

Consumer Affairs and Customers Care PYQ 2018

Q1 a What kind of actions can be taken by a dissatisfied consumer in India to voice or ventilate his grievances?

Ans. In India, a dissatisfied consumer has several options to voice or ventilate their grievances. Some of the common actions that can be taken by a dissatisfied consumer are:

Filing a Complaint with the Seller/Service Provider: The first step for a dissatisfied consumer is to approach the seller or service provider directly and lodge a complaint. This can be done through various means, such as email, phone, or in-person visit to the seller's office or customer service center. Many companies have a dedicated customer service department to handle consumer complaints and resolve them.

Filing a Complaint with Consumer Grievance Redressal Forums: In India, there are consumer grievance redressal forums at different levels, such as District Consumer Disputes Redressal Forum (District Forum), State Consumer Disputes Redressal Commission (State Commission), and National Consumer Disputes Redressal Commission (National Commission), which have been established under the Consumer Protection Act, 2019. A dissatisfied consumer can file a complaint with the appropriate forum based on the value of the goods or services involved.

Approaching Consumer Helpline: The government of India has established a toll-free National Consumer Helpline (NCH) to provide assistance and guidance to consumers in resolving their grievances. Consumers can call the NCH helpline number (1800-11-4000) or lodge a complaint online on the NCH website (www.nationalconsumerhelpline.in).

Social Media and Online Complaint Portals: Consumers can also use social media platforms, online complaint portals, or consumer complaint websites to voice their grievances publicly and seek resolution. Many companies actively monitor social media and online portals for consumer complaints and may respond to resolve the issues.

Filing a Lawsuit in Consumer Court: If the consumer is unable to resolve the grievance through the above means, they can file a lawsuit in the appropriate consumer court. Consumer courts have jurisdiction to hear complaints related to goods or services, and can award compensation, order refunds, or direct the seller or service provider to rectify the deficiency in service.

Approaching Regulatory Authorities: Depending on the nature of the grievance, the consumer may also approach relevant regulatory authorities or government agencies, such as the Reserve Bank of India (RBI), Telecom Regulatory Authority of India (TRAI), Food Safety and Standards Authority of India (FSSAI), etc., to seek resolution.

It's important for consumers to keep records of their complaints, communication, and evidence related to the grievance, such as invoices, receipts, contracts, emails, and other relevant documents, as evidence may be required for resolution in consumer forums or courts. Seeking legal advice or assistance from consumer rights organizations, consumer forums, or consumer protection lawyers can also be helpful in navigating the grievance redressal process.

Q1 b Explain the BIS Hallmarking scheme. How does it benefit the customers and the society?

The Bureau of Indian Standards (BIS) Hallmarking Scheme is a quality assurance scheme for gold and silver jewelry in India, administered by the Government of India through the BIS. Under this scheme, jewelry manufacturers can obtain a license from the BIS to hallmark their jewelry, which certifies that the jewelry meets the prescribed quality standards of purity and fineness.

The BIS Hallmarking Scheme benefits customers and society in several ways:

Assurance of Purity: Hallmarked jewelry ensures that customers receive gold or silver jewelry of the declared purity. The hallmarking process involves testing the jewelry for its purity and fineness by BIS-authorized hallmarking centers, which use state-of-the-art technology and equipment to ensure accurate and reliable results. This gives customers confidence that they are getting genuine and pure jewelry.

Protection against Fraud: The BIS Hallmarking Scheme helps protect customers from fraud and adulteration of gold and silver jewelry. It acts as a safeguard against unscrupulous jewelers who may sell low-quality or impure jewelry at higher prices. Customers can rely on the hallmarking certification to verify the purity of the jewelry they are purchasing.

Consumer Awareness and Empowerment: The BIS Hallmarking Scheme creates awareness among consumers about the importance of purity in gold and silver jewelry. It empowers consumers to make informed choices while purchasing jewelry and enables them to demand quality-assured jewelry from jewelers.

Standardization and Quality Control: The BIS Hallmarking Scheme promotes standardization and quality control in the gold and silver jewelry industry. It ensures that jewelry manufacturers comply with the prescribed standards of purity and fineness, which helps in maintaining consistency and uniformity in the quality of jewelry available in the market.

Boost to the Jewelry Industry: The BIS Hallmarking Scheme also benefits the jewelry industry by promoting fair competition and encouraging manufacturers to produce high-quality jewelry. It helps create a level playing field for all jewelry manufacturers and encourages them to adopt best practices in jewelry manufacturing.

Government Revenue Generation: The BIS Hallmarking Scheme also generates revenue for the government through licensing fees, which can be utilized for various developmental and regulatory purposes.

