

**CONSUMER BEHAVIOUR
DIGITAL NOTES
ON**

CONSUMER BEHAVIOUR

II MBA - III Semester

Department of MBA



**ANNAMACHARYA INSTITUTE OF TECHNOLOGY AND SCIENCES, RAJAMPET
(An Autonomous Institution)**

Unit 5

CONSUMERISM AND THE CONSUMER PROTECTION ACT (1986)

8

Roots of Consumerism – Consumer Safety and Information – Environmental Concerns – Consumer Privacy – Consumer Protection Act 1986; Central and State Consumer Protection Councils, Consumer

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Roots of Consumerism

CONSUMERISM

The **TRIPLICANE URBAN CO-OPERATIVE SOCIETY (TUCS)** was started in 1904 in **i, Tamil Nadu**. It was the first consumer co-operative society in India. 'The term 'Consumerism' had been first used in the year 1915 and referred to 'advocacy of the rights and interests of consumers'.

Consumerism encompasses the evolving set of activities of government, business and independent organizations that are designed to protect the rights of the consumers. Consumerism is concerned with protecting consumers from all organizations with which there is exchange relationship. There are consumer problems associated with hospitals, libraries, schools, police forces, and various government agencies, as well as with business firms.

What is the root cause of consumerism

The major causes for the evolution of consumerism have been the continuous rise in prices, underperformance of product, quality of the service, Shortage of product and deceptive advertising.

ROOTS OF CONSUMERISM

1. Disillusionment with the system
2. The performance gap
3. The consumer information gap
4. Antagonism toward advertising
5. Impersonal and unresponsive marketing institutions
6. Intrusions of privacy
7. Declining living standards
8. Special problems of the disadvantaged
9. Different views of the marketplace

Institutions have been subjected to increasing public scrutiny, skepticism and loss of esteem many consumers think that they get worst deals in the marketplace than they used to. Many consumers express broad dissatisfaction with the goods they buy. Their expectations of product

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performance and reliability have risen (largely because of advertising touting the new improvements). Increased product complexity brings about new possibilities for malfunction and a perception by the consumers that the promise - performance gap is increasing. Amateur buyers lacking time, interest or capacity to process information adequately in order to make optimal marketplace decisions face literally thousands of complex products requiring evaluations along many dimensions relating to performance, convenience or even societal concerns. Large segments of population are very skeptical of the usefulness and truthfulness of the advertising information. It is criticized for its intrusiveness and clutter, irritation factor, stereotyped role portrayals, and promotion of unrealistic and unsupportable expectations. Telemarketing calls are a related annoyance. Where there is human or computerized voice on the other end, about 70% people ranked it as a major irritation. There have been impersonal and un-responding marketing institutions that have been causing such marketing factors as: The rise of self-service retailing. Reduced knowledge of sales employees.

THE NATURE OF CONSUMERISM

1. Consumer Safety
2. Consumer Information
3. Consumer Choice
4. Environmental Concerns
5. Consumer Privacy
6. Business Response to Social and Ethical Concerns
7. Consumer's Responsibilities
8. Market Responses to Consumers

1. Consumer Safety: The oldest and most controversial of the consumer's rights, the one which both business people and consumerists agree upon and support. Consumers regularly complain about shoddy or defective merchandise and poor services. It is one thing to be cheated or deceived. It is quite another to be physically injured by unsafe product. Safety always is an issue for consumers, business and government.

2. Consumer Information: Consumers' rights with regard to information relate to the marketer's provision of adequate information which neither deceives nor misleads. Two areas are important here:

a. **Deception of Consumers:** The deception of consumers is accomplished by deceptive advertisement. While dealing with deception then it needs not to prove that deception actually occurred in advertisement but merely that the ad had the capacity to deceive. It is also important for the advertisers to learn that they can't escape the liability simply because they didn't know that the ad's claim was false.

b. **Puffery in Advertisements:** Advertisements have long been designed on the basis of accepted approach of puffery – the use of exaggerated praise for an advertised item. The most difficult point here, however, is that at which point the puffery becomes deception. On the basis of definition three types of deceptive advertising may exist:

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3. Consumer Choice: Some consumer activists argue that consumers have less choice than might be desirable and possible. Other consumer activists support reduced choice by arguing that consumers should be given not simply what they want, but what is the best for them. They support that buyers are not able to adequately determine for themselves that what is best in their interest and must be provided with right products.

