

“NEW DIMENSIONS OF CONSUMER JUSTICE IN INDIA: A Study”

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With an emphasis on the defence of consumer rights, adjudication of disputes, and the use of technology to improving consumer justice, this study seeks to investigate the evolving facets of consumer justice in India. A combination of qualitative and quantitative research techniques, such as case studies, surveys, and literature reviews, will be used in this study. The results of this study will shed light on the difficulties India's consumer justice system now faces as well as suggest viable changes to strengthen the defence of consumer rights and the adjudication of disputes. The study will also look at how technology may be used to improve consumer justice, such as by using online platforms for resolving disputes and data analytics to find trends in consumer complaints. Overall, this study seeks to offer suggestions to stakeholders, policymakers, and regulators in the continuing discussion on consumer justice in India.

Key Words: *Consumer Rights; Consumer Protection; Consumer Justice; Consumer Dispute.*

I. Introduction

The legal rights and safeguards those Indian consumers are given to ensure honest and moral business activities are referred to as "consumer justice" in India. The main piece of law in India that regulates consumer rights and interests is the Consumer Protection Act of 1986. The law calls for the creation of consumer courts and forums at the local, state, and federal levels, where people can file complaints and seek redress for issues relating to subpar products or services, deceptive or false advertising, and other forms of company exploitation or abuse. Making sure that consumers are treated fairly and that their rights are upheld in the marketplace is the ultimate purpose of consumer justice in India.

The rights and safeguards provided to consumers in India under the Consumer Protection Act of 1986 are referred to as "consumer justice" in this country. This law sets a structure for handling consumer complaints and grievances, including the establishment of Consumer Forums to hear and settle issues at the district, state, and federal levels.¹

Additionally, the act outlines particular consumer rights, such as the right to safety, the right to information, the right to make an educated decision, the right to be heard, the right to seek remedy, and the right to consumer education. It also grants customers the opportunity to file a claim for compensation for any loss or damage sustained as a result of a faulty good or service.

In India, maintaining effective consumer justice still faces difficulties despite these protections. The general public's ignorance of and lack of comprehension of consumer rights is a significant

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¹ Khan, Zahangir Alam. *Consumer justice in Bangladesh: a critical study of laws & rules*. Diss. University of Dhaka, 2017.

problem. Additionally, the processing of complaints is sometimes subject to lengthy delays, and consumer protection rules are not consistently enforced.

To help consumers learn about these issues and seek redress for their complaints, institutions like the Consumer Education and Research Centre (CERC) and the National Consumer Disputes Redressal Commission (NCDRC) have been established. The government and private organisations have also started a number of programmes to encourage consumer empowerment and raise awareness in India.²

II. Methodology- Research design and data collection methods

This paper presents the argument on consumer justice in a country like India, a developing economy with many opportunities for economic growth. The discussion includes an overview of the concepts that will be used in this essay as well as their strengths and weaknesses, which are considered from a critical perspective. It further gives the reasons why India is the way it is now and how to improve its economy. Finally, the recommendations that can be made include government regulations being the key factor of change in order to bring about positive results and also encourage more people to participate in businesses in order to create jobs. The last part discusses two articles that demonstrate whether consumer rights can ever be respected and what needs to be done to protect them. They cover issues such as the right to privacy, protection from the market and unfairness in trade, among others. However, the authors of these articles fail to show both sides. While one shows the benefits of having stronger laws protecting consumers, the other does not provide reasons why governments should ban certain products/services. Therefore, there seems to be no clear answer in terms of consumer protection and they do not clearly state why Indian consumers have to pay all the costs of their actions.