In summary, the BIS Hallmarking Scheme benefits customers by ensuring purity and quality in gold and silver jewelry, protecting them from fraud, creating awareness, and empowering them to make informed choices. It also promotes standardization, quality control, and fair competition in the jewelry industry, and generates revenue for the government.

OR

Q1 a When does advertising become misleading and deceptive?

Ans. Advertising becomes misleading and deceptive when it contains false, misleading, or deceptive statements or representations that are likely to deceive, mislead, or confuse consumers. Here are some situations in which advertising may be considered misleading and deceptive:

False Claims: Advertising that makes false claims about a product or service, such as false statements about its features, benefits, performance, or effectiveness, can be misleading and deceptive. For example, if an advertisement claims that a product can cure a specific health condition without any scientific evidence to support the claim, it can be considered misleading and deceptive.

Concealment of Material Information: Advertising that fails to disclose material information that is necessary for consumers to make an informed decision can be misleading and deceptive. Material information includes important facts that are likely to affect a consumer's decision to purchase a product or service. For example, if an advertisement for a weight loss product fails to disclose that the product has potential side effects, it can be considered misleading and deceptive.

Exaggerated Claims: Advertising that exaggerates the benefits or performance of a product or service beyond what is reasonable and supported by evidence can be misleading and deceptive. For example, if an advertisement claims that a product can make a consumer "look 10 years younger" without any credible evidence, it can be considered misleading and deceptive.

Comparison with Competitors: Advertising that makes unfair or unsubstantiated comparisons with competitors' products or services can be misleading and deceptive. For example, if an advertisement claims that a product is "better than any other product on the market" without providing evidence to support the claim, it can be considered misleading and deceptive.

Fine Print or Disclaimers: Advertising that uses fine print or disclaimers to conceal material information or contradict the main message of the advertisement can be misleading and deceptive. For example, if an advertisement makes a bold claim in the headline but includes contradictory information in fine print at the bottom of the ad, it can be considered misleading and deceptive.

It's important to note that laws and regulations regarding misleading and deceptive advertising vary by country and jurisdiction, and businesses are responsible for ensuring that their advertising practices comply with applicable laws and regulations in their respective areas. Consumers who believe they have been misled by advertising can file complaints with relevant regulatory authorities or seek legal recourse.

Q1 b How can a marketing manager benefit from the study of post-purchase behaviour of consumers? Elucidate.

Ans. The study of post-purchase behavior of consumers can provide valuable insights to marketing managers, which can help them benefit in several ways:

Customer Retention: Understanding post-purchase behavior can help marketing managers identify factors that influence customer satisfaction and loyalty. By analyzing the post-purchase behavior of consumers, marketing managers can identify areas where improvements can be made to enhance customer satisfaction, address complaints or issues, and retain customers for repeat purchases. This can help in building long-term customer relationships and increasing customer retention rates, which is crucial for business sustainability and profitability.

Referral Marketing: Satisfied customers are more likely to recommend a product or service to others. By understanding post-purchase behavior, marketing managers can identify satisfied customers who are likely to become brand advocates and refer the product or service to their friends, family, and acquaintances. This can help in generating positive word-of-mouth marketing, which is a powerful and cost-effective way to acquire new customers and expand the customer base.

Product Improvement: Post-purchase behavior can provide insights into areas where product or service improvements may be needed. Feedback from customers after they have made a purchase can help marketing managers identify any issues, complaints, or shortcomings in the product or service. This feedback can be used to make necessary improvements and enhancements to the product or service, leading to higher customer satisfaction, better product performance, and increased sales.

Reputation Management: Post-purchase behavior can also impact a company's reputation in the market. Negative post-purchase experiences, such as complaints, returns, or dissatisfaction, can result in negative reviews or feedback, which can spread quickly through online reviews, social media, and other channels, affecting the company's reputation. By monitoring and managing post-purchase behavior, marketing managers can proactively address any issues or complaints, resolve them in a timely and satisfactory manner, and maintain a positive reputation in the market.

Upselling and Cross-selling Opportunities: Post-purchase behavior can also reveal opportunities for upselling and cross-selling. By understanding the needs, preferences, and behavior of customers after they have made a purchase, marketing managers can identify opportunities to offer complementary products or services, upgrade options, or loyalty programs, leading to increased sales and revenue.

In summary, the study of post-purchase behavior of consumers can provide valuable insights to marketing managers, helping them to improve customer satisfaction, retain customers, generate positive word-of-mouth marketing, identify product improvements, manage reputation, and identify upselling and cross-selling opportunities, ultimately leading to business growth and success.