4. Environmental Concerns: The right to clean environment assures that the environment in which the consumers live is free from pollution. Large scale pollution seems to be a by-product of an economically developed society, but it is also an area of great concern for many consumers.

THE FEATURES OF CONSUMERISM

Enforcing Consumer Rights – Consumerism aims at applying the four basic rights of consumers which are **Right to Safety, Right to be Informed, Right to Choose, and Right to Redress.**

CONSUMER SAFETY AND INFORMATION

CONSUMER SAFETY

Consumer protection safeguards the well-being and interests of consumers through education, mobilization and representation. Consumer protection ensures that consumers make well-informed decisions about their choices and have access to effective redress mechanisms.

CONSUMER INFORMATION

Means **right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices.** Consumer should insist on getting all the information about the product or service before making a choice or a decision.

All consumer products have the potential to cause harm to users without adequate safety controls and monitoring of the product market. Studies reveal that in around 15% of incidents the injury could have been prevented by improved user instructions and/ or better design of the product. In half of these cases the injury was due to product malfunction.

Therefore, consumer product safety has been recognized as an effective means for preventing accidents and/ or reducing the risk of serious injury in case of an accident. It is evident that the

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health and safety of consumers is best protected by means of strict and common safety rules and standards for consumer products across Europe and worldwide.

Consumer protection is **the practice of safeguarding buyers of goods and services, and the public, against unfair practices in the marketplace.** Consumer protection measures are often established by law.

Consumer protection is very important to prevent consumers from getting exploited due to factors like (i) Physical protection of a consumer; (ii) Unfair trade practices; (iii) Protection against environmental hazards; (iv) Protection from deceptive advertising; (v) Unorganised consumer; and (vi) Growth of business.

Environmental concerns

These include pollution, overpopulation, waste disposal, climate change, global warming, the greenhouse effect, etc. Various environment protection programs are being practised at the individual, organizational and government levels with the aim of establishing a balance between man and the environment.

Importance of consumer privacy

1. Protecting customers' personal data equals securing customer trust

Guarding your customer's information provides many benefits. Not only will you comply with government regulations, but you will also gain the confidence of your customers. Customer trust goes a long way in securing the future of any organization by way of customer retention.

2. Strengthen the brand value of your business and protect its image

Data breaches have a direct correlation with the loss of brand value and [brand reputation](#) of a company. Brands that strongly believe in protecting their customers' personal data and explicitly communicate their strong data privacy values to their customers often rate high on brand value. Naturally, bold claims need to be backed by actions, which requires a solid commitment to preventing data loss and theft.

3. A strong privacy policy can give you the edge over your competition.

In today's digitally connected world, every individual has an "online presence," whether intentional or unintentional. While it is almost unavoidable for an individual to "leave behind a piece of themselves," so to speak, in the digital world, it is always reassuring for a customer to know that a company handling their private information is taking all the necessary measures to keep their customers' personal data protected. By maintaining effective data

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security measures and demonstrating your ability to shield private information from cyber threats, you effectively retain customers and possibly gain more customers as your good reputation precedes you.

4. Business continuity is strongly dependent on data security

The phrase “data is the new oil” is liberally used in various contexts but rightly so. Data is the most valuable asset of your organization, and its loss can be detrimental to growth or, in the worst case, it could result in the collapse of a business.

Taking precautions to protect your data and your customer’s data is in your company’s best interest. By taking even reasonable precautions to keep your data protected, you significantly reduce the chances of data theft and data loss and, in turn, deter the threat of business continuity.

