



## Consumer Protection and Grievance Redressal in India

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### ABSTRACT

Consumer protection in India has evolved significantly with the establishment of various laws and regulatory bodies designed to safeguard consumer rights. Despite these efforts, issues related to consumer awareness and grievance redressal continue to persist. With increasing consumerism and market complexity, effective mechanisms for protecting consumer rights and addressing grievances are crucial for ensuring fair practices and consumer satisfaction. This study is based on secondary data sourced from government reports, academic research, and industry analyses. The data provides insights into the current state of consumer protection, the level of consumer awareness, and the effectiveness of grievance redressal mechanisms in India. By analyzing these sources, the study aims to evaluate the strengths and weaknesses of existing systems and identify areas for improvement. The findings indicate that while there have been improvements in consumer protection laws and grievance redressal mechanisms, significant challenges remain. Many consumers are still unaware of their rights and the available avenues for seeking redressal. The effectiveness of grievance redressal systems varies, with some regions experiencing delays and inefficiencies in addressing consumer complaints. The study concludes that enhancing consumer protection in India requires increased efforts to raise awareness about consumer rights and streamline grievance redressal processes. Recommendations include improving public education on consumer rights, simplifying complaint procedures, and strengthening regulatory oversight to ensure timely and effective resolution of grievances.

## **INTRODUCTION**

Consumer protection is a critical aspect of market regulation, aiming to safeguard the rights and interests of consumers in their transactions with businesses. In India, consumer protection has been addressed through various laws and regulatory frameworks designed to ensure fair practices and redressal of grievances. Key legislations, such as the Consumer Protection Act of 2019, provide a legal framework for protecting consumers against unfair trade practices, defective goods, and inadequate services. These laws also establish mechanisms for resolving consumer disputes and addressing grievances. Despite these legislative measures, consumer protection remains a significant concern in India. One of the major issues is the level of consumer awareness. Many consumers are unaware of their rights and the procedures for filing complaints. This lack of awareness often results in underutilization of available grievance redressal mechanisms, leading to dissatisfaction and loss of trust in consumer protection systems.

Grievance redressal mechanisms in India are designed to offer remedies for consumer complaints, ranging from the Consumer Dispute Redressal Commissions at various levels to online complaint portals. However, these systems face challenges such as delays in processing complaints, inadequate resources, and inconsistent implementation across different regions. As a result, while some consumers successfully resolve their issues, others may experience significant obstacles in seeking redressal. This research paper explores the current state of consumer protection, awareness, and grievance redressal in India. It aims to assess how effectively consumer rights are protected, the level of awareness among consumers about their rights, and the efficiency of existing grievance redressal mechanisms. By analyzing secondary data, the study seeks to provide a comprehensive overview of these aspects and offer recommendations for improving consumer protection and grievance handling in India.

## **METHODOLOGY**

The study uses secondary data, which includes documents and reports from government agencies that provide information on consumer protection laws, complaint statistics, and regulatory activities. Studies and papers from scholars that analyze consumer protection practices, awareness levels, and grievance redressal mechanisms were also included. Evaluations and reports from industry experts and consumer organizations that discuss the effectiveness of consumer protection measures and identify gaps in the system also consulted. This data is reviewed to understand the current state of consumer protection in India, assess consumer awareness, and evaluate the performance of grievance redressal systems. By analyzing these sources, the study aims to offer insights into the strengths and weaknesses of the existing consumer protection framework and suggest improvements.

## RESEARCH RESULT AND DISCUSSIONS

### Consumer Protection

The increasing interconnectedness of the world economy and the global nature of many business practices have led to a universal focus on protecting and promoting consumer rights. Modern technology has certainly improved the quality, availability, and safety of goods and services. However, consumers still face many unfair trade practices. The idea that "the consumer is sovereign" or "the consumer is king" often doesn't hold true, especially in developing countries. Correctly identified, consumer protection is a socio-economic endeavor that companies and the government should undertake in order to ensure that customers are satisfied, as this benefits everyone. To protect consumers, the government has made several important efforts, such as:

### The Consumer Protection Act, 1986

The Consumer Protection Act, 1986, was a landmark legislation in India designed to protect the rights and interests of consumers. Its primary goal was to provide a legal framework for addressing grievances related to goods and services and to ensure that consumers receive fair treatment in the marketplace. Here's a detailed look at its features:

