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Establishment of Consumer Court under Consumer Protection Act

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When we have a grievance about the goods or services we purchase, we resort to the Consumer Courts for 'redress.' These are the courts where merchants and corporations can file complaints if they have provided an incorrect or faulty product, such as a mobile phone or air conditioner, or if they have provided a substandard or inadequate service, such as postponing a vital shipment that did not arrive on time. The Consumers Protection Act of 1986, passed by Parliament, safeguards the rights of Indian consumers. It establishes Consumer Councils and other bodies for the resolution of consumer disputes and related issues. At 3 distinct stages, Consumer Dispute Resolution Agencies have been formed. A District Consumer Disputes Redressal Forum (DCDRF), sometimes known as the 'District Forum,' exists at the district level. A State Consumer Disputes Redressal Commission (SCDRC), sometimes known as the 'State Commission,' exists at the state level. The Central Government has formed a "National Consumer Disputes Redressal Commission (NCDRC)" at the national level. 'National Commission' is another name for it. Another notable feature of these courts is that they can submit a complaint based on the product's value, which is known as the pecuniary value in legal terms" Apart from this in the article I also mentioned the failure and success of consumer courts and analysis of the performance of consumer courts.

Keywords: *consumer protection, redressal, NCDRC, dispute resolution.*

INTRODUCTION

Even though consumers are the primary force behind trade and business. Consumers have been the target of fraud for quite some time. Other pieces of law and actions, such as the Indian Contract Act, the Sales of Goods Act, and the Civil Procedure Code, are also examples of pieces of legislation and acts that defend the rights of innocent customers. Nevertheless, the way they are carried out is not done effectively, which causes consumers to be apprehensive about making complaints. Regarding this matter, the passage of the Consumer Protection Act in 1986 was an outstanding accomplishment on the side of the government. The Act was created to safeguard the legal rights and financial interests of shoppers. The Act stipulates that statutory organizations should be established and given the name Consumer Courts to expressly deal with lawsuits brought by consumers. It is imperative that this step be taken in accordance with this Act to cut down on the amount of money, time, and stress borne by consumers who are seeking proper remedies. To fulfill this function, consumer courts have been established on all three levels: the district level, the state level, and the national level. Consumer protection courts are established under the consumer protection act of 1986. These courts are also known as consumer dispute redressal agencies. The main purpose of consumer courts lies in resolving disagreements, issues, and complaints brought forward by consumers. It is a venue at which a consumer may make a complaint against a vendor if the consumer believes that he's been deceived or taken advantage of by the vendor. The purpose of establishing a distinct venue for the resolution of disputes involving consumers is to facilitate the expeditious and cost-effective resolution of such conflicts as quickly as possible¹.

According to the Consumer protection act 1986, there are three types of consumer courts and those are:

- District Consumer Dispute Redressal Forum
- State Consumer Dispute Redressal Commission
- National Consumer Dispute Redressal Commission

¹Abanti Bose, 'Jurisdiction Under Consumer Protection Act, 2019' (*Ipleaders*, 24 October 2021) <<https://blog.ipleaders.in/jurisdiction-under-consumer-protection-act-2019/>> accessed 17 May 2022

NATIONAL CONSUMER DISPUTE REDRESSAL FORUM

The National Consumer Disputes Redressal Agency (NCDRC), India is a quasi-judicial commission that was established in India in 1988 under the Consumer Protection Act of 1986. Its full name is the National Consumer Disputes Redressal Commission (NCDRC). Its headquarters are in New Delhi. The commission is led by either an active or a former judge from India's top court, the Supreme Court. Justice R. K. Agrawal, who served as a judge on India's highest court in the past, is now serving as the commission's chairman. According to Section 21² of the Consumer Protection Act from 1986, the National Consumer shall have jurisdiction to: entertain a dispute with a worth of much more than ten one crore; have appellate and revisional jurisdiction from the orders of state commissions or district fora. Within a period of thirty days after the issuance of a judgment by the NCDRC, any individual who feels wronged by the ruling may file an appeal with the Supreme Court of India under the terms of Section 23³ of the Consumer Protection Act, which was passed in 1986. However, you are not permitted to file a complaint against any imperfection in any service that was supplied to you without cost or as part of a personal service contract. A new remedy, in addition to those that were previously accessible to aggrieved people or consumers via civil action, is now made available thanks to the Consumer Protection Act. When a consumer files a complaint, appeal, or petition in accordance with the Act, the consumer is only required to pay a nominal charge rather than the full cost of court expenses. The discussions in the Consumer Fora are just a few minutes long. While bearing in mind the provisions of the Act that provide a schedule for the determination of cases, the objective is to give the aggrieved consumer remedies as quickly as is practically possible. Nevertheless, you are not permitted to make a grievance against any imperfection in any service that was supplied to you without cost or as part of a personal service contract. A new remedy, supplementary to those that were formerly accessible to aggrieved people or consumers via civil action, is now made accessible thanks to the Consumer Protection Act. When a customer files a lawsuit, appeal, or petition in accordance with the Act, the consumer is only required to pay a nominal charge rather than

² Consumer Protection Act, 1986, s 21

³ Consumer Protection Act, 1986, s 23

the full cost of court expenses. The conversations in the Consumer Fora are just a few minutes long. While bearing in mind the provisions of the Act that lay out a schedule for the determination of cases, the objective is to give the injured consumer remedies as quickly as is practically possible. If a consumer is unhappy with the judgement reached by a District Forum, he or she has the option of going to trial with the State Commission. A consumer can challenge a judgement made by a state commission by appealing the matter to the National Commission.