Q2 a State the grounds on which a complaint can be filed under the Consumer Protection Act, 1986. What kinds of relief may be granted -by a consumer forum?

Ans. Under the Consumer Protection Act, 1986, a complaint can be filed by a consumer on the following grounds:

Deficiency in goods or services: Complaints can be filed for defects, deficiencies, or inadequacies in the quality, quantity, purity, or performance of goods or services purchased or availed by the consumer.

Unfair trade practices: Complaints can be filed against unfair trade practices such as false or misleading advertisements, charging excessive prices, misleading representations, and other unethical or deceptive practices.

Restrictive trade practices: Complaints can be filed against anti-competitive practices, such as agreements that restrict competition, abuse of dominant position, and other unfair business practices.

Defects in products: Complaints can be filed against manufacturers or sellers for defects in products that cause harm or injury to the consumer, including defective design, manufacturing, packaging, or labeling.

Overcharging or exploitation: Complaints can be filed against businesses or service providers for overcharging, exploitation, or unfair pricing practices.

Unreasonable delay in services: Complaints can be filed against businesses or service providers for unreasonable delays in delivering goods or services, causing inconvenience or loss to the consumer.

Non-compliance with warranties or guarantees: Complaints can be filed against businesses or manufacturers for non-compliance with warranties or guarantees provided for goods or services.

Fraud or misrepresentation: Complaints can be filed against businesses or service providers for fraudulent or misleading conduct, misrepresentation, or false promises.

The consumer forums, also known as Consumer Dispute Redressal Commissions, have the authority to grant various types of reliefs to consumers, including:

Replacement, repair, or refund of goods: The consumer forum can order the replacement, repair, or refund of defective goods or products.

Compensation for loss or damages: The consumer forum can award compensation for any loss, damages, or injuries suffered by the consumer due to the deficiencies in goods or services.

Refund of price or consideration paid: The consumer forum can order the refund of the price or consideration paid by the consumer for goods or services in case of deficiency or unfair trade practices.

Removal of defects or deficiencies: The consumer forum can order the removal of defects or deficiencies in goods or services provided by the business or service provider.

Stoppage of unfair trade practices: The consumer forum can order businesses or service providers to stop unfair trade practices, false or misleading advertisements, or other unethical practices.

Imposition of penalties: The consumer forum can impose penalties on businesses or service providers for non-compliance with consumer protection laws or for fraudulent or unfair practices.

Award of costs: The consumer forum can award costs to the consumer for filing and pursuing a complaint.

It's important to note that the reliefs granted by consumer forums may vary depending on the nature of the complaint, the evidence presented, and the applicable laws and regulations.

Q2 b What are 'advisory bodies under the CPA? Explain their role and responsibilities.

Ans. Under the Consumer Protection Act (CPA) in India, advisory bodies are established to provide guidance, support, and recommendations on consumer-related issues. The advisory bodies under the CPA include:

Central Consumer Protection Council (CCPC): The CCPC is a national level advisory body consisting of representatives from various stakeholders, including consumers, industry, trade, and other relevant sectors. The CCPC advises the Central Government on matters related to consumer protection policies, programs, and initiatives.

Role and Responsibilities of CCPC:

Advising the Central Government on the promotion and protection of consumer rights.

Reviewing and making recommendations on consumer protection laws, policies, and regulations.

Promoting consumer awareness, education, and empowerment.

Advising on measures to prevent unfair trade practices and misleading advertisements.

Advising on product standards, quality, and safety.

Facilitating coordination and cooperation among consumer forums, consumer organizations, and other stakeholders.

State Consumer Protection Councils (SCPCs): SCPCs are advisory bodies established at the state level to advise the state government on consumer protection issues. SCPCs comprise representatives from various sectors, including consumers, industry, trade, and other relevant stakeholders.

Role and Responsibilities of SCPCs:

Advising the state government on matters related to consumer protection policies and initiatives.

Reviewing and making recommendations on state-level consumer protection laws, regulations, and policies.

Promoting consumer awareness, education, and empowerment at the state level.

Advising on measures to prevent unfair trade practices and misleading advertisements.

Advising on product standards, quality, and safety at the state level.

Facilitating coordination and cooperation among district consumer forums, consumer organizations, and other stakeholders.

District Consumer Protection Councils (DCPCs): DCPCs are advisory bodies established at the district level to advise the district administration on consumer protection issues. DCPCs comprise representatives from various sectors, including consumers, industry, trade, and other relevant stakeholders.

Role and Responsibilities of DCPCs:

Advising the district administration on matters related to consumer protection policies and initiatives at the district level.

