

Consumer Affairs and Customer Care PYQ 2020

Q.1 As per the observations of the Competition Commission of India, flat buyers in India are often dissatisfied and left to fend for themselves in a market which is largely unregulated. 20 builders were found to be alleged for unfair practices and forming cartels and not disclosing crucial information about built up area and actual sizes of the apartments. However, due to lack of enough evidence, the case was closed by the Commission. Is this practice of the builder anti-competitive or abuse of dominance? According to you, in this case, what other options are left for the buyers to voice out their grievances against such builders?

Ans1 Based on the information provided, it appears that the builders' alleged actions could be considered anti-competitive or abusive, as they were accused of unfair practices and collusion. However, since the case was closed due to lack of evidence, it is difficult to determine whether the builders did indeed engage in such behavior.

In terms of options for buyers to voice their grievances against such builders, they could consider filing complaints with other regulatory bodies such as consumer forums or seeking legal recourse through the court system. Additionally, buyers could also seek to organize and form collective action groups to increase their bargaining power and negotiate with the builders for better terms and conditions. It is important for buyers to conduct thorough research and due diligence before entering into any property transactions to minimize the risk of encountering such issues.

Q.2 Ms. Yukta, a post-graduate from Patna University and having experience of 12 years in Corporation Bank applies in September, 2019 for appointment as member in the National Commission. Is she eligible for the post? Justify. If she is appointed at Delhi State Commission, highlight the scope of powers and jurisdiction of the Commission in handling of consumer complaints.

Ans2 To answer the first question, in India, the eligibility criteria for a position in the National Commission is set out in the Consumer Protection Act, 2019. The Act states that a person shall be eligible for appointment as a member of the National Commission if they have:

1. been a judge of a High Court for at least seven years; or
2. been a member of the Indian Legal Service and held a post in Grade I of that service for at least three years; or
3. held a post in the National Commission or a State Commission for at least five years; or
4. been an officer in the Central Government or a State Government who has held a post in Grade I of their respective service for at least three years.

Based on the information provided, it is not clear whether Ms. Yukta meets any of these eligibility criteria. Without more information, it is not possible to determine whether she is eligible for the post of member in the National Commission.

Regarding the second question, in India, the Consumer Protection Act, 2019 provides for the establishment of National and State Consumer Commissions to hear and adjudicate consumer complaints. The jurisdiction of the National Commission extends to the whole of India, whereas the jurisdiction of the State Commissions is limited to the state in which they are established.

If Ms. Yukta were to be appointed as a member of the Delhi State Commission, the Commission would have the power to hear and adjudicate consumer complaints within the state of Delhi. The Commission would have the power to issue orders, award compensation, and provide other forms of relief to consumers who have been harmed by the actions of businesses or service providers.

The Delhi State Commission would also have the power to review decisions made by lower consumer forums and can take up suo motu cases if it deems it necessary. The Commission can also initiate investigations into unfair trade practices or other violations of consumer protection laws.

In summary, if Ms. Yukta were to be appointed as a member of the Delhi State Commission, she would be part of a body with significant powers and jurisdiction to handle consumer complaints and protect the rights of consumers in the state of Delhi.

Q. 3 During the present Covid-19 lockdown situation in India, list down the common problems faced by rural and urban consumers. Also, evaluate its impact on your consumer rights.

Ans3 During the present Covid-19 lockdown situation in India, consumers, both rural and urban, have faced a number of challenges. Here are some common problems faced by consumers:

1. Limited access to essential goods and services: Consumers have faced difficulties in accessing essential goods and services, such as food, medicine, and healthcare. This has been particularly challenging for rural consumers who live in remote areas and may not have easy access to markets or medical facilities.
2. Disruptions in supply chains: The lockdown has disrupted supply chains, causing shortages of goods and increased prices for certain products. This has led to hoarding and panic buying, which has made it even more difficult for consumers to access essential goods.
3. Increased use of online platforms: With physical stores closed, consumers have increasingly turned to online platforms to purchase goods and services. However, there have been issues with delivery delays, supply chain disruptions, and fraud, which have impacted consumer trust in online transactions.
4. Financial stress: The lockdown has led to job losses and reduced incomes for many consumers, creating financial stress and making it difficult for them to afford basic necessities.
5. Inadequate health infrastructure: The pandemic has highlighted the inadequate health infrastructure in both rural and urban areas, which has impacted consumers' access to healthcare and medical services.

The impact of these challenges on consumer rights has been significant. The right to access essential goods and services is a fundamental consumer right, and the challenges faced by consumers during the lockdown have undermined this right. Additionally, the disruptions in supply chains and increased use of online platforms have impacted consumer trust and created new challenges for consumer protection. Finally, the financial stress faced by consumers has highlighted the need for

stronger consumer protection laws and support systems to ensure that consumers are not exploited during times of crisis.

Q. 4 Buying of precious jewelry is generally considered auspicious in India, whether for weddings, festivals, or as an investment. Considering that a major part of the jewelry market is an unorganized sector, describe the significant initiatives taken by the Department of Consumer Affairs to promote and protect interest of such consumers.

