

2014

Citizen's Action Group



CAG

CONSUMER HANDBOOK

Centre for Action and Governance

Consumer Handbook

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Who is a Consumer?

A 'consumer' is defined as a person who buys goods or avails services against payment.

Goods may include consumable goods (like wheat flour, salt, sugar, fruits, etc.) or durable consumer goods (like television, refrigerator, toaster, mixer, bicycle, etc.). Services that are paid for may include electricity, telephone, transport, theatre / cinema, postal / courier, etc.

It is interesting to know that a beneficiary is also a 'consumer'. For example, Sandeep sent an important medicine by courier to his sister, Sunitha, who was ill. The courier reached late by 4 days due to which Sunitha's health condition worsened. She had to be taken to a city hospital for treatment and incurred heavy expenses. Later, being the beneficiary, she took up the issue with the courier company.

A person who purchases goods for resale or for any commercial purpose does not come under the definition of 'consumer'. However, when a selfemployed person's livelihood depends on his business, then he is considered a 'consumer'.

Why should consumers be protected?

Consumers make innumerable choices everyday encompassing a wide variety of products and services. Consciously or not, these choices affect the quality and calibre of their lives. This places a huge burden on the consumer to make the right choices with very limited knowledge or information.

Today, India has a large buyers market and consumers have the liberty of an enormous variety of choices with regard to the products or services they want. But along with this freedom of choice comes the caveat of an increasing number of ways to be exploited or even cheated. The constant sales pressure from manufacturers and service providers, through innovative means like catchy advertisements, attractive prizes, discounts, etc., lure gullible consumers into buying products and services without accurate information.

Rapid changes in the market forces have increased the intricacy and obscurity of specific services, often outpacing legislation much to the disadvantage of consumers. Implicit trust and complete faith that is reposed by consumers in the ability of the market and market forces to protect them have been found time and again to be misplaced. In such circumstances, it is essential for consumers to be protected and for them to develop the necessary skills to make informed choices.

While several inroads have been made regarding the comprehension of consumer rights, the negative aspects of today's consumerism are primarily the promotion of unsustainable consumption patterns and the complete faith that is reposed by consumers in the ability of market forces to protect them.

What are consumer responsibilities?

Every right has a corresponding responsibility. While rights are legally mandated, responsibilities should be voluntarily adopted and followed by concerned citizens.

Have you heard this tale?

A man was walking on the beach when he noticed a small girl on the beach who was picking up the starfish that were stranded on the beach. She was picking them up one by one and putting them back in to the sea. The man was very surprised and asked her why she was doing this. The little girl said she was helping them to survive. The man remarked that it would not make a difference as there were so many starfish stranded on the beach. The little girl

looked up at the tall man and smiled. She told him very gently that it would make a big difference to each of the starfish that she had put back in to the sea.

Yes, every little effort made is worth it.

You have a duty to ...

Be Critically Aware

The responsibility to be more alert and to question more – about prices, about quantity and quality of goods bought and services used - “Caveat Emptor”.

Be Involved

The responsibility to be assertive – to ensure that you get a fair deal as a consumer. Remember, if you are passive, you are likely to be exploited.

Be Organised

The responsibility to join hands and raise voices as consumers; to fight in a collective and to develop the strength and influence to promote and protect consumer interest.

Practice Sustainable Consumption

The responsibility to be aware of the impact of your consumption on other citizens, especially the disadvantaged or powerless groups; and to consume based on needs – not wants.

Be Responsible to the Environment

The responsibility to be aware and to understand the environmental consequences of our consumption. We should recognize our individual and social responsibility to conserve natural resources and protect the earth for future generations.

What are Unfair Trade Practices?

Competition in the market place, coupled with greed for increasing profits, has made many traders adopt unfair practices to the detriment of consumers. To ascertain violation of consumer rights one must know the unfair trade practices followed by traders and businessmen to promote their sale. Some of these practices include:

False Representation

- When goods and services are not of stated standard and quality
- When second hand goods are sold as new
- When goods or services do not have the claimed use or benefit
- When the seller does not have the required approval or affiliation
- When products are guaranteed without proper test
- When the product price or the service gain is misleading
- When the goods, services or trade of another person are disparaged by false information.

Examples

1. Advertisement stating that flats were modern. When offered for possession found to be in dilapidated condition – mislead and misrepresented.
2. Disconnection of mobile phone even before the date when payment was due – deficiency in service constituting UTP.
3. Financial Institutions offering exorbitant rates of Interest on FD's – misleading.

Bargain Selling when there is no bargain

A trader -

- announcing an attractive “bumper sale” without indicating the quality of goods offered and when the sale is found to contain damaged and soiled items.
- promising discounts when such discounts are not available.

Offering gifts, prizes, etc. to lure customers with no intention of providing them

Eg. Marketing of fans by announcing a scheme of prizes in the form of CD Players, TVs, etc. when the cost of the prizes are fully or partly covered by the increase in the price of the fans.

Conducting of any contest, lottery, etc. as a promotional gimmick

Eg: Promoting sales by offering prizes to purchasers by means of draw of lots with a view to allure prospective buyers.

Selling goods which do not fall within the safety standards set up by competent authority

Eg: Marketing of substandard gas stoves, LPG hose without confirming to the approved specifications.

Hoarding or destroying goods with the intention of raising the cost of these or similar goods

Eg: Certain products artificially kept in scarcity while other products are manufactured in greater number so as to manipulate higher prices and also effect the flow of the supplies in the market in such a manner as to impose unjustified costs or restrictions on the consumers.

Manufacturing or offering spurious goods or adopting deceptive practices in the provision of services

Eg: Selling of gold plated jewels as gold or promising to give a completed four storey building in three months, when construction is yet to begin.