Reviewing and making recommendations on district-level consumer protection laws, regulations, and policies.

Promoting consumer awareness, education, and empowerment at the district level.

Advising on measures to prevent unfair trade practices and misleading advertisements at the district level.

Advising on product standards, quality, and safety at the district level.

Facilitating coordination and cooperation among consumer forums, consumer organizations, and other stakeholders at the district level.

The role and responsibilities of advisory bodies under the CPA include providing recommendations, guidance, and support to the government and other stakeholders in formulating and implementing consumer protection policies, programs, and initiatives at the national, state, and district levels. They play a crucial role in promoting consumer rights, raising awareness, preventing unfair trade practices, and ensuring consumer safety and satisfaction.

OR

Q2 a Discuss the concept of 'Consumer' as per the CPA with a suitable example/case. Is only an individual consumer eligible to file a complaint before a consumer forum? Justify.

Ans. According to the Consumer Protection Act (CPA) in India, a "consumer" is defined as any person who buys goods, hires services, or avails themselves of any service for a consideration, excluding goods or services used for commercial purposes. This definition of "consumer" is broad and covers a wide range of individuals, including individuals, households, firms, partnerships, trusts, associations of persons, and other entities.

For example, let's consider a case where a person purchases a refrigerator for their home. In this case, the person who purchases the refrigerator for personal use is a consumer under the CPA. The person is entitled to certain rights and protections as a consumer, such as the right to quality products, accurate information, and fair treatment.

It's important to note that under the CPA, not only individual consumers but also other entities such as firms, partnerships, trusts, associations of persons, etc., can file complaints before a consumer forum. The CPA recognizes that consumers can include various entities and not just individual consumers. This is because even entities other than individuals may suffer from unfair trade practices, defective products, or deficient services, and may seek redressal through the consumer forum.

The justification for allowing entities other than individual consumers to file complaints before a consumer forum is that the CPA aims to protect the interests of all consumers, regardless of their legal status. Commercial entities, firms, partnerships, trusts, associations of persons, etc., also engage in buying goods or hiring services for their consumption or use. They also have rights as consumers and may face similar issues such as defective products, deficient services, or unfair trade practices. Therefore, they are eligible to file complaints before a consumer forum to seek redressal and protection of their consumer rights.

However, it's important to note that there are certain restrictions on who can file complaints before a consumer forum, such as the value of the goods or services involved in the complaint and the jurisdiction of the forum based on the location of the consumer, seller, or service provider. It's advisable to consult the provisions of the CPA and seek legal advice if you have specific questions or concerns about filing a complaint before a consumer forum.

Q2 b Explain the following terms as provided under the Consumer Protection Act:

(i) Defect in Goods (ii) Restrictive Trade Practice.

Ans. **(i) Defect in Goods:** As per the Consumer Protection Act (CPA) in India, "defect in goods" refers to any fault, imperfection, or shortcoming in the quality, quantity, potency, purity, or standard which renders the goods unfit for consumption or use, or which affects their value. In other words, it refers to any problem or issue in the goods that makes them unacceptable or unsuitable for the purpose for which they were intended.

For example, if a consumer purchases a brand-new television and finds that it has a malfunctioning display or speakers, that would be considered a defect in goods. Similarly, if a consumer buys a packet of biscuits and discovers that they are stale or infested with insects, that would also be considered a defect in goods.

Under the CPA, a consumer who has purchased goods with a defect has the right to seek redressal, such as a refund, replacement, or repair of the goods, depending on the nature and extent of the defect.

(ii) Restrictive Trade Practice: As per the CPA, "restrictive trade practice" refers to any trade practice which tends to limit, restrict, or manipulate the supply or distribution of goods or services in a manner that may affect the rights or interests of consumers. It includes practices such as hoarding, black marketing, artificial price inflation, limiting production or supply, collusion, cartelization, and unfair trade practices that distort the free market competition.

For example, if a group of sellers agrees to fix prices of a particular product, that would be considered a restrictive trade practice. Similarly, if a group of service providers collude to limit the availability of a particular service in a certain area, that would also be considered a restrictive trade practice.

Restrictive trade practices are considered anti-competitive and harmful to consumers as they can result in higher prices, reduced choices, and limited availability of goods or services. The CPA provides for penalties and remedies against such practices, including compensation for affected consumers and corrective measures to prevent their recurrence. Consumers who have been affected by restrictive trade practices have the right to file complaints before a consumer forum for redressal.

Q3 a State the 'pecuniary jurisdiction' of the redressal agencies as provided under the Consumer Protection Act. What are the provisions relating to 'Appeal'?