Ans 4. The Department of Consumer Affairs in India has taken several initiatives to promote and protect the interests of consumers in the precious jewelry market, especially in the unorganized sector. Here are some of the significant initiatives taken by the Department of Consumer Affairs:

1. Introduction of the BIS Hallmarking Scheme: The Bureau of Indian Standards (BIS) has been authorized to operate a hallmarking scheme for gold jewelry since 2000. The scheme provides quality assurance to consumers and ensures that the purity of the gold is as claimed by the jeweler.
2. Mandatory disclosure of hallmarking: In 2019, the Department of Consumer Affairs made it mandatory for jewelers to disclose the hallmarking of gold jewelry on the invoice or cash memo. This ensures that consumers are aware of the quality of the jewelry they are buying.
3. Introduction of the Gold Monetization Scheme: The Department of Consumer Affairs introduced the Gold Monetization Scheme in 2015, which allows consumers to earn interest on their gold jewelry that is deposited with banks.
4. Formation of the National Consumer Helpline: The Department of Consumer Affairs set up the National Consumer Helpline in 2005, which provides consumers with a platform to lodge complaints related to precious jewelry and other consumer goods and services. The helpline also provides information and guidance to consumers on their rights and responsibilities.
5. Consumer awareness campaigns: The Department of Consumer Affairs conducts awareness campaigns to educate consumers about their rights and the various schemes and initiatives that are in place to protect their interests. These campaigns also aim to promote responsible behavior among jewelers and other businesses.

Overall, these initiatives have helped to promote consumer protection and awareness in the precious jewelry market in India. They have also helped to create a more transparent and accountable market, especially in the unorganized sector. However, more needs to be done to ensure that consumers are fully protected and informed when buying precious jewelry, especially given the cultural significance and emotional value attached to these purchases.

Q. 5 The husband of Mrs. Osama had taken a life insurance policy of Rupees 20,00,000/- on 26.11.2010 and on that date he was in good health, and which was also confirmed by the LIC's doctor. After four months of the issue of the policy, Mr Osama got admitted to Ganga Ram Hospital, Delhi, with a complaint of stomach pain. It was diagnosed as intestinal cancer for which a minor operation was performed on 20.3.2011. He was again admitted to the hospital on 26.11.2011, discharged on 25.12.2011 and died on 4.1.2012 at his hometown, in Meerut. Soon after the wife and the nominee submitted a claim for the amount of insurance policy which was rejected by the

opposite party on grounds of non-disclosure of true facts about his health. Is the wife or nominee eligible to file a complaint under the CPA, 1986 or the Insurance Ombudsman? Suggest which of the two will a better option for her to redress her grievances and why?

Ans5 The wife or nominee may be eligible to file a complaint under the Consumer Protection Act, 1986 or approach the Insurance Ombudsman for redressal of their grievances.

Under the Consumer Protection Act, the wife or nominee can file a complaint before the appropriate consumer forum, seeking compensation for the loss suffered due to the rejection of the insurance claim. The complaint can be filed on the grounds that the insurance company engaged in unfair trade practices by rejecting the claim on false grounds, thereby violating the consumer's right to information and right to seek redressal for grievances. The complaint should be filed within two years from the date on which the cause of action arises.

Alternatively, the wife or nominee can also approach the Insurance Ombudsman, who is appointed by the Insurance Regulatory and Development Authority of India (IRDAI) to provide speedy resolution of grievances of insurance policyholders. The Ombudsman can hear complaints related to claims, policy servicing, and other issues, provided the claim amount does not exceed Rs. 30 lakhs. The Ombudsman's decision is binding on the insurer, and the complainant has the option to accept or reject the decision.

In this case, approaching the Insurance Ombudsman may be a better option for the wife or nominee, as it provides a faster and less formal redressal mechanism compared to the consumer forum. However, it should be noted that the Ombudsman can only provide a resolution up to a certain limit, and if the claim amount exceeds Rs. 30 lakhs, the complainant will have to approach the appropriate court or consumer forum for redressal.

Q.6 Advertisements of foods high in salt, sugar or fat in social media and other new-age media platforms need to be regulated. Do you agree? Why? Suggest by yourself the most suitable measures in this regard.

Ans6 Yes, I agree that advertisements of foods high in salt, sugar or fat in social media and other new-age media platforms need to be regulated. Such advertisements can contribute to the increasing rates of non-communicable diseases like obesity, diabetes, and hypertension, especially among children and youth. They can also create a misleading image of unhealthy foods as desirable and normal, leading to unhealthy eating habits and choices.

To regulate such advertisements, the following measures can be taken:

1. Development of guidelines: Regulatory authorities can develop guidelines for the content and timing of advertisements of foods high in salt, sugar, or fat on social media and other new-age media platforms. These guidelines can specify the maximum amount of salt, sugar, or fat allowed in such foods, and the restrictions on advertising them to children and youth.
2. Collaboration with social media platforms: Regulatory authorities can collaborate with social media platforms to ensure compliance with the guidelines. They can require platforms to display a

warning or disclaimer on advertisements of unhealthy foods, or limit the frequency and reach of such advertisements.

3. Imposition of penalties: Regulatory authorities can impose penalties on food companies or social media platforms that violate the guidelines. The penalties can include fines, suspension or revocation of licenses, or public naming and shaming.

4. Promoting healthy alternatives: To counter the impact of advertisements of unhealthy foods, regulatory authorities can promote the advertisement of healthy alternatives like fruits, vegetables, and whole grains. They can also collaborate with food companies to develop healthier versions of popular foods, and promote their advertising.

Overall, regulating advertisements of foods high in salt, sugar, or fat on social media and other new-age media platforms is necessary to protect the public from the negative health impacts of unhealthy eating habits. By developing guidelines, collaborating with social media platforms, imposing penalties, and promoting healthy alternatives, regulatory authorities can ensure that the public is better informed and protected from the harmful effects of such advertisements.