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Efficacy of Consumer Protection Act in Safeguarding the Rights of Consumers

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Abstract: *Everyday people engage themselves in buying and selling products or services. This activity is the fundamental quality of humans without which human existence is impossible and as far as human memory goes people have engaged in this activity. With the emergence of a capitalistic atmosphere around the world, buying and selling are now not only restricted to essential products but have turned into a whole advertisement gimmick and trend. Although, the simplest of all human activities, buying and selling is not ingenious and uncomplicated activity.*

Consumers have been subjected to misleading assurances, unfair trade practices, frauds, etc., since time immemorial and since the beginning of human consciousness, it has been duly realized to regulate and rectify this activity to prevent the consumers from getting duped and cheated.

Keywords: *Consumers, unfair trade practice, defect and deficiency.*

I. LEGAL MAXIM -CAVEAT EMPTOR

Caveat emptor is a Latin phrase that translates to "let the buyer beware." It means that an individual buys at their own risk. Potential buyers are warned by the phrase to do their research and ask pointed questions of the seller. The seller isn't responsible for problems that the buyer encounters with the product after the sale.

- 1) Caveat emptor is a Latin phrase that means "let the buyer beware."
- 2) The principle of caveat emptor is sometimes used in legal contracts as a type of disclaimer.
- 3) A caveat emptor disclaimer precludes post-purchase disputes despite the seller having more information than the buyer about the quality of a good or service.
- 4) Caveat emptor is more often accepted in real estate transactions, and in some states than others in the U.S.

II. EMPOWERING CONSUMERS

Consumer protection measures help to empower consumers by giving them the necessary information to make informed decisions about their purchases. When consumers are protected, they can exercise their rights to demand quality products and services, and also demand compensation if they receive substandard products or services.

A. Preventing Fraudulent Activities

Consumer protection laws help to prevent fraudulent activities, such as false advertising, misleading labelling, and price manipulation. This not only protects consumers but also promotes fair competition in the market.

B. Reducing Health and Safety Risks

Consumer protection measures help to reduce the health and safety risks associated with using products and services. For example, regulations on food products, pharmaceuticals, and medical devices help to ensure that they meet minimum safety standards.

C. Promoting Economic Growth

Ensuring consumer protection can promote economic growth by creating a level playing field for businesses to compete fairly. This can increase consumer confidence in the market, leading to increased spending, investment, and job creation.

D. Upholding Consumer Rights

Consumer protection measures help to uphold the basic rights of consumers, such as the right to be informed, the right to choose, the right to safety, and the right to be heard. These rights are essential for building a fair and just society.

The empowered consumer has used information technology to shift the balance of power away from sellers and towards themselves, allowing unprecedented price and choice control. This goes beyond the consumerization of IT. Rather; it is a change in consumers' expectations about their interactions with suppliers and partners

III. ROADBLOCKS IN CONSUMER PROTECTION IN INDIA

A. Pendency of Cases

The pendency of consumer cases in India is quite high, with a backlog of cases at both state and national levels.

This results in long waiting periods and delays in dispute resolution, which frustrates consumers.

As of December 2022, the state commissions had 1,12,000 pending cases, while district commissions had 4,29,000.

The national commission had a pendency rate of 20.5% for the 1,06,088 cases filed with it, while the pendency rate for the 35 state and 637 district commissions stood at 22%.

B. Lack of Infrastructure

Many consumer forums and commissions lack the necessary infrastructure and manpower to handle a large number of cases effectively. This results in delays in the resolution of cases, which could have been resolved quickly.

IV. WORLD CONSUMER RIGHTS DAY

Celebrating and raising awareness about consumer rights and needs is an annual event celebrated on March 15th to raise awareness about consumer rights and needs. The day is an opportunity to celebrate the power of consumers and demand that their rights be respected and protected. John F. Kennedy served as an inspiration for International Consumer Rights Day. The former President of the United States, was the first world leader to address the issue of consumer rights.



V. LOOPHOLES IN THE CONSUMER PROTECTION ACT, 1986 AND HOW THE CONSUMER PROTECTION BILL, 2018 OVERCOMES THESE LOOPHOLES

On December 20, 2018, Lok Sabha passed the Consumer Protection Bill, 2018 which is an attempt to replace the entire Consumer Protection Act, 1986. The question is whether there was a need to replace the entire act? What were such lacunas that a three-decade old legislation needs to be repaired? Whether such bill will be successful in solving such lacunas? The following questions shall be answered by understanding the Consumer Protection Act, 2018 closely.

The sole purpose of the act introduced in 1986 was to protect the interest of the consumers. It was a shift from *caveat emptor* to *caveat venditor*. It was neither punitive nor preventive in nature, but compensatory. The intention behind the act was to provide simple, speedy and inexpensive redressal to the consumers. But a change or shift in the consumer's mindset, development of technology, and delay by Consumer Courts have hinder the effect or purpose sought to be achieved by the said act. This led to an urgent need on part of the government to enforce laws that could effectively check consumer frauds and provide necessary amendments in the various provisions of the Act so as to introduce a more successful mechanism.

Thus, in order to solve the shortcomings in the Act of 1986, the Consumer Protection Bill, 2018 was introduced in Lok Sabha this year. The bill takes into account a rapid change in consumer market places, deals with misleading advertisement and most importantly online and teleshopping. The Bill was referred to a Standing Committee for necessary changes and was approved by Lok Sabha.

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