The pecuniary jurisdiction of the redressal agencies under the Consumer Protection Act (CPA) in India is as follows:

District Consumer Disputes Redressal Forum (also known as District Consumer Forum): It has jurisdiction to entertain consumer complaints where the value of goods or services and the compensation claimed does not exceed Rs. 20,00,000 (twenty lakhs).

State Consumer Disputes Redressal Commission (also known as State Consumer Commission): It has jurisdiction to entertain consumer complaints where the value of goods or services and the compensation claimed exceeds Rs. 20,00,000 (twenty lakhs) but does not exceed Rs. 1,00,00,000 (one crore).

National Consumer Disputes Redressal Commission (also known as National Consumer Commission): It has jurisdiction to entertain consumer complaints where the value of goods or services and the compensation claimed exceeds Rs. 1,00,00,000 (one crore).

Provisions relating to Appeal under the CPA are as follows:

Appeal against the orders of District Forum: Any party aggrieved by the order of the District Forum can file an appeal to the State Commission within 30 days from the date of the order.

Appeal against the orders of State Commission: Any party aggrieved by the order of the State Commission can file an appeal to the National Commission within 30 days from the date of the order.

Appeal against the orders of National Commission: Any party aggrieved by the order of the National Commission can file an appeal to the Supreme Court of India within 30 days from the date of the order.

It is important to note that an appeal can only be filed on substantial questions of law and not on questions of fact. The appellate authorities have the power to confirm, modify, or reverse the orders of the lower forums, and pass appropriate orders for compensation, refund, or other relief to the consumer.

Q3 b Briefly outline the recent developments in the field of consumer protection in India.

Ans. In recent years, there have been several significant developments in the field of consumer protection in India. Some of the key recent developments include:

Consumer Protection Act, 2019: The Consumer Protection Act, 2019 (CPA 2019) was enacted to replace the old Consumer Protection Act, 1986. The CPA 2019 introduces several new provisions to enhance consumer protection, such as the establishment of a Central Consumer Protection Authority (CCPA) to regulate unfair trade practices, product liability provisions, e-commerce regulations, and provisions for mediation and alternative dispute resolution.

E-commerce Guidelines: The Ministry of Consumer Affairs, Food and Public Distribution in India issued Guidelines on E-commerce on 23rd July 2020 to protect the interests of online consumers. The guidelines impose obligations on e-commerce entities, such as mandatory registration, disclosure of terms and conditions, clear product information, grievance redressal mechanisms, and prohibition of unfair trade practices.

Product Liability: The CPA 2019 introduces provisions related to product liability, holding manufacturers, sellers, and service providers liable for any harm caused to consumers by defective products or services. It provides for compensation to consumers for injury or damage caused due to defective products or services, and imposes penalties on manufacturers and sellers for selling products or providing services which are unsafe or defective.

Strengthening Consumer Dispute Redressal Mechanisms: The CPA 2019 aims to strengthen the consumer dispute redressal mechanisms by providing for mediation, e-filing of complaints, and simplifying the procedures for filing complaints and appeals. It also introduces provisions for class action suits, allowing consumers to file complaints on behalf of a group of consumers having similar grievances.

Consumer Awareness and Education: The Government of India has been actively promoting consumer awareness and education through various initiatives, such as the "Jago Grahak Jago" campaign, setting up consumer helplines, and creating online platforms for consumer grievance redressal. These efforts aim to empower consumers with information and resources to make informed choices and protect their rights.

These recent developments in the field of consumer protection in India reflect the growing emphasis on strengthening consumer rights, enhancing consumer protection mechanisms, and promoting consumer awareness and education. These measures are aimed at ensuring fair and transparent transactions, addressing consumer grievances effectively, and promoting a consumer-friendly environment in the country.

OR

Q3 a Explain the term 'service' as stated under the CPA along with a suitable example of any leading case.

Ans. As per the Consumer Protection Act (CPA) in India, the term 'service' is defined as "service of any description which is made available to potential users and includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, boarding or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service." (Section 2(42) of CPA).

In simpler terms, 'service' under the CPA refers to any activity or facility provided to consumers for consideration, except for those rendered free of charge or under a contract of personal service.

A suitable example of a leading case related to the term 'service' under the CPA is the case of Lucknow Development Authority v. M.K. Gupta, where the Supreme Court of India held that the construction of a house by a development authority for a consumer falls under the definition of 'service' as per the CPA. In this case, the consumer had filed a complaint against the Lucknow Development Authority for delay in the construction of the house allotted to him. The Supreme Court held that the construction of a house by a development authority is a service provided to the consumer, and the consumer has the right to file a complaint under the CPA for deficiency in service.