1. **Consumer Rights:** The Act established several fundamental rights for consumers, including, Protection against goods and services that are hazardous to health or life, access to complete information about products and services to make informed choices, freedom to choose from a variety of goods and services at competitive prices, opportunity to voice grievances and seek redressal, and access to mechanisms for resolving disputes and obtaining compensation.
2. **Consumer Dispute Redressal Mechanisms:** The Act set up a three-tier system for handling consumer complaints handles complaints involving claims up to ₹20 lakhs. It is the first point of contact for consumers seeking redressal, addresses complaints where the claim exceeds ₹20 lakhs but is below ₹1 crore. It also hears appeals from the District Forum, deals with claims above ₹1 crore and hears appeals from the State Commissions. It also supervises the functioning of State Commissions and District Forums.
3. **Consumer Protection Councils:** The Act provided for the formation of Consumer Protection Councils at the national, state, and district levels. These councils aim to promote and protect consumer interests through advocacy, education, and policy suggestions.
4. **Penalties and Compensation:** The Act allows consumers to seek compensation for losses incurred due to defective goods or deficient services. It also provides for penalties against manufacturers, service providers, and sellers who engage in unfair trade practices.
5. **Consumer Protection Agencies:** The Act mandated the establishment of the Consumer Affairs Ministry, which oversees the implementation of consumer protection laws and coordinates with other agencies to address consumer issues.

Overall, the Consumer Protection Act, 1986, played a crucial role in empowering consumers and providing a structured approach to addressing consumer grievances. Its framework laid the foundation for subsequent updates, including the Consumer Protection Act, 2019, which further strengthened consumer rights and redressal mechanisms.

### **Consumer Protection Mechanisms in India**

In India, consumer protection mechanisms are designed to safeguard the rights of consumers and ensure they receive fair treatment from businesses. These mechanisms include:

1. **Consumer Protection Laws:** The primary law governing consumer protection in India is the Consumer Protection Act, 2019. This act provides a legal framework to protect consumers against unfair trade practices, defective goods, and inadequate services. It also establishes the rights of consumers, including the right to be informed, the right to choose, and the right to seek redressal.
2. **Consumer Dispute Redressal Commissions:** The Act establishes a three-tier system of Consumer Dispute Redressal Commissions: District Consumer Dispute Redressal Forum, State Consumer Dispute Redressal Commission, and National Consumer Dispute Redressal Commission.
3. **Consumer Protection Councils:** The Consumer Protection Act also provides for the formation of Consumer Protection Councils at the national, state, and district levels. These councils work to promote and protect consumer rights and interests through advocacy, education, and policy recommendations.
4. **Online Complaint Portals:** The government has established online platforms such as the National Consumer Helpline and the Consumer Affairs Ministry's website, which allow consumers to file complaints, seek information, and access services related to consumer protection.
5. **Regulatory Bodies:** Various regulatory bodies, such as the Food Safety and Standards Authority of India (FSSAI) and the Telecom Regulatory Authority of India (TRAI), oversee specific sectors and ensure that service providers adhere to the standards and regulations set for consumer protection.

These mechanisms collectively aim to provide consumers with recourse when they face issues with goods or services and ensure that their grievances are addressed in a timely and effective manner.

### **Challenges in Grievance Redressal Systems**

Despite the presence of well-established consumer protection mechanisms, the grievance redressal systems in India face several challenges:

1. **Inefficiencies and Delays:** One of the major issues is the inefficiency and delays in processing complaints. Many cases take a long time to be resolved due to a backlog of cases, inadequate resources, and bureaucratic hurdles. This delay often discourages consumers from pursuing their grievances and undermines trust in the system.
2. **Lack of Awareness:** Many consumers are not fully aware of their rights or the procedures for filing complaints. This lack of awareness leads to underutilization of available grievance redressal mechanisms. Even when

consumers are aware, they often find the complaint procedures complex and difficult to navigate.

3. **Inconsistent Implementation:** The effectiveness of grievance redressal systems can vary significantly across different regions. Some areas may have well-functioning forums and commissions, while others may face issues such as limited resources, insufficient staff, or lack of infrastructure.

4. **Limited Accessibility:** Grievance redressal mechanisms may not be easily accessible to consumers in remote or rural areas. Limited internet connectivity, lack of knowledge about online platforms, and inadequate support services can hinder access to grievance redressal systems.

5. **Resource Constraints:** Consumer Dispute Redressal Commissions often operate with limited budgets and manpower, which impacts their ability to handle and resolve complaints efficiently. This shortage of resources can lead to delays and reduced effectiveness in addressing consumer grievances.

6. **Lack of Integration:** There is often a lack of integration between different consumer protection bodies and regulatory agencies. This disjointed approach can result in fragmented services and communication gaps, making it harder for consumers to get comprehensive support.