Overall, while the introduction addresses some important things regarding consumer rights and the importance of giving them priority when promoting a better future for India, the latter article fails to prove either side of the debate. Both pieces address the subject but they seem to lack clarity and the need to make strong arguments to support their claims. With that said, if I were to write a research paper on consumer justice, my first step would be to look into the available data, including statistics, reports, articles, etc., that have been written by different researchers to see if they agree on anything. Then based on the conclusions that could be gained from these resources, I can develop an understanding of where most of the world stands in making consumer rights a top concern. If some things appear to be true, then maybe this question is worth exploring more. My second step would be to read or watch movies in order to learn what has happened before in India, since consumers of the present day might never accept this kind of inequality. Lastly, if I were to choose between reading a book or watching a movie about consumer protection, I would choose the former, primarily because not everybody wants to watch a film about something so controversial as the topic of consumer rights. This topic would be highly debated and not everyone could have even heard of the term “consumer justice”. After doing all the above and observing what has already occurred in India and abroad, I will finally be able to reach a consensus about the question of who can control and regulate business activities. The next step would be to collect both

² Silbey, Susan S. *CONSUMER JUSTICE: THE MASSACHUSETTS ATTORNEY GENERAL'S OFFICE OF CONSUMER PROTECTION, 1970-1974*. Diss. The University of Chicago, 1978.

quantitative and qualitative evidence in terms of consumer data that could be gathered over the course of years. With all that knowledge, I would finally start writing my research paper and come up with the main idea that would be discussed throughout the whole paper. Based on that, I would come up with a thesis statement that would explain and justify my point of view. As soon as I had an idea that guided me through the entire process of researching and writing this paper, my goal was to share my vision of the topic – i.e. how the development of consumer rights in the 21st century can be improved, and what challenges it creates. To successfully achieve my goals, I would use examples and facts I learned in class when writing this paper or watching videos. By using these two sources, I hope to convince the readers of the fact that India must take action in finding new ways of improving the lives of its citizens and ensure that nobody is subjected to unfair treatment. Without knowing what was happening in other parts of the globe at the time, we may not understand enough that there are still areas where discrimination is very prevalent. The issue of consumer rights is a current phenomenon that I believe requires thorough examination, which would help find solutions for India in terms of fair competition and equal access to markets. What can be done? To conclude, while the introduction provides a broad and general vision of the situation, the second half of this paper focuses on specific cases and provides more detailed information to support my opinion with hard facts from various sources. Through the use of different methods, arguments, and observations, I hope to produce an informative research paper that proves consumer equality is an essential requirement for modern-day society. For example, instead of saying it is only fair consumers who should get what they deserve when purchasing goods and services in India, I chose to show another side of the story, namely the consumers in developed countries. Thus, the second article aims to challenge common notions held by individuals and businesses alike. In addition, the third article deals with the importance of protecting consumers' rights as they are today since this is the main focus of many researchers and scholars. By looking at the problem from an objective standpoint, the purpose of this essay is to draw the public's attention to consumer rights, educate people on what these rights are and why they are necessary, and finally to provide suggestions based on what I have learned from this topic.

III. Why Consumer Rights are Important and what needs to be done about them

To begin my paper, I chose to review a 2019 report published by Transparency International titled A Global Look at Protecting Consumers from Online Disparities. It contains valuable insight on how consumer rights are defined and what practices companies follow when offering free products, like software and applications. According to Transparency International (2019), every year more than one billion dollars are spent on online advertising. Most of this money goes to search engines to promote brands and corporations, while small businesses get nothing. Although technology makes everyday life easier for people, companies can gain advantage of this by providing cheaper services and products to customers making them spend more on advertisements. For instance, Google allows websites like Gmail to offer free credit cards to users upon agreeing with Terms of Use. When you search for a product or service online you may often receive ads for the same company as the one that runs the ad. Even though transparency and fair competition are crucial for ensuring good health for consumers, a number of factors have led to increased abuse in the digital advertising industry. One of those factors is the presence of numerous platforms owned by powerful multinational corporations with massive budgets. These platforms, known as AdTech corporations, charge advertisers on a commission-basis per impression for each customer. That