This case illustrates that 'service' under the CPA is not limited to traditional service sectors such as banking, insurance, or transport, but also includes activities related to housing construction, entertainment, amusement, or the provision of news or information, among others. It highlights the broad scope of 'service' as defined under the CPA and the protection it provides to consumers in various sectors.

Q3 b Briefly describe the role played by consumer organizations in consumer advocacy and campaigning for policy intervention.

Ans. Consumer organizations play a vital role in consumer advocacy and campaigning for policy intervention to protect and promote the rights and interests of consumers. Some of the key roles played by consumer organizations in this regard include:

Representation: Consumer organizations represent the collective interests of consumers and act as their voice in advocating for their rights and needs. They often engage in dialogue with government agencies, policymakers, regulatory bodies, and industry stakeholders to voice consumer concerns and provide input on policy matters.

Consumer Education and Awareness: Consumer organizations play a crucial role in educating and creating awareness among consumers about their rights, responsibilities, and available redress mechanisms. They conduct consumer education campaigns, seminars, workshops, and awareness programs to empower consumers with knowledge and information.

Policy Advocacy: Consumer organizations actively campaign for policy intervention and reforms to address consumer grievances and improve consumer protection measures. They conduct research, analyze consumer issues, and make policy recommendations to policymakers and regulatory bodies to strengthen consumer protection laws and regulations.

Legal Support: Consumer organizations provide legal support and assistance to consumers in filing complaints, seeking redress, and pursuing legal remedies. They often offer free or low-cost legal services to consumers, including assistance in filing complaints before consumer forums or courts.

Product Testing and Standards: Consumer organizations may conduct product testing and quality assessment to ensure that products meet safety and quality standards. They may also campaign for the establishment or enhancement of product standards to protect consumers from substandard or unsafe products.

Consumer Complaint Handling: Consumer organizations may receive and handle consumer complaints and grievances, and facilitate their resolution through mediation or arbitration. They may also provide guidance and support to consumers in navigating the complex process of filing complaints and seeking redress.

Advocacy for Vulnerable Consumers: Consumer organizations often focus on advocating for the rights of vulnerable consumers, such as children, elderly, disabled, and low-income consumers, who may face unique challenges in the marketplace. They work towards ensuring that vulnerable consumers are protected and have equal access to safe, affordable, and quality products and services.

Consumer organizations play a crucial role in advocating for policy intervention and promoting consumer rights. They provide a platform for consumers to voice their concerns, seek redress, and

work towards creating a fair and transparent marketplace that safeguards the interests of consumers.

Q4 a When there are various brands of the same product available in a market, it becomes difficult for consumers to take a decision rationally. In the light of this statement, bring out the importance of comparative product testing and the process involved in it.

Ans. Comparative product testing is a critical tool that helps consumers make informed decisions when faced with multiple brands of the same product in the market. It involves conducting systematic and objective evaluations of different products based on predefined criteria, and comparing their performance, quality, safety, and other relevant attributes to help consumers make informed choices. The importance of comparative product testing can be understood in the following ways:

Quality Assurance: Comparative product testing ensures that products meet certain quality standards and perform as advertised. It helps consumers identify products that meet their needs and expectations, and avoid products that may be of inferior quality or unsafe.

Transparency: Comparative product testing provides consumers with transparent and reliable information about different products in the market. It helps consumers assess and compare products based on objective criteria, such as performance, durability, safety, and other relevant factors, rather than relying solely on marketing claims or brand reputation.

Consumer Empowerment: Comparative product testing empowers consumers with knowledge and information to make informed choices. It enables consumers to compare products side-by-side based on their features, performance, and other relevant attributes, helping them make rational decisions that align with their preferences, needs, and budgets.

Market Competition: Comparative product testing promotes healthy market competition by holding manufacturers and brands accountable for the quality and performance of their products. It encourages manufacturers to continually improve their products to meet consumer expectations and compete effectively in the market.

Consumer Safety: Comparative product testing helps identify potential safety risks or hazards associated with certain products, such as electrical appliances, toys, or food items, and enables consumers to make safer choices. It can help detect issues such as product defects, contaminants, or other safety concerns, and raise awareness among consumers to make informed decisions.

The process of comparative product testing typically involves the following steps:

Selection of Products: The products to be tested are carefully selected based on predetermined criteria, such as market share, consumer demand, safety concerns, or other relevant factors.

Test Methodology: A test methodology is developed, which outlines the parameters, criteria, and procedures for evaluating the products. This may involve using standardized testing protocols or developing custom tests based on the specific characteristics of the products being tested.