Addressing these challenges requires a concerted effort to streamline processes, increase awareness, and enhance the overall efficiency and accessibility of grievance redressal systems.

### **Confonet Scheme**

The CONFONET scheme, which stands for 'Computerization and Computer Networking of Consumer Fora in the country,' was launched in March 2005 during the 10th Plan period, with an initial budget of Rs.48.64 crore. The scheme continued during the 11th Plan period with an additional budget of Rs.25.69 crore. The goal was to fully computerize Consumer Fora at all three levels across the country to provide better access to information and speed up case resolutions. The National Informatics Centre (NIC) is overseeing the implementation of this project. The scheme was extended into the 12th Plan period with a budget of Rs.70 crore. By the end of the financial year 2014-15, Rs. 10 crore had been released, and by March 31, 2015, 516 district fora and 34 state/UT commissions had been connected digitally under this scheme.

### **Strengthening Consumer Fora**

The Central Government has been giving States and Union Territories (UTs) financial help to improve consumer forums' infrastructure and make sure they have the resources they need to run efficiently. In order to provide this support, new structures for consumer forums are constructed, existing facilities are renovated, and non-building assets like office supplies and furniture are provided. The State Government of West Bengal was given Rs. 507.65 lakh during the 2014-15 fiscal year as part of the 'Strengthening Consumer Fora (SCF) Phase II' strategy. The SCF program, which has a total budget of Rs. 143.95 crore, was extended into the 12th Plan period. One component of this plan, known as "Consumer Counseling and Mediation (CCM)," seeks to

distribute the authority to make decisions. In order to provide funding for building and bolstering the infrastructure of specific consumer fora according to local demands, an Empowered Committee has been established in each State, headed by the Chief Secretary or the Secretary-in-charge of Consumer Affairs.

### **State Consumer Helpline**

With financial support from the Department, this program helps State Governments establish State Consumer Helplines. The intention is to establish a specialized state-level structure for consumer grievance redress that will facilitate mediation-based case resolution. The Indian Institute of Public Administration's Centre for Consumer Studies (CCS) in New Delhi is home to a central Nodal Portal that is connected to these State Helplines. The State Helplines are established with a one-time, non-recurring grant from the federal government, and they are run for five years with a recurrent grant. After this period, the State Government is responsible for running the Helpline. This scheme was extended into the 12th Plan period with a budget of Rs.18 crore. So far, 32 States/UTs have received funds under this scheme. During the 2014-15 financial year, up to March 31, 2015, Rs.2.12 crore was released to 10 State Governments.

### **Setting up of Complaint Handling/Counseling/Guidance Mechanism**

The Department aims to work with credible and committed voluntary consumer organizations to raise awareness among consumers and address their grievances when possible. To this end, the Department has established key collaborative platforms.

### **National Consumer Helpline (NCH)**

Since the second week of May 2014, the Centre for Consumer Studies at the Indian Institute of Public Administration (IIPA) has been in charge of the National Consumer Helpline, which was first managed out of Delhi University. This project provides a Telephone Helpline for consumers across the country to address various problems they encounter in their interactions with the market, businesses, and service providers. Consumers can call the toll-free number 1800-11-4000 for counseling in English and Hindi. The helpline receives an average of 10,000 complaints per month, with a resolution success rate of 40-45%. In 2014, the project was allocated Rs.4.00 crore for a period of three years.

### **State/UTs wise Consumer Help Line Numbers**

Each Indian state and union territory has a dedicated consumer helpline number to assist consumers with their grievances. In Andhra Pradesh, the numbers are 1800-425-0082 and 1800-425-2977, while Arunachal Pradesh can be reached at 1800-345-3601. Bihar's consumer helpline is 1800-345-6188, and Chhattisgarh's is 1800-233-3663. In Gujarat, consumers can call 1800-233-0222, and in Haryana, the number is 1800-180-2087. Karnataka has a helpline at 1800-425-9339, and Kerala can be contacted at 1800-425-1550. Madhya Pradesh has two numbers, 155343 and 0755-2559778, while Maharashtra's helpline is 1800-2222-62. Mizoram's consumer helpline is 1800-231-1792, and Nagaland's is 1800-

345-3701. Odisha provides assistance at 1800-34567-24, Rajasthan at 1800-180-6030, Sikkim at 1800-345-3209, and Tamil Nadu at 04402859-2828. Finally, West Bengal's consumer helpline is 1800-345-2808. These numbers are available to help consumers with any issues or concerns they may have.