The National Commission has been given administrative monitoring of overall State Commissions, and periodic reports on the institution, disposition, and pending cases must be submitted to the National Commission. This was done to assist in the accomplishment of the goals that were set forth in the Consumer Protection Act. In intended to facilitate the accomplishment of the goals set forth in the Consumer Protection Act, the National Commission has also been granted the authority to exercise administrative control over each of the State Commissions. This authority allows the National Commission to issue periodic requests for returns concerning the establishment, resolution, and pending status of cases. The National Commission has the authority to issue instructions concerning the following topics: (1) the acceptance of a uniform process in the listening of the issues; (2) the prior service of copies of documents generated by one party to the disputing parties; (3) the quick bestow of copies of documents; and (4) generally overseeing the functioning of the State Commissions and the District Commissions to ensure that the objects and purposes of the Act are best served, without interfering with their quasi-judicial functions. This authority was granted to the National Commission by the Supreme Court of India. Original, appellate, and revisional jurisdiction are the three forms of jurisdiction that are available to the Commission. Consumers from every region of the nation have been sending in their grievances, appeals, and revision petitions to the company. In accordance with the stipulations outlined in the Consumer Protection Act of 1986, the National Commissions have been carrying out their duties. The job done in the Commission is not the same as that done in other branches of the government since the Commission is a quasi-judicial entity. "Even the Central Government or any State Government can submit a complaint with the Consumer Commissions since they are

included in the definition of "Complainant" as it is found in Section 2(b)(iii)⁴ of the Act. This allows for the filing of any kind of grievance. The grievances, appeals, and amendment petitions are indeed being taken and handled by the employees and team members of the National Commission under the direction of the Registrar to place the same before the honourable benches for consideration". In addition, the personnel that is assigned to the Administration Section of the National Commission is responsible for overseeing the administrative operations of the organization.

STATE CONSUMER DISPUTE RESOLUTION COMMISSION

The President of each State Commission must be a person who is or has been a judge of a High Court, and the State Government shall appoint this person. "Supplied, nevertheless, that no nomination shall be done pursuant to this clause before even communicating the Chief Justice of the High Court; not below than two, and neither more than the such number of individuals as may be suggested, one of whom shall be a woman, who shall have the following requirements: not be younger than 35 years old; acquire a bachelor's degree from a decent university; be persons of capacity, honesty, and standing; and have sufficient knowledge and understanding of the subject matter, a woman shall be included among the members Some examples of vocations are business and accounting, industry and public affairs administration and administration. However, there cannot be more than fifty percent of the members who have a background in the legal system. People who have served as presiding officers at district-level courts or comparable tribunals for a minimum of ten years are "persons with judicial background" for the purposes of this section. In addition, if a person has been convicted and sentenced to detainment for a crime that, in the opinion of the State Government, includes moral turpitude; if the person is an involuntary bankruptcy or completely bankrupt; or if the person is of inferior intellect and has been so stated by a trial authority; or has been removed or denied from the service of the Government or a body company that owns or operated by the State, or has, in the perspective of the State Government, such financial or other interest that is likely to adversely affect the discharge of

⁴ Consumer Protection Act, 1986, s 2(b) (iii)

his features as a person involved; or has such other inadmissibility as the State Government may stipulate, he is disqualified for nomination as a member. The State Government has the authority to prescribe additional ineligibilities. The Power Vested in the State Agency's Authority Concerning the other provisions of this Act, the State Commission shall have jurisdiction to hear complaints where the cost of products or utilities and compensation, if any, sought supersedes rupees one crore but does not exceed rupees ten one crore; and appeals against rules of any District Forum within the State; and to call for documents and pass appropriate orders in any consumer dispute pending before or made a decision by any Divisional Forum inside the State"⁵.

DISTRICT CONSUMER REDRESSAL FORUM

The State Government shall constitute a District Consumer Protection Council, to be known as the District Council, for each District by notice, with effect from the date stated in the notice. The District Council will be comprised of the Collector of the district (by whatever name the position is called), who will serve as the Chairman; and an amount of other official and non-official members representing such preferences as may be outlined. These individuals will each have a voice in the decision-making process. The District Council will meet whenever it is necessary; however, they are obligated to have a minimum of two sessions each year. The meeting of the District Council is to take place at such a time and location within the region that the Chairperson considers being suitable. The District Council is to perform its activities in line with any regulations that may be established. The goal of each District Council is to provide direction on the promotion and protection of consumer rights under this Act in their areas⁶.