Testing and Evaluation: The selected products are tested and evaluated based on the predefined criteria, using rigorous and objective testing methods. This may involve laboratory testing, field

testing, or other relevant methods to assess the performance, quality, safety, and other attributes of the products.

Data Analysis: The results of the testing are analyzed and compiled, and the findings are interpreted to provide meaningful information to consumers. This may involve generating reports, rankings, ratings, or other formats that are easy to understand and interpret.

Communication of Results: The findings of the comparative product testing are communicated to consumers through various channels, such as reports, websites, social media, or other means, to help them make informed decisions based on the test results.

In conclusion, comparative product testing plays a crucial role in helping consumers make informed decisions in a competitive marketplace. It promotes transparency, consumer empowerment, market competition, and consumer safety by providing reliable and objective information about different products. The process of comparative product testing involves careful selection of products, development of test methodology, testing and evaluation, data analysis, and communication of results to consumers.

Q4 b How is 'consumer' and 'service' defined under the Competition Act, 2002?

Ans. We would like to clarify that the Competition Act, 2002 is a separate legislation from the Consumer Protection Act (CPA), and it primarily deals with competition law and anti-trust issues in India. The definition of 'consumer' and 'service' under the Competition Act, 2002 is different from that under the Consumer Protection Act, 1986.

Under the Competition Act, 2002, the definitions of 'consumer' and 'service' are as follows:

Consumer: As per Section 2(d) of the Competition Act, 2002, a consumer is defined as any person who:

- (a) Purchases or avails of any goods or services for a consideration; or
- (b) Hires or avails of any services for a consideration.

It is important to note that the definition of 'consumer' under the Competition Act, 2002 is broader and includes both individuals as well as businesses that purchase or avail of goods or services for a consideration.

Service: As per Section 2(u) of the Competition Act, 2002, 'service' is defined as service of any description which is made available to potential users and includes, but is not limited to, the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, telecom, lodging, board or both, entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service.

It is important to note that the definition of 'service' under the Competition Act, 2002 is also broad and encompasses a wide range of services provided to potential users, including but not limited to banking, insurance, transportation, energy supply, telecom, lodging, entertainment, and information dissemination.

It's worth mentioning that the definitions of 'consumer' and 'service' under the Competition Act, 2002 may be subject to interpretation and may evolve over time as per amendments or court rulings. It is always recommended to refer to the latest version of the Competition Act and seek legal advice for accurate and up-to-date information.

OR

Q4 a Describe the Insurance Ombudsman Scheme.

Ans. The Insurance Ombudsman Scheme in India is a mechanism established by the Insurance Regulatory and Development Authority of India (IRDAI) to provide a speedy and cost-effective resolution of grievances and complaints of policyholders against insurance companies. The scheme is designed to provide a simple, informal, and accessible forum for policyholders to seek redressal for their complaints without having to approach the courts or other legal forums.

Here are some key features of the Insurance Ombudsman Scheme:

Jurisdiction: The Insurance Ombudsman Scheme covers complaints related to insurance policies, including life insurance, health insurance, motor insurance, travel insurance, and others, where the value of the claim does not exceed Rs. 30 lakhs.

Ombudsman Offices: The scheme has several Ombudsman offices established across different cities in India. The offices are independent and operate under the supervision of the IRDAI.

Complaint Procedure: Policyholders can file complaints with the respective Ombudsman office in their region by submitting a written complaint along with relevant documents supporting their claim. The complaints can also be filed online through the IRDAI's Integrated Grievance Management System (IGMS).

Mediation and Conciliation: The Ombudsman acts as a mediator between the policyholder and the insurance company, and attempts to settle the dispute through mediation and conciliation. The process is informal and aims to resolve the complaint amicably.

Timelines: The Ombudsman has to resolve the complaint within a specified timeframe, which is generally 30 days from the date of receipt of the complaint. However, this timeframe can be extended to 90 days in certain cases.

Award: If the complaint is not resolved through mediation, the Ombudsman can pass an award, which is binding on the insurance company. The award may include compensation, reimbursement, or any other relief as deemed appropriate by the Ombudsman, subject to the limits defined under the scheme.

Appeal: If the policyholder or the insurance company is dissatisfied with the Ombudsman's award, they can appeal against it within a specified timeframe to the appellate authority designated by the IRDAI.

The Insurance Ombudsman Scheme provides an accessible and efficient mechanism for policyholders to seek resolution of their complaints in a cost-effective manner. It aims to promote transparency, accountability, and consumer protection in the insurance sector by providing an alternative forum for dispute resolution, thus reducing the burden on courts and legal proceedings.

Q4 b What are the provisions relating to prohibition of anti-competitive agreements under The Competition Act, 2002?

