CO2): Demonstrates Right to Information and deficiency in service

**Case 4: Nizam Institute of Medical Sciences (NIMS) Case
Consumer Forum**

Facts: A 20-year-old engineering student was admitted to NIMS after complaint of acute chest pain. After several tests and x-rays, a tumor was revealed

- Alleged delay in diagnosis and improper treatment
- Patient's condition deteriorated due to medical negligence

Issue:

- Whether delay in diagnosis constitutes medical negligence
- Compensation for medical negligence

Judgment:

- **Medical negligence** established due to delay in proper diagnosis
- **Compensation awarded** for physical and mental suffering
- **Hospital held liable** for deficiency in service

Significance:

- **Time factor** crucial in medical treatment
- **Standard of care** must meet reasonable medical standards
- **Institutional liability** for medical negligence

Learning Outcome (CO2): Illustrates deficiency in service and unfair trade practices

Case 5: Indian Medical Association vs. V.P. Shantha (1995)

Supreme Court of India

Facts:

- Question whether medical services fall under “service” definition
- Medical profession argued they provide professional service, not commercial service

Issue:

- Are medical services covered under Consumer Protection Act?
- What constitutes “service” for consideration?

Judgment:

- **Medical services** are covered under Consumer Protection Act
- **Free services** in government hospitals excluded
- **Paid medical services** constitute service for consideration

Significance:

- **Landmark judgment** bringing medical profession under consumer protection
- **Distinction** between free and paid services
- **Professional accountability** under consumer law

Learning Outcome (CO2): Defines scope of “service” and consumer rights in healthcare

MODULE 3 RELATED CASES: GRIEVANCE REDRESSAL

Case 6: State Bank of India ATM Fraud Case - Rajesh Sakre

Consumer Forum

Facts: Rajesh Sakre, a tea vendor, had ₹20,000 in his State Bank of India account and withdrew ₹10,800. On his next ATM visit, he realized all his money was gone. When he asked bank authorities, they blamed him for the fault

Issue:

- Bank's liability for ATM fraud
- Burden of proof in electronic banking disputes

Judgment:

- **Bank held liable** for security lapses in ATM operations
- **Compensation awarded** for unauthorized transactions
- **Deficiency in service** by bank established

Significance:

- **Banking sector accountability** for electronic transactions
- **Consumer protection** in digital banking
- **Burden of proof** shifted to service provider

Learning Outcome (CO3): Demonstrates complaint procedure and compensation mechanism

Case 7: Brigade Enterprises Ltd vs. Anil Kumar (2021)

Supreme Court of India

Facts: The question before the Supreme Court was whether more than one consumer can institute a complaint under the Act, citing example of residential apartment buyers

Issue:

- Can multiple consumers file joint complaints?
- Collective action under Consumer Protection Act

Judgment:

- **Multiple consumers** can file collective complaints
- **Common cause of action** allows joint complaints
- **Class action** provisions strengthened

Significance:

- **Collective consumer action** recognized
- **Efficiency** in handling similar complaints
- **Strengthened consumer rights** through group action

Learning Outcome (CO3): Shows who can file complaints under the Act

Case 8: New India Assurance Company vs. Abhilash Jewellery Supreme Court of India

Facts:

- Insurance claim dispute regarding theft of jewelry
- Insurance company denied claim citing policy conditions
- Complainant alleged unfair claims settlement practices

Issue:

- Insurance company's obligation in claims settlement
- What constitutes unfair trade practice in insurance

Judgment:

- **Insurance companies** must settle genuine claims promptly
- **Unreasonable delay** constitutes deficiency in service
- **Compensation** for mental agony and harassment

Significance:

- **Insurance sector** brought under strict consumer protection
- **Claims settlement** standards established
- **Prompt service** mandatory requirement

Learning Outcome (CO3): Illustrates relief mechanisms and compensation principles

SECTOR-SPECIFIC REGULATORY CASES

Case 9: Telecom Disputes - Unwanted Calls and Messages

TRAI and Consumer Forums

Facts:

- Consumers received unwanted promotional calls and SMS
- Telecom operators failed to implement Do Not Call (DNC) registry
- Mass complaints filed against telecom companies

Issue:

- Effectiveness of DNC registry
- Telecom operators' responsibility for spam control

Judgment:

- **Telecom operators** held liable for DNC violations
- **Hefty penalties** imposed for non-compliance
- **Consumer compensation** for harassment

Significance:

- **TRAI's regulatory role** in consumer protection
- **Effective enforcement** of consumer rights
- **Technology-based solutions** for consumer protection

Learning Outcome (CO4): Demonstrates TRAI's role in consumer protection

Case 10: IRCTC Tatkal Booking Failures

Consumer Forums

Facts:

- Passengers faced technical glitches during tatkal booking
- Money deducted but tickets not confirmed
- Delayed refunds and poor customer service

Issue:

