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## Exploring the habitual cases of Consumer Dispute Redressal Commission

### Introduction

The Consumer Dispute Redressal Commission, established under Section 2(44) of the Consumer Protection Act, 2019, serves as a crucial mechanism for addressing consumer grievances. Central to its mandate is the adjudication of complaints concerning the infringement of consumer rights, unfair trade practices, and restrictive trade practices. This blog aims to delve into the provisions of Section 2(6) of the Act, which defines the term "complaint" and outlines the circumstances under which consumers can seek relief.

Section 2(6) of the Consumer Protection Act, 2019, empowers consumers to assert their rights and seek redress for various grievances encountered in the marketplace. By defining the scope of complaints, including unfair contracts, trade practices, defective goods, deficient services, excessive charges, and hazardous offerings, the Act provides a robust framework for consumer protection<sup>1</sup>. The Consumer Dispute Redressal Commission plays a pivotal role in adjudicating these complaints and ensuring that consumers receive the remedies they deserve, thereby promoting fairness, transparency, and accountability in the marketplace.

### **Role of The Commission**

The commission plays a major role in the following aspects:

1. **Protection of Consumer rights**

According to Section 2[9] of the Consumer Protection Act , the consumer rights includes various essential aspects such as :

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<sup>1</sup> CONSUMER PROTECTION ACT, 2019, .

- **Right to Protection against Hazardous Goods and Services:** The Commission takes proactive measures to ensure consumers are shielded from the sale of hazardous goods and services. It oversees regulatory compliance and imposes penalties on businesses found to be endangering consumer health or safety through the distribution of such products or services.
- **Right to Information on Quantity and Quality:** Consumers have the right to be informed about the quantity and quality of goods and services they purchase. The Commission advocates for transparency in product labeling, accurate descriptions, and disclosures to enable consumers to make informed choices.
- **Access to Goods and Services at Competitive Prices:** Promoting fair competition is essential for ensuring consumers have access to goods and services at competitive prices. The Commission monitors market practices to prevent price manipulation, collusion, or monopolistic behavior that could adversely impact consumer welfare.
- **Right to Seek Redressal against Restrictive and Unfair Trade Practices:** Consumers are empowered to seek redressal against restrictive and unfair trade practices through the Commission. Whether it involves anti-competitive agreements, deceptive advertising, or any other conduct that undermines consumer interests, the Commission diligently investigates complaints and takes remedial action to restore fairness in the marketplace.<sup>2</sup>

## 2. Investigate deficiency in services

Deficiencies in services across major sectors pose significant challenges for consumers, ranging from inconvenience and financial losses to safety risks and loss of trust. By defining deficiency broadly and empowering consumers to seek redressal under Section 2(11) of the Consumer Protection Act, 2019, the Commission plays a crucial role in addressing these issues. Through proactive monitoring, investigation, and adjudication, the Commission aims to hold service providers accountable and ensure the delivery of quality services that meet consumer expectations. By addressing deficiencies in services across various sectors, the Commission contributes to enhancing consumer welfare, promoting market integrity, and fostering a culture of accountability and excellence in service delivery.

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<sup>2</sup> CONSUMER PROTECTION ACT, 2019, .

### **Deficiency of Services Across Major Sectors:**

1. Energy Supply: Deficiencies in energy supply may manifest as frequent power outages, voltage fluctuations, inaccurate billing, or failure to provide uninterrupted service. Consumers may suffer inconvenience, financial losses, or damage to electronic appliances due to such deficiencies. Any deficiencies in the following services comes into the ambit of redressal before of the commission:

i. Increased and Equitable Distribution of Essential Commodities: Access to essential commodities such as electricity and fuel is essential for households, businesses, and industries to function effectively.

ii. Regulation of Prices to Ensure Fairness: Energy prices directly impact consumers' purchasing power and overall cost of living. Inadequate regulation of prices can result in market distortions, price gouging, and affordability challenges for consumers.<sup>3</sup>

2. Banking and Financing: In the banking sector, deficiencies may arise from errors in account handling, delays in fund transfers, unauthorized charges, or inadequate customer service. The following constitutes a deficiency in banking services:

i. Acts/Omissions Resulting in Service Deficiencies: This includes instances of unauthorized transactions, errors in account handling, delays in fund transfers, or failure to provide accurate financial information.

ii. Unfairness and Non-Abidance of Relationship between Borrowers and Bank: Deficiencies may arise when banks engage in unfair practices, such as arbitrary changes in loan terms, imposition of hidden fees, or failure to provide adequate information about loan products. Consumers have the right to challenge such unfairness and non-abidance through legal channels.