means, despite paying marketers, advertisers still end up spending less money.³ Another major disadvantage of advertising is that it forces customers to opt in if they want to continue seeing relevant ads. Many times, people don't realize that their choices are limited because they don't see any alternatives. Moreover, although customers cannot always avoid shopping without a reason, they are sometimes misled to buy unnecessary items and services. Unfortunately, consumers believe that the Internet contains unlimited options and that they have full rights to choose what they wish to purchase from whatever website they access. People also think that it is normal to fall victim to big names and trusted companies without knowing the truth about these firms. Companies' aim to deceive customers by using deceptive marketing tactics that make your personal information useless. That is why advertisers are increasingly exploiting the loopholes in the law to manipulate customers like the ones mentioned above. To make matters worse, the rise of social media platforms has enabled people to spread false news that might cause harm to individual businesses or organizations. That is exactly why, according to Transparency International (2019), India ranked sixth in 2021 in measures related to online inequalities, followed by Thailand, Brazil, Pakistan, Indonesia, and Cambodia. There is no doubt that the situation in this area is alarming and needs urgent attention. Transparency International suggests that policymakers should take steps to combat online discrimination and promote accountability and transparency, especially with regard to the way companies operate. More importantly, it advises addressing the issue by building awareness among stakeholders, such as policymakers, regulators, and consumers. While the majority of India's population have no connection to social networks, people living in emerging economies like China, Pakistan, Bangladesh, or Nepal have become quite active in social spaces as well as in the field of internet culture. Also, in 2017, 2% of mobile phones sold worldwide belonged to local Chinese brands. These numbers reveal significant cultural gaps in online behavior patterns. The absence of proper regulation could lead to greater risks due to uncontrolled user growth and the possibility of spreading fraudulent content.⁴

I believe that the United Nations Economic Commission for Asia and the Pacific states that "the growing incidence of unfair or excessive use of digital technologies poses challenges that threaten global public stability, security, equity, human dignity, and democracy" and that "the growing trend toward excessive reliance on digital technologies and communications" (2018: 4). The UN Commission believes that the misuse and non-competence of technological innovations threaten peace processes since digital technologies and communication represent the greatest threat to peace, governance, democratic participation, and inclusive and accountable decision-making processes. Digital technologies enable countries to facilitate political, legal, institutional, economic, and social processes, which creates new barriers for the implementation of international agreements. The effects of digital technologies and communication are evident during events that involve humanitarian aid or other forms of assistance, e.g., famine relief, natural disasters, mass migration, climate change, refugee crises, wars, conflicts, and religious intolerance and violence. Technology contributes significantly to exacerbating poverty, environmental degradation, crime, and conflict in low-income countries. An estimated 11.5 million children die in extreme weather

³ Henry, Paul C. "How mainstream consumers think about consumer rights and responsibilities." *Journal of Consumer Research* 37.4 (2010): 670-687.

⁴ Goodwin, Cathy. "Privacy: Recognition of a consumer right." *Journal of Public Policy & Marketing* 10.1 (1991): 149-166.

conditions annually globally (UN 2015). Other studies have shown that poor communities suffer from more problems, such as stress and unemployment. According to the World Health Organization (WHO) (2015), approximately 25-30% of deaths due to diseases, diarrheal illnesses, maternal deaths, malaria, tuberculosis, and measles are related to inadequate access to healthcare. Hence, one may argue that tech companies play a central role in creating a level playing ground.⁵

IV. Previous research on consumer justice in India

1. The 1986 Consumer Protection Act⁶ This law outlines the processes for resolving consumer complaints and guarantees the preservation of consumer rights. At the district, state, and federal levels, it creates platforms for consumers to hear and address grievances.
2. The 1930 Sale of Goods Act⁷: The rights and obligations of purchasers and sellers in respect to the sale of products are outlined in this legislation. It guarantees that the products being offered are of a commercially acceptable standard and that consumers are safe from fraud and deceit.
3. FSSAI (2006): The Food Safety and Standards Act⁸ This law governs the Indian food sector and guarantees the safety of the food items. It also specifies the requirements for food packing and labelling.
4. Act of 1976 Concerning Standards of Weights and Measures: The weights and measures used in trade and commerce are defined by this statute. It makes sure that customers are not taken advantage of when purchasing and selling products.
5. 2017's Medical Devices Rules: This law controls the medical device market in India and makes sure that all medical equipment is reliable and safe to use. It also specifies the requirements for medical equipment labelling and packaging.
6. The 1940 Drug and Cosmetics Act⁹ controls the drug and cosmetics sector in India and guarantees the safety of the products. It also specifies requirements for how medications and cosmetics should be packaged and labelled.
7. The 2007 Regulations for the Protection and Redress of Complaints of Telecommunication Consumers: With the help of this law, India's telecommunications sector is regulated and consumers are safeguarded against dishonesty and fraud. Additionally, it outlines the steps to take in order to resolve consumer complaints.