- IRCTC's liability for technical failures
- Compensation for service deficiency

Judgment:

- **IRCTC held liable** for technical inadequacies
- **Compensation awarded** for mental agony and inconvenience
- **Improved systems** mandated for better service

Significance:

- **Digital service providers** accountable for technical failures
- **Consumer rights** in online transactions
- **Service quality standards** for government entities

Learning Outcome (CO3): Shows complaint mechanisms for digital services

REAL ESTATE SECTOR CASES

Case 11: Ferrous Infrastructure vs. Homebuyers

Consumer Forums

Facts: Homebuyers accused Ferrous Infrastructure of unfair practices in delaying possession of apartments

- Builder delayed possession beyond promised timeline
- No compensation offered for delay
- Substandard construction quality

Issue:

- Builder's liability for delayed possession
- Compensation for time delay and mental agony

Judgment:

- **Builder held liable** for unfair trade practices
- **Compensation awarded** for delay and interest loss
- **Specific performance** or refund options provided

Significance:

- **Real estate sector** accountability under consumer protection
- **Time-bound delivery** contractual obligations
- **Comprehensive relief** for consumer grievances

Learning Outcome (CO2 & CO3): Illustrates unfair trade practices and relief mechanisms

MEDICAL NEGLIGENCE LANDMARK CASES

Case 12: Vitality Health Services Medical Negligence

District Consumer Commission, Hyderabad

Facts: The District Consumer Commission held Vitality Health Services liable for medical negligence and deficiency in service which led to the death of the complainant's wife

Issue:

- Standard of medical care
- Compensation for death due to negligence

Judgment:

- **Medical negligence** established
- **Substantial compensation** awarded for death
- **Deficiency in service** clearly established

Significance:

- **Strict liability** for medical institutions
- **Life compensation** standards established
- **Professional accountability** reinforced

Learning Outcome (CO2 & CO3): Demonstrates deficiency in service and compensation mechanisms

Case 13: Prescription Standards Case Consumer Commission

Facts: Following Samira Kohli case, commission held that failure to mention essential information in prescription amounted to medical negligence

- Doctor failed to provide complete prescription details
- Patient suffered due to inadequate information

Issue:

- Standards for medical prescriptions
- Information disclosure requirements

Judgment:

- **Complete prescription** mandatory requirement
- **Information deficiency** constitutes negligence
- **Professional standards** must be maintained

Significance:

- **Documentation standards** in medical practice
- **Patient's right to information** reinforced
- **Professional compliance** requirements

Learning Outcome (CO2): Shows right to information implementation

BANKING AND FINANCIAL SERVICES CASES

Case 14: HDFC Bank Service Deficiency

Consumer Forums

Facts:

- Customer faced unauthorized charges and poor banking services
- Bank failed to resolve complaints promptly
- Multiple service deficiencies alleged

Issue:

- Banking service standards
- Customer grievance redressal mechanisms

Judgment:

- **Bank held liable** for service deficiencies
- **Compensation awarded** for harassment and charges
- **Improved service standards** mandated

Significance:

- **Banking sector** accountability for service quality
- **Customer service** standards establishment
- **Prompt grievance redressal** requirements

Learning Outcome (CO4): Illustrates RBI's regulatory oversight role

PRODUCT LIABILITY CASES

Case 15: Defective Vehicle Case

Consumer Forums

Facts:

- Consumer purchased vehicle with manufacturing defects
- Manufacturer refused to replace or repair adequately
- Safety issues arose due to defects

Issue:

- Manufacturer's liability for defective products
- Consumer's right to safe products

Judgment:

- **Manufacturer held liable** for defective products
- **Replacement** ordered at manufacturer's cost
- **Safety standards** compliance mandated

Significance:

- **Product liability** principles established
- **Manufacturer accountability** for defects
- **Consumer safety** prioritized

Learning Outcome (CO2): Demonstrates product liability and right to safety

KEY LEARNING POINTS FROM CASES

For Module 1 (Consumer Definition & Consumerism):

- **Broad interpretation** of consumer and service provider
- **Government bodies** included under consumer protection
- **Professional services** have specific exclusions
- **Consideration element** crucial for consumer definition

For Module 2 (Consumer Rights & Protection):

- **Six fundamental rights** actively enforced by courts
- **Medical and professional services** covered under consumer protection
- **Informed consent** and **right to information** strictly enforced
- **Unfair trade practices** broadly interpreted

For Module 3 (Grievance Redressal):

- **Collective complaints** allowed for common issues
- **Compensation** includes mental agony and harassment
- **Service deficiency** covers both performance and time delays
- **Multiple relief options** available to consumers

For (Regulatory Role):

- **Sectoral regulators** play active enforcement role
- **Technology failures** don't exempt service providers from liability
- **Prompt grievance redressal** mandatory requirement
- **Consumer education** and awareness crucial for protection