FAILURE OF CONSUMER COURTS AND REASONS

Consumer courts were originally envisioned in 1986 as a focused and quicker substitute for civil courts. According to the data provided by the government, 91 percent of cases that were brought before district courts, 80 percent before state courts, and 87 percent before the national

⁵ Consumer Protection Act 1984, s 42

⁶ 'Consumer Court India' (*Cleartax*, 7 July 2021) <<https://cleartax.in/s/consumer-court>> accessed 17 May 2022

court were successfully resolved. There are now 350,000 instances that are pending, with Uttar Pradesh and Maharashtra being the states with the most. Consumer courts are organized into three distinct levels. District courts are located at the lowest level, and each district has its own court. The state courts sit somewhere in the middle of the hierarchy (equivalent to the High Court in civil courts) They go by the acronym SCDRC, which stands for "state consumer disputes redressal commission". Apart from this quarrel between state and central governments for funding of consumer courts were central sys that consumer courts are state's responsibility. Even though in some states the funding is provided the state government uses it for its own purposes rather than using them for consumer courts⁷.

SUCCESS OF CONSUMER COURTS

Well, it's funny for me to say that the success of consumer courts is very low when compared to its failures. When you come to consumer courts as I described above these are the courts that are established under the consumer protection act of 1986. The main success of consumer courts is laid upon delivering justice to the grievance party or consumers who had been created by using the products of the seller. Consumer courts had been proved or play an important role or also known as guardians of consumer rights. One of the most important things is that consumer courts reduce the burden of cases upon civil courts and the rest of the hierarchy courts or three-tier courts in India. Due to the new consumer protection act 2019 which brought changes to consumer courts, especially in pecuniary jurisdiction where "*In CPA 1986 Lower Pecuniary limits of District Forum up to 20 lakhs; State commission- 20 lakhs to 1 crore; and National Commission above 1 Crore however the New Act 2019 has higher pecuniary limits of District Forum up to 1 crore; State commission 1 Crore to 10 Crores; National Commission- above 10 Crores*"⁸ we can see that the consumers need no go to state commission or National

⁷ Bhanu Pande, 'Are Consumer Courts Really Serving The Consumers?' (*The Economic Times*, 12 April 2011) <<https://economictimes.indiatimes.com/special-report/are-consumer-courts-really-serving-the-consumers/articleshow/7959190.cms?from=mdr>> accessed 17 May 2022

⁸ Rashid Adil, 'Comparison Between Consumer Protection Act 1986 And Consumer Protection Act, 2019' (*Lawwithin*, 5 April 2021) <<https://www.lawwithin.com/post/comparison-between-consumer-protection-act-1986-and-consumer-protection-act-2019#:~:text=The%20key%20difference%20between%20the,3%20new%20unfair%20trade%20practices.>> accessed 17 May 2022

commission consumer courts for claiming higher damages when compared to previous consumer protection act 1986 were injured party has to go higher courts for claiming damages above 20 lakhs apart from this lawyers in different courts charge different amount where the common public cannot offer that much amount. One of the positive things is that consumer courts charge a lower fee when compared to civil courts.

ANALYSIS OF PERFORMANCE OF CONSUMER COURT WORK

Data shows that consumer courts in a number of states have been operating well. There are now 12,130 ongoing cases, which gives the national consumer dispute redressal forum a pending rate of 11.4 percent. Consumer courts in as many as seventeen states have processed more than 10,000 cases, with Chhattisgarh having the lowest number at 11,674 and Uttar Pradesh having the highest number at 79,617. Some of the states with the largest number of pending cases are also among those with the lowest number of lawsuits brought by consumers. Haryana (35) and Punjab (2.7) have made headway in maintaining pendency levels at their lowest levels. West Bengal, Uttar Pradesh, and Maharashtra are three more states that have a considerable number of cases that are still outstanding (15.8 percent). The total number of cases that have been submitted to consumer forums at the district level in fifteen states is more than one lakh. There are only three states in this category that have a case backlog that is in the double digits. The state of Bihar has the highest literacy rate at 14.3 percent, followed by Uttar Pradesh at 11.4 percent and Maharashtra at 10.1 percent⁹.

CONCLUSION

The establishment of consumer courts is an incredible achievement the services which they provide to the public and has their own uniqueness. But certain reasons like lack of financial aid, delay in justice, and many more made consumer courts equal to civil courts. Whatsoever the government at both state and central levels must take special care in order to provide speedy justice in time otherwise consumer courts will also become ineffective.

⁹ Pyaralal Raghavan, 'How Consumer Courts Can Function Better' (*The Times of India*, 24 March 2017) <<https://timesofindia.indiatimes.com/blogs/minorityview/how-consumer-courts-can-function-better/>> accessed 17 May 2022