5. It is the right thing to do

Doing everything in your power to protect your customers’ privacy and safeguard their data is just the right thing to do. While governments have privacy policies in place, you can always set the right example in the industry by going a step ahead by having your own ethics policy that enshrines data and privacy protection.

Environmental Concerns

Climate change (46%), air quality (36%) and plastic pollution (33%) are global consumers' top three environmental concerns. 58% of global consumers say extreme weather events in the country where they live encourage them to do more to protect the environment

- Water Pollution. ...
- Climate Change. ...
- Global Warming. ...
- Deforestation & Logging. ...
- Increased Carbon Footprint. ...
- Genetic Modification. ...
- Effect on Marine Life.

Consumer Privacy

Consumer privacy, also known as customer privacy, involves the handling and protection of the sensitive personal information provided by customers in the course of everyday transactions.

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Consumer privacy is information privacy as it relates to the consumers of products and services. A variety of social, legal and political issues arise from the interaction of the public's potential expectation of privacy and the collection and dissemination of data by businesses or merchants.

The privacy of your consumer's data is important because, **like your business and you as an individual, you value your privacy**. While you may not have anything to hide, the last thing you want is your curiosity, habits, and preferences being used to manipulate you.

Authorizing passwords and login information for online accounts. Encrypting stored data. Verifying online transactions through a secondary method, like text message. Enabling biometric identification, like fingerprint log on.

Meaning of Consumer Privacy: Consumer privacy measures are **those taken by commercial organizations to ensure that confidential customer data is not stolen or abused**.

Consumer privacy issues

Personal information, when misused or inadequately protected, can result in identity theft, financial fraud and other problems that collectively cost people, businesses and governments millions of dollars per year.

Common consumer privacy features offered by corporations and government agencies include:

- "do not call" lists;
- verification of transactions by email or telephone;
- nonrepudiation technologies for email;
- passwords and other authorization measures;
- encryption and decryption of electronically transmitted data;

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- opt-out provisions in user agreements for bank accounts, utilities, credit cards and similar services;
- digital signatures; and
- biometric identification technology.

The emergence of internet commerce and big data in the early 2000s cast consumer data privacy issues in a new light. While the World Wide Web Consortium's (W3C's) Platform for Privacy Preferences Project (P3P) arose to provide an automated method for internet users to divulge personal information to websites, widespread gathering of web activity data was largely unregulated.

The ways in which data is used and collected now are more expansive than ever before. Data has taken on a new value for corporations and, as a result, almost any interaction with a large corporation, no matter how passive, results in the collection of consumer data. This is partially because more data leads to improved online tracking, behavioral profiling and data-driven targeted marketing.

The surplus of valuable data, combined with minimal regulation, increases the chance that sensitive information will be misused or mishandled.

Laws that protect consumer privacy

Consumer privacy is derived from the idea of personal privacy, which, although not explicitly outlined in the U.S. Constitution, has been put forward as an essential right in a number of legal decisions. The Ninth Amendment is often used to justify a broad reading of the Bill of Rights to protect personal privacy in ways that aren't specifically outlined, but implied.

Despite this, there is currently no comprehensive legal standard for data privacy at the federal level in the United States. There have been attempts at creating one, but none have been successful.

For example, in 2017 the U.S. federal government reversed a federal effort to broaden data privacy protection by requiring internet service providers (ISPs) to obtain their customers' consent prior to using their personal data for advertising and marketing. Another comprehensive federal consumer privacy bill was proposed in late 2019 called the Consumer

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Online Privacy Rights Act (COPRA), but it has yet to pass and many speculate that its approval will be a struggle.

Importance of Consumer Privacy

Good consumer privacy policies and practices limit or monitor how businesses and third-party data collection agencies collect and use your user's data. This can include anything from web browsing cookies, purchase histories, and app engagement.