### **Consumer Online Research and Empowerment (CORE) Centre**

The Ministry launched the Consumer Online Research and Empowerment (CORE) Center project with the goal of creating web-based tools for consumer protection and awareness. The Consumer Coordination Council (CCC), a prominent network of voluntary consumer organizations, is in charge of overseeing the initiative. The Central Consumer Protection Council (CCPC), which was founded in accordance with the Consumer Protection Act, is comprised of more than 77 grassroots consumer organizations nationwide.

### **Council for Fair Business Practice, Mumbai, Maharashtra (CFBP)**

To enhance consumer protection and welfare activities, the Department approved a project by the Council for Fair Business Practice (CFBP) in Mumbai, Maharashtra, focusing on handling consumer complaints. The project was initially funded with Rs.6.00 lakh per year for five years, later increased to Rs.12 lakh for the fourth and fifth-year installments. However, due to limited funds, the fifth installment was restricted to Rs.6.00 lakh.

### **Scheme for Promoting Work at Research Institutions/Universities/Colleges on Consumer Protection and Consumer Welfare**

Launched in 2004, this scheme promotes research and practical work on consumer protection and addresses the challenges consumers face in new marketing trends. The aim is to create a strong framework to prevent consumer issues, which will inform policy-making and improve consumer protection systems. The Department of Consumer Affairs (DCA) partners with select universities to work on various consumer-related topics. The Indian Institute of Public Administration in New Delhi serves as the nodal organization for this scheme. In the financial year 2014-15, the Department sanctioned and released Rs. 66.25 lakh in grants for this initiative.

### **Consumer Clubs**

The scheme for promoting consumer clubs in schools began in 2002. It allows Middle/High/Higher Secondary Schools or Colleges affiliated with a government-recognized board or university to set up a consumer club. A grant of Rs.10,000 per club is available under the scheme. Since April 1, 2004, this scheme has been decentralized and transferred to the State/UT governments. Eligible organizations or voluntary consumer organizations (VCOs) can submit proposals to the Nodal Officers in the respective States' Food, Public Distribution, and Consumer Affairs Departments. The Central Government releases funds to the nodal officers upon receiving the list of schools from the states. Currently, around 7,749 consumer clubs operate across various states and UTs.

### **Consumer Welfare Funds in the States**

In 2003, States and UTs were encouraged to set up a Consumer Welfare Fund at the State level to support voluntary organizations engaged in advocacy at the grassroots level. The scheme provides a one-time grant from the DCA, matched by the state's contribution to the corpus. States can adopt their guidelines for managing the Fund, consistent with Central guidelines. Each State must designate a nodal agency to operate the Scheme. The current funding ratio is 75:25 between the Centre and State (90:10 for Special Category States/UTs). The corpus funds are maintained in separate accounts, and the income generated is used for state and local consumer protection programs.

### **Consumer Awareness**

Since 2005, the Department has conducted a nationwide multimedia awareness campaign on consumer rights and responsibilities. The campaign is implemented through the Directorate of Audio and Visual Publicity (DAVP), the Doordarshan Network (DD), and All India Radio (AIR).

### **Publicity through Doordarshan**

Doordarshan (DD) has a wide geographic reach and a diverse viewership across urban and rural areas. It has been a key electronic medium for the "Jago Grahak Jago" campaign, helping the Department reach the target audience in remote and rural parts of the country.

### **Publicity through All India Radio and FM Stations**

All India Radio reaches almost 99% of India's population, providing an effective platform to reach the migrant population, construction workers, farm laborers, and farmers, who often carry portable radio sets while working or traveling. The campaign also uses the growing network of FM Stations, both from AIR and private ones enlisted by DAVP. The Department is exploring the use of 'Community Radio' networks to connect with rural communities.

### **Publicity through Print Media using Newspaper Advertisements**

Advertisements were published in both national and regional newspapers in local languages through the Directorate of Advertising and Visual Publicity (DAVP), following the new advertisement policy. These ads were released in a network of over 300 newspapers nationwide. Leading magazines, empanelled by DAVP, were also used for publicity. The print advertisements and electronic media spots covered topics of interest to a broad audience.

#### **1. Publicity through Electronic Medium**

The Consumer Protection Act, banking services, medications, travel services, grievance redress mechanisms, Maximum Retail Price (MRP), ISI certification, and hallmarking are just a few of the consumer-related subjects that the Department has promoted with television advertisements. The Doordarshan program, regional channels like the Sun Network, ETV Network, ZEE TV network, Discovery, Sahara Network, and other well-known satellite channels, as well as satellite channels like Sony, Star Plus, Zee News, Star News,



Doordarshan National Network, and Krishi Darshan, all aired these commercials.