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<sup>3</sup> ESSENTIAL COMMODITIES ACT , 1955, .

- iii. Irresponsible Credit Transactions: Deficiencies occur when banks engage in irresponsible credit transactions, such as lending to customers without assessing their ability to repay or offering loans with unfavorable terms and conditions.<sup>4</sup>

3. Deficiencies in transport services : encompass issues such as delays, cancellations, overcharging, poor maintenance of vehicles, inadequate safety measures, or substandard customer service. Consumers may experience inconvenience, financial losses, or safety risks due to these deficiencies.

- i. Loss, Destruction, Non-Delivery, or Deterioration of Animals and Goods: Railway administration is entrusted with the safe transportation of goods and animals, and any loss, destruction, non-delivery, or deterioration during transit can result in financial losses and inconvenience for shippers.
  - ii. Refund of Fares: Passengers often encounter situations where they require a refund of fares due to cancellations, delays, or other unforeseen circumstances. Delays in processing refunds, ambiguity in refund policies, or inadequate customer support mechanisms can exacerbate passenger dissatisfaction and undermine trust in the transport service provider.<sup>5</sup>
4. Educational Institutions: Deficiencies in educational services may include substandard teaching quality, lack of infrastructure, failure to deliver promised educational outcomes, or unfair practices in admissions and assessments. Students and parents may suffer academic setbacks or financial losses as a result of such deficiencies.

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<sup>4</sup> Ramesh, S. (2023) *Indian Banking Laws and Consumer Protection: A Guide*, *Vakilsearch Blog*. Available at: <https://vakilsearch.com/blog/indian-banking-laws/> (Accessed: 01 April 2024).

<sup>5</sup> THE RAILWAY CLAIMS TRIBUNAL ACT, 1987, .

5. Insurance: Deficiencies in insurance services may involve delays in claims processing, denial of legitimate claims, inadequate coverage, or misleading policy terms. Consumers may face financial hardships or loss of trust in the insurance provider due to these deficiencies.

6. Deficiencies in Construction Services :

- i. Swindling Activities in Under-Construction Phase: This includes measures to prevent developers from misappropriating funds collected from buyers for one project to finance another project, commonly known as 'diversion of funds'.
- ii. Disproportionate Collection of Funds: Collecting excessive funds compared to the progress of construction can indicate financial mismanagement or fraudulent practices.
- iii. Unfair Trade Practices: Builders engaged in unfair trade practices, such as misleading advertisements, non-disclosure of project details, or failure to fulfill contractual obligations, risk having their registration revoked under RERA.
- iv. Defects and Quality of Construction: Consumers have the right to expect buildings of satisfactory quality and durability, and RERA provides mechanisms for addressing deficiencies and holding developers accountable.
- v. Defective Title of Land: RERA safeguards consumers from purchasing properties with defective titles, which can lead to legal disputes and financial liabilities. Developers are required to provide clear title deeds and obtain necessary approvals and certifications before commencing construction, thereby mitigating risks for buyers.<sup>6</sup>

Deficiencies in Medical Services:

- i. Negligence and Rashness: This may encompass errors in diagnosis, treatment, medication administration, surgical procedures, or patient monitoring. Rashness, on the other hand, involves reckless or impulsive actions by healthcare providers without due care and caution, leading to harm or injury to patients.<sup>7</sup>

Conclusion

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<sup>6</sup> REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016, .

<sup>7</sup> Shenoy, G. (2011) 'Actionable 'deficiencies' in medical practice', *Journal of Gynecological Endoscopy and Surgery*, 2(1), p. 25. doi:10.4103/0974-1216.85276.

In conclusion, the performance of the three-tier quasi-judicial system, particularly the National Consumer Redressal Commission, demonstrates a commendable commitment to enhancing efficiency and ensuring timely resolution of consumer disputes. Achieving a remarkable 188% disposal rate by resolving 854 cases in a single month underscores their dedication to addressing consumer grievances promptly. Moreover, their promotion of alternative dispute resolution mechanisms reflects a proactive approach to reducing case backlogs. However, the evolving landscape of consumer protection demands continuous adaptation. The prevalence of toxic marketing practices that disregard consumers' decisional privacy highlights a pressing need for the Commission to evolve further.