While this may not sound like anything major, at its worst, poor consumer data privacy policies can lead to a variety of problems for both you and your business. For example:

- **Identity theft:** Almost three-quarters of consumers consider identity theft and fraud as one of their top online concerns. Identity theft can lead to drained bank accounts, fraudulent loans, and accessing various private details that can permanently negatively impact a user. Identity theft can be one of the most devastating outcomes of poor consumer privacy policies and processes. Over half of consumers who have been victims of identity theft feel an ongoing sense of powerlessness and helplessness that's proved hard to rid themselves of, long after the event.
 - **Hacks and breaches:** Hacking attacks are said to occur as often as every 39 seconds. The average cost of a data breach was said to be *\$3.86 million* and that's not taking into account the reputational damage the business suffered as a result. Depending on the industry a data breach can result in some costly litigation where your consumer's personal records and details are exposed.
 - **Unethical data sales:** With [an estimated value of over \\$200 billion](#) data collection and sales is an increasingly booming industry. While reactions to personalized advertising and marketing and advertising have been mixed, it's an increasingly unpopular topic, especially for your more informed consumers.
- ❖ Customers want to feel safe
 - ❖ It's the law
 - ❖ It safeguards your businesses reputation and brand
 - ❖ Embracing it shows you're an ethical business
 - ❖ Can help develop a sense of loyalty

Consumer Protection Act 1986;

The Consumer Protection Bill, 1986 seeks to provide for better protection of the interests of consumers and for the purpose, to make provision for the

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establishment of Consumer councils and other authorities for the settlement of consumer disputes and for matter connected therewith.

The Consumer Protection Act, 1986 was an Act by the Parliament of India elected to protect the interests of consumers in India. It was replaced by the Consumer Protection Act, 2019.

Features of Consumer Protection Act, 1986

- It applies to all goods, services and inequitable trade practices unless specified and exempted by the Central Government
- It covers all sectors, private, public or co-operative
- It provides the establishment or setting up of consumer protection councils at the district, state and central levels to encourage and protect the rights of consumers and three-tier quasi-judicial machinery to deal with consumer grievances and disputes

Objectives of Consumer Protection

- To protect the consumer from abuse
- To provide a venue for grievances/compensation
- To ensure a superior quality of living by upgrading consumer products and services
- Protecting the consumer against immoral and unfair activities of the traders

Need for Consumer Protection Act

The necessity of acquiring measures to protect the interest of consumers come to light mainly due to the vulnerable position of the consumers.

Social Responsibility: It is the moral responsibility of the business to serve the interest of consumers. In line with this principle, producers and traders have to provide the right quality and quantity of goods at fair prices.

Increasing Awareness: Consumers are becoming more mature and conscious of their rights against the malpractices of the business. Many consumer organisations and associations are making efforts to build consumer awareness.

Consumer Satisfaction: The Father of the Nation, Mahatma Gandhi, had once called manufacturers and traders to "treat your consumers as god". Consumer satisfaction is the only key to the success of the business. Hence, people in business should take every step to

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serve the interests of consumers by providing them quality goods and services at a reasonable price.

Survival and Growth of Business: Businesses have to be in the service of consumer interests for their survival and growth. On account of globalisation and the rise in competition, any business organisation which indulges in malpractices or fails to provide improved services to its ultimate consumer shall find it difficult to continue.

Principle of Trusteeship: Resources/Assets were contributed by society. They are merely the trustees of the wealth and, therefore, they should use such resources effectively for the sake of the community, which includes the consumer.