Ans. The Competition Act, 2002 in India contains provisions relating to the prohibition of anti-competitive agreements. These provisions are aimed at preventing agreements and arrangements that have the effect of limiting competition, restricting market access, or distorting competition in the market. The following are the key provisions relating to the prohibition of anti-competitive agreements under the Competition Act, 2002:

Section 3: Prohibition of Anti-Competitive Agreements: Section 3 of the Competition Act, 2002 prohibits anti-competitive agreements. Anti-competitive agreements are defined as agreements that cause or are likely to cause an appreciable adverse effect on competition in India. Such agreements are void under the Competition Act.

Examples of Anti-Competitive Agreements: The Competition Act provides examples of anti-competitive agreements, including agreements that fix prices, limit or control production, supply, or distribution of goods or services, share markets or customers, rig bids or tenders, or engage in any other anti-competitive conduct.

Exceptions: The Competition Act also provides certain exceptions to the prohibition of anti-competitive agreements. Agreements that contribute to improving production or distribution of goods or services, promoting technical or economic progress, or benefiting consumers with a fair share of the resulting benefits may be exempted from the prohibition if they do not impose unnecessary restrictions on competition.

Penalties: Violation of the prohibition of anti-competitive agreements can result in penalties under the Competition Act. The Competition Commission of India (CCI), the regulatory authority established under the Act, has the power to impose penalties on parties engaged in anti-competitive agreements, which may include fines, directions to cease and desist from such conduct, and other appropriate measures.

Leniency Provisions: The Competition Act also provides for leniency provisions, where parties to anti-competitive agreements can avail of leniency or immunity from penalties by cooperating with the CCI in its investigation and providing information about the anti-competitive conduct.

The provisions relating to the prohibition of anti-competitive agreements under the Competition Act, 2002 are aimed at promoting competition, protecting consumer interests, and ensuring a level playing field in the market. These provisions aim to prevent anti-competitive practices that may harm competition and consumers, and promote fair competition and market efficiency.

Q5 Write short notes on the following:

(a) Abuse of dominant position

(b) Citizen charter

(c) Grey market

(d) Regulation of combinations.

Ans. (a) Abuse of Dominant Position: In the context of competition law, abuse of dominant position refers to the unfair use of market power by a dominant player to restrict competition, harm competitors, or exploit consumers. The Competition Act, 2002 in India prohibits abuse of dominant position under Section 4. Examples of abuse of dominant position include practices such as predatory pricing, refusal to deal, tying and bundling, discriminatory pricing, and imposing unfair conditions, among others. The Competition Commission of India (CCI) has the authority to investigate and take action against abusive conduct by dominant players, including imposing penalties, issuing cease and desist orders, and other measures to restore competition in the market.

(b) Citizen Charter: A citizen charter is a public document that outlines the commitments, expectations, and service standards of a government agency or organization towards its citizens or customers. It sets forth the rights and responsibilities of citizens and provides a framework for service delivery and accountability. Citizen charters are typically developed by government agencies or public sector organizations to enhance transparency, efficiency, and responsiveness in service delivery. They usually include information on services offered, service standards, grievance redressal mechanisms, feedback mechanisms, and other relevant information to empower citizens and improve service quality.

(c) Grey Market: Grey market refers to the trade of goods or services through channels that are not authorized or intended by the original manufacturer or provider. Grey market transactions typically involve the sale of genuine products outside of the authorized distribution channels, often at lower prices or in different markets or jurisdictions. Grey market activities can involve a variety of goods, including electronics, software, pharmaceuticals, luxury goods, and other consumer products. Grey market transactions may raise issues related to intellectual property rights, unauthorized distribution, quality control, consumer safety, and regulatory compliance.

(d) Regulation of Combinations: In the context of competition law, regulation of combinations refers to the scrutiny and approval process for mergers, acquisitions, amalgamations, and other forms of consolidation or combination of businesses that may have an impact on competition in the market. The Competition Act, 2002 in India regulates combinations under Section 5 and provides for the mandatory notification and approval of certain combinations above specified thresholds. The Competition Commission of India (CCI) is responsible for reviewing and approving combinations that are likely to have an adverse effect on competition in the market. The regulation of combinations aims to prevent anti-competitive consolidation that may harm competition, consumers, and the economy, and ensure that such combinations do not result in the abuse of market power or reduction of competition in the market.

In conclusion, these are brief explanations of the four terms: abuse of dominant position, citizen charter, grey market, and regulation of combinations. Each of these terms has its significance in

different domains such as competition law, governance, consumer protection, and market regulation, and understanding them can help in gaining insights into these areas.

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