## **2. Publicity in North Eastern States**

Doordarshan Kendras in the North Eastern States ensured that messages were conveyed in local languages, producing audio and video spots in Assamese, Khasi, Garo, Mizo, Manipuri, and Naga. The campaign also utilized AIR Kendras, private FM channels, and newspapers with editions in the Northeast region to reach the local population. A special campaign was conducted through newspapers in this region.

## **3. Use of Sports Events**

To reach a larger audience, the Department aired video and audio spots with consumer-related information during popular sports events. These included the India-England Test and ODI Series 2014, the India-Australia Cricket series 2014, and the India-Australia-England One Day Cricket Series 2015. The Department also utilized the ICC Cricket World Cup 2015 for this purpose.

## **4. Publicity through the Outdoor Medium**

The campaign utilized outdoor media provided by DAVP, including banners, hoardings, Metro panels, bus panels, Tirupati Access Cards, Mata Vaishno Devi Access Cards, LCD screens in railway stations, advertisements on IRCTC menu cards, and other facilities.

## **5. Assistance to State Governments / UTs**

Recognizing the importance of State Governments' active participation in raising consumer awareness in rural, remote, and underserved areas, the States and UTs were actively involved in the program. Grant-in-aid and support to States/UTs have been key components of the program, enhancing its reach and effectiveness.

## **Online Monitoring of Cases in Consumer Fora**

A significant initiative in consumer dispute resolution has been the digitization of consumer court operations. The Consumer Forum Network (CONFONET) has connected Consumer Fora across the country through a computer network. Citizens can access district forum or State Commission cause lists, check the status of their cases, and read orders online from home. This system is fully operational in 444 District Fora, 32 state commissions, and the National Commission, with other District Fora expected to come online soon. The DCA aims to enable consumers to file complaints online. As of March 31, 2015, the National Commission reported an impressive average case disposal rate of 91.48% across all three levels of Consumer Fora.

## **Agency wise Detail of Cases since the Inception of Consumer Fora**

Since its inception, the National Commission has handled 93,860 cases, disposing of 83,294 and leaving 10,566 pending, resulting in an 88.74% disposal rate. The State Commissions have seen 701,099 cases, with 611,588 disposed of and 89,511 pending, achieving an 87.23% disposal rate. At the District Fora level, 3,605,886 cases have been filed, with 3,330,848 resolved and 275,038

pending, leading to a 92.37% disposal rate. Overall, a total of 4,400,845 cases have been filed across these agencies, with 4,025,730 disposed of and 375,115 still pending, resulting in an overall disposal rate of 91.48%.

### **Filing of Complaints in the Consumer Forum**

Consumer complaints may be filed in a District Consumer Forum, State Commission, or National Commission by an irate consumer, a registered voluntary consumer organization (if the person is a member), one or more consumers with comparable interests, or the Central or State Government. The complaint should contain information about the problem, the requested remedy, and copies of any required paperwork, including invoices, cash memos, or vouchers. Additionally, it ought to specify the kind of flaw in the product or service. Depending on the entire cost of the goods or services plus any compensation sought, different fees apply when filing a complaint in a District Forum: 100 rupees for up to one lakh, 200 rupees for more than one lakh and up to five lakhs, 400 rupees for more than five lakhs and up to ten lakhs, and 500 rupees for more than ten lakhs and up to twenty lakhs. Up to Rs. 1 lakh, there is no cost for complaints made by Antyodaya Anna Yojana cardholders. The State Commissions charge a fee of Rs. 2000 for claims up to Rs. 50 lakhs, including compensation, and Rs. 4000 for claims up to Rs. 1 crore and above Rs. 50 lakhs. For requests involving compensation above Rs. 1 crore, the National Commission charges a fee of Rs. 5000.

## **CONCLUSION AND RECOMMENDATIONS**

In the modern era, consumer protection and unfair trade practices have expanded their legal and financial reach. Antitrust laws and other consumer protection regulations are now in place in many nations across the world, ensuring that trade standards are raised and that unfair and restrictive commercial practices are curbed. The Indian government has launched numerous projects, but the customers aren't able to fully profit from them. Due to bad geographical condition, illiteracy, population explosion, less network coverage, low network accessibility and lack of communication between administration and consumer are main hurdles in the way of consumer awareness and grievance redressal. Despite these hurdles government of India has made good efforts to make its consumers aware and provided some safeguards to protect the consumer from unfair trade practices.

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