Rights of the Consumer

- **Right to Safety** – To be secured against the marketing of goods on delivering dangerous services to health and life
- **Right to Information** – To be protected against dishonest or misleading advertising or labelling and the right to be given the facts and figures needed to make an informed choice
- **Right to Choice** – To choose products at competitive prices with an assurance of satisfactory quality
- **Right to Representation** – To express consumer interests in the making and execution of government policies
- **Right to Seek Redress** – To be compensated for misrepresentation, shoddy goods or unsatisfactory services
- **Right to Consumer Education** – To Acquire the Knowledge and skills necessary to be an informed customer
- **Right to Basic Needs** – This Guarantees adequate food, shelter, health care, clothing, education and sanitation

Central and State Consumer Protection Councils

Central Consumer Protection Authority is a regulatory authority set up under Section 10(1) of the Consumer Protection Act, 2019 in relation to matters affecting rights of consumers by individuals or entities following improper trade practices or by display of inappropriate or wrong advertisements affecting public .

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State Consumer Protection Councils

The primary object of the State Consumer Protection Council is to promote and protect the six rights of consumers viz right to safety, right to be informed, right to choose, right to be heard, right to seek redressal and to consumer education within the state as laid down in section 6 of the Act.

The **Consumer Protection Council** is a government institution that was established in 1972 with the main objective of protecting consumer rights. The council is made up of members from various government departments, such as the Department of Industrial Policy and Promotion, the Department of Law and Justice, and the Department of Consumer Affairs. The council's main focus is to safeguard consumer interests by monitoring and enforcing consumer protection laws, facilitating consumer education, and providing consumer redressal mechanisms. In addition, the council also promotes consumer-friendly policies and initiatives.

What is the Consumer Protection Council?

The Consumer Protection Council is an organisation that provides legal assistance to Indian consumers. They do this by developing and promoting effective consumer protection measures, as well as educating people about their rights under the law. It has a wide range of services that it offers, including product liability, consumer disputes, and credit information. Additionally, the council conducts awareness campaigns to educate people about their rights as consumers. The council offers free information and support to individuals who have been wronged by companies or government agencies. So, whether you're the victim of a scam or just feel like you've been wronged in the past, the Consumer Protection Council can help.

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Composition of the Consumer Protection Council

The Consumer Protection Council acts as the mediator between businesses and consumers, providing education and legal interpretations of consumer rights. In addition, the council tries to make it easier for consumers to take action if they feel that their rights have been violated.

The Consumer Protection Council is a government body that looks after the interests of consumers in India. It has a total of 20 members and all are appointed by the President of India on the advice of the Prime Minister. The term of all members is 5 years and they can be re-appointed once their term ends. The primary mandate of the council is to provide effective and affordable consumer protection through the formulation, implementation, and review of consumer-related laws/regulations. It also provides guidance to other government departments/organisations on issues pertaining to consumer affairs. Overall, the council plays an important role in ensuring that consumer interests are always well-protected.

Objectives of the Consumer Protection Council

Now that you know a little about the composition of Consumer Protection Council, it's time to learn about the important functions and Objectives of this organization. The Consumer Protection Council provides impartial advice and support to consumers with regard to their rights under the law. Its members are experts in consumer protection and come from different parts of the business community. They work together to provide objective, impartial guidance, and support to consumer concerns. In addition, the council also works towards

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increasing consumer awareness of their rights and protecting businesses from unfair practices by customers.

It performs functions like:

- To formulate policy guidelines for the protection and promotion of consumer interests.
- To provide guidance on matters relating to consumer protection.
- To advise Government on all issues related to consumer protection.
- To monitor compliance with rules/regulations issued by the Government or any other authority or organisation as per directions given by it.
- To receive complaints from consumers regarding violations or non-compliance with any provision.

How Can Council Help You?

The Consumer Protection Council works to protect consumers from unfair trade practices. These can include false advertising, misleading pricing, and unauthorized modifications to products. If you think you have been a victim of an unfair trade practice, it is best to contact these agencies for assistance. Consumer Protection Council plays a vital role in the protection of consumer rights. It does this through a range of activities such as research, public education, monitoring, investigations, and mediation. The CPC has a strong focus on consumer protection and helps to ensure that people have access to accurate information about their rights. This way they can make informed decisions when it comes to buying goods or services. The council meets at least once a month. Its decisions are made by majority vote. They will help you take appropriate action and ensure that your interests are always taken into consideration.