How to be a Smart Consumer?

The market place offers a bewildering variety of choices and there is no single right answer.

When you go shopping it is helpful to recognise that the retailer has a head start on you. He/she knows how much the item costs from the supplier, how much profit is included in the asking price and the minimum price that they are willing to sell the product for. You walk into the shop and all you know is the asking price. You are definitely at a disadvantage! Therefore to make a right choice, you should-

- Be Informed
- Be Economical
- Evaluate your needs
- Assess personal and environmental safety.

It is also important to realise that any choice you make will be predetermined to a certain extent by the following factors:

- Peer pressure
- Advertisement and media
- Loan availability and pressure from finance companies

However, if you are aware of this, then you will be able to concentrate on more positive factors when making a choice.

Before you buy

- Decide in advance exactly what you want and what you can afford.

- Don't buy on impulse or under pressure. Do your research
- Analyse what you need and what product or service features are important to you
- Review product test results and other information from consumer experts.
- Get advice and price quotes from several sellers. Compare stores - this way you can get a feel of the market and calmly decide on how much you want to pay.
- Check for any extra charges, such as delivery fees, installation and service costs.
- Read and understand any contract or legal document you are asked to sign. Make sure there are no blank spaces. Insist that any extras you are promised orally be put in writing.
- Ask the sales persons to explain the store's return or exchange policy.
- Resist sales pressure. If you have done your research properly, you will be less influenced by a sales pitch.
- Take your time when shopping. You can always go home and think about it first before making a major purchase.

After You Buy

What you do after you buy can be as important as what you do before you buy. These steps will help you avoid as well as deal with any problems that might pop up.

- Save all papers that you get with your purchase. Keep all contracts, sales receipts, manuals and warranty documents.
- Ensure that the Warranty card is stamped with the seal of the Service provider, date of purchase, term of warranty period. Any card without these details render the warranty null and void.
- Read and follow product and service instructions. The way you use or take care of a product might affect your warranty rights.

Consumer Tips

A savvy consumer is always on the alert for con artists and other shady efforts to separate you from your money. To protect your money and avoid being a victim of fraud, keep these things in mind:

1. A deal that sounds too good to be true usually is! Offers that often fall into this category are promises to fix your credit problems, business/job opportunities, risk free investments, and free travel.
2. Think twice before sharing personal information. Protect your privacy and avoid unauthorized use of your personal information.

In case of a problem ...

If you happen to encounter a problem on purchase of a product or service, this is what you should do:

- Find out who is responsible for the problem
- Collect the name and address of the dealer/seller and the manufacturer
- Document your complaint – write letters of complaint to the shop manager / Dealer / Manufacturer / Service
- Provider clearly stating
 - ♥ The nature of your problem
 - ♥ Evidence of having purchased goods or services to be provided
 - ♥ The relief claimed – repair / replacement / refund / compensation
 - ♥ A deadline for replying

- Send the letter by registered post with acknowledgement due
- Always insist on a written reply from the opposite party
- Where applicable, after expiry of deadline you must notify the concerned authorities / government department
- Immediately initiate action to protect your rights. You could contact a local consumer group for help in doing this, if necessary
- If you have taken legal action, publicise the result, so that others gain awareness from your experience.

Problems can often be voiced and even solved, over the telephone but this will leave no record of your complaint especially if the trader / service provider denies that the matter was brought to his / her notice. If you do make telephone complaints, please do keep a record of the time, date, name of person you spoke to and the outcome. A few voluntary consumer organizations in our country

WEB Addresses are :

Consumer Coordination Council, Noida. cccdel@del3.vsnl.net.in
 Consumers Association of India, Chennai. consumerassnofindia@vsnl.net
 Federation of Consumer Association, West Bengal. fcawb@cal2.vsnl.net.in
 Consumer Guidance Society, Vijayawada. divakarbabuc@gmail.com
 Palakkad District Consumers Association, Kerala. surendranpdca@rediffmail.com
 Citizens Awareness Group, Chandigarh. contact@cagchandigarh.org

What is Comparative testing?

It means subjecting of different products offered for the same purpose, the results of which tests provide consumers with unbiased information on the characteristics of these products. There are certain voluntary consumer organisations that are involved in comparative testing. They are

www.consumer-voice.org
www.cercindia.org

What is the need for comparative test?

- It helps you know the prices of different brands of the same product
- It compares the features, safety, hidden costs, long term maintenance, after sales service and other various qualities of different brands
- It brings to your notice many other points which the service provider or trader may not offer thus making your task of buying a product easy

Standard Marks and Labels

Standardization mark is a mark or symbol given to a product, which meets certain standards with respect to the quality in terms of material used, methods of manufacture, labeling, packaging and performance.

i. ISI mark



It is a standardization mark issued by the Bureau of Indian Standards (BIS) to certify that the products conform to the minimum quality standards. It covers electrical goods, cement, mineral water, paper, paints, biscuits, instant baby food, gas cylinders, soap and detergent powders etc. Before buying any such goods you should check whether the product bears ISI certification mark with a number. The mark carries different numbers for different products.

ii. ISO mark



ISO stands for International Organization for Standardization. The objective of ISO is to make common standards of products and services at international level, which ultimately facilitate foreign trade. Some of the areas where ISO standards can be applicable are manufacturing, processing, printing, electronics, steel, banking, telecommunication, hospital, insurance etc.

iii. Hologram



You must have observed a small square size plastic sticker generally of silver colour, with some text written on it, pasted on the package of some products or on the cover page of some books. This is called Hologram. The purpose of sticking it on the package of the product is to establish the authenticity of the product. The major advantage of a hologram besides strong visual appeal and easy verification is that its difficult