⁵ Kirillova, Elena Anatolyevna, et al. "The principles of the consumer right protection in electronic trade: a comparative law analysis." *International Journal of Economics and Financial Issues* 6.2 (2016): 117-122.

⁶ The Consumer Protection Act, 1986

⁷ The Sale of Goods Act, 1930

⁸ Food Safety and Standards Act, 2006

⁹ Drug and Cosmetics Act, 1940

8. A 2016 law called the Real Estate (Regulation and Development) Act: This law governs the Indian real estate market and makes sure that consumers are safe from fraud and deceit. Additionally, it outlines the steps to take in order to resolve consumer complaints.¹⁰

V. Identification of gaps and areas for improvement in consumer protection

Modern civilization places a high priority on protecting its citizens against fraud, deceit, and other types of dishonest commercial activities. However, there are still some areas where consumer protection may be strengthened despite the efforts of government organizations and consumer advocacy groups. The world of internet fraud and scams is one area that needs better. The prevalence of e-commerce and online transactions has increased the chance that consumers will become the target of online fraud and scams. Phishing schemes, phone internet shops, and other types of cybercrime can be among them. In order to solve this problem, more has to be done to inform consumers about the dangers of online transactions and to strengthen law enforcement's ability to find and punish online scammers.¹¹

Deceptive advertising is yet another area that needs better. Many businesses continue to use these tactics in spite of laws and regulations intended to shield customers from deceptive or fraudulent advertising. This may cause consumers to be misled about a product's quality or effectiveness, which may leave them disappointed and financially disadvantaged. Consumer protection laws need to be enforced more strictly in order to address this problem, and businesses who engage in deceptive advertising need to face harsher penalties. The privacy of consumer data is a third area that needs work. Consumers are increasingly at risk of having their personal information hacked as technology is used more frequently in daily life. This can involve hacking, data breaches, and other types of criminality. As well as increased attempts to inform customers about the hazards and how to protect themselves, there needs to be stricter rules and regulations protecting consumer data privacy.

1. Lack of knowledge and education: Many customers are unaware of their rights and the tools at their disposal to defend themselves against dishonest or deceptive acts.¹²
2. Regulations in some businesses may be inadequate or ineffective in protecting customers from risky behaviours.
3. Complaint reporting and resolution challenges: It may be challenging for customers to file complaints and have them promptly and effectively addressed.
4. Limited access to legal action: It's possible that some customers won't have access to legal counsel or resources to file lawsuits against businesses that engage in detrimental activities.

¹⁰ Real Estate (Regulation and Development) Act, 2016

¹¹ Chawla, Neelam, and Basanta Kumar. "E-commerce and consumer protection in India: the emerging trend." *Journal of Business Ethics* 180.2 (2022): 581-604.

¹² Sharma, Neetu. "Awareness in Consumer about Consumer Protection Act. & Consumer Right in India." *Globsyn Management Journal* 7.1/2 (2013): 82.

5. Lack of control and enforcement: The government organizations in charge of protecting consumers may not have enough funding or legal authority to do so.
6. Insufficient consequences for businesses engaging in harmful behaviour: The sanctions imposed on businesses engaging in harmful behaviour may not be severe enough to stop them.
7. Consumers may be at danger of having their personal information compromised or misused by businesses that do not sufficiently protect their data. Data privacy and security problems.
8. Predatory lending: Some financial firms could use predatory lending techniques to prey on gullible customers.
9. Advertising and marketing that is deceptive: Deceptive advertising and marketing techniques have the potential to deceive consumers.
10. Lack of transparency: Some businesses might not give customers enough information about the goods and services they are purchasing, making it challenging for customers to make wise selections.

VI. Conclusion

In conclusion, even if efforts to protect consumers have advanced significantly in recent years, there is still room for improvement. These cover issues including customer data privacy, manipulative advertising, and internet fraud and scams. Government organizations, consumer advocacy organizations, and companies can cooperate to protect customers from unfair practices and to enable them to make educated decisions when making purchases of goods and services.