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Central Consumer Protection Authority has the following powers

- (i) If the commission finds violations of rights of consumers or in notice of trade practices
- (ii) If the commission finds after preliminary inquiry of an existence of a prima facie case of consumer rights violation or it is in notice of any unfair trade practice or any wrong or inaccurate advertisement which is prejudicial to public interest or to the interests of the consumers, it can order an investigation by the District Collector or by Director General.
- (iii) If the commission finds prima facie of a person involved in violation of consumer rights or following any unfair trade practice or making any false or inaccurate advertisement as described above,
- (iv) The commission can direct recalling of any dangerous, hazardous or unsafe goods or withdrawal of similar services and order refunding of the proceeds collected towards sale of goods or offering of services so recalled or order stoppage of any unfair practices after giving the person directed to do so, an opportunity of being heard.
- (v) The commission can involve in and engage in services relating to consumer advocacy by offering services of registering complaints before the National Commission, the State Commission, or the District Commission, formed as per the Act, involving in the proceedings before them, suggesting remedial actions, involving itself in related research, creating awareness and guiding consumers on safety precautions.^{[6][7]}
- (vi) The commission can direct to a trader or manufacturer or endorser or advertiser or publisher after investigation to discontinue advertisements which are wrong or misleading or prejudicial to consumers, and in such case impose penalties upto Rs 10 lakhs payable in cash.
- (vii) The commission can also prevent the endorser of advertisement which is wrong or misleading from making the same in relation to any product or service for a time period ranging upto one year, and three years in case of subsequent contravention.^[8]

Consumer Disputes Redressal Agencies and Forum,

According to the **Consumer Protection Act 2019**, a **Consumer** is a person who buys any goods or avails any services for a consideration, which has been paid or promised to pay or partly paid or partly promised or under any scheme of deferred payment. A consumer also includes a person who is using the goods or beneficiary of service with the approval of the buyer and applies to both online and offline transactions through electronic means of teleshopping or direct selling or multilevel marketing.

Redressal Agencies or Three-Tier Grievances Machinery under the Consumer Protection Act

The three redressal agencies under the Consumer Protection Act, 2019 are District Commission, State Commission, and National Commission.

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1. District Commission

A district commission includes a president (who can be a working or retired judge of the District Court) and two other members. They are appointed by the state government. One can file a complaint for goods and services of ₹1 crore or less in this agency. For the complaints filed, if the district commission feels a requirement, it sends the goods to the laboratory for testing and gives its decision based on the laboratory report and facts.

If the aggrieved party is not happy with the jurisdiction of the district commission, then they can appeal against the judgment of this agency in the State Commission within 45 days.

2. State Commission

A state commission includes a president (who must be a working or retired judge of the High Court) and at least two other members. They are appointed by the state government. One can file a complaint of goods and services worth less than ₹10 crores and more than ₹1 crore in this agency. After receiving a complaint from the aggrieved party, the state commission contacts the party against whom the complaint has been filed. Also, for the complaints filed, if the state commission feels a requirement, it sends the goods to the laboratory for testing.

If the aggrieved party is not happy with the jurisdiction of the state commission, then they can appeal against the judgment of this agency in the National Commission within 30 days by depositing 50% of the fine money.

3. National Commission

A national commission includes a president and four other members one of whom shall be a woman, and Central Government appoints them. One can file a complaint of goods and services worth more than ₹10 crores in this agency. After receiving a complaint from the aggrieved party, the national commission informs the party against whom the complaint has been filed. Also, for the complaints filed, if the state commission feels a requirement, it sends the goods to the laboratory for testing, and then gives judgement based on the reports.

If the aggrieved party is not happy with the jurisdiction of the national commission, then they can appeal against the judgment of this agency in the Supreme Court within 30 days by depositing 50% of the fine money.

District Commission v/s State Commission v/s National Commission

Basis	District Commission	State Commission	National Commission
Composition	A district	A state commission	A national commission

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Basis	District Commission	State Commission	National Commission
	commission includes a president and two other members, and one of the members has to be a woman.	includes a president and at least two other members, and one of the members has to be a woman.	includes a president and four other members one of whom shall be a woman.
Who can be a President	A working or retired judge of the District Court can be a president of the District Commission.	A working or retired judge of the High Court can be a president of the State Commission.	A working or retired judge of the Supreme Court can be a president of the National Commission.
Appointment of President	By taking the recommendation of the selection committee, the state government appoints the president of the District Commission.	After consulting with the Chief Justice of the High Court, the state government appoints the president of the State Commission.	After consulting with the Chief Justice of India, the central government appoints the president of the National Commission.
Jurisdiction	One can file a complaint for goods and services of ₹1 crore or less.	One can file a complaint of goods and services worth less than ₹10 crores and more than ₹1 crore.	One can file a complaint of goods and services worth more than ₹10 crores.
Appeal against orders	If the aggrieved party is not happy with the jurisdiction of the district commission, then they can appeal against its judgment in the State Commission within 45 days.	If the aggrieved party is not happy with the jurisdiction of the state commission, then they can appeal against its judgment in the National Commission within 30 days by depositing 50% of the fine money.	If the aggrieved party is not happy with the jurisdiction of the national commission, then they can appeal against its judgment in the Supreme Court within 30 days by depositing 50% of the fine money. However, one can file the complaint only when the value of goods and services exceeds ₹10 crores.

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National Consumer Disputes Redressal Commission.

The National Consumer Disputes Redressal Commission of India is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act, 1986. Its head office is in New Delhi. The commission is headed by a sitting or retired judge of the Supreme Court of India.

The NCDRC is headed by a retired or a sitting judge of the Supreme Court. The objective of the National Consumer Disputes Redressal Commission, as well as the respective state commissions and district fora is to **provide speedy, economical and summary resolution of consumer complaints or disputes.**

These redressal agencies have the jurisdiction to adjudicate the complaints received from consumers against any defect in the goods purchased or deficiencies in the services availed or any unfair/restrictive trade practices, etc. adopted by any trader or person.

The National Consumer Disputes Redressal Commission or the NCDRC is a quasi-judicial commission established as per the provisions of the Consumer Protection Act, 1986.

- It was established in 1988.
- Its headquarters is in New Delhi.
- The NCDRC is headed by a retired or a sitting judge of the [Supreme Court](#).
- The objective of the National Consumer Disputes Redressal Commission, as well as the respective state commissions and district fora is to provide speedy, economical and summary resolution of consumer complaints or disputes.
- Currently, the NCDRC is headed by Justice R. K. Agrawal (former SC judge) and comprises seven other members.
- The NCDRC is at the apex while it has 35 state commissions and 629 district fora under it.

Aspirants can read more about the [Consumer Protection Act, 2019](#) in the linked article.

NCDRC Jurisdiction

Section 21 of the Consumer Protection Act 1986 provides that the NCDRC can entertain consumer complaints that are valued over Rs. 1 Crore. **As per the 2019 Act that replaced the 1986 Act, the NCDRC will entertain complaints valued above Rs. 10 Crore.**

- Also, the Commission has appellate as well as revisional jurisdictions from the orders of the State Consumer Disputes Redressal Commissions and the District Fora, as the case may be.

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- The Act also provides that any person who is aggrieved by an order of the NCDRC may appeal against the order in the Supreme Court of the country within a period of 30 days.
- The State commissions will entertain cases between Rs. 1 Crore and Rs. 10 Crore.
- The District fora will look into cases up to Rs. 1 Crore.
- Another change made in the 2019 Act is that the complainant can make the complaint in the place where he/she works or resides rather than where the opposite party resides or conducts business, thereby, easing the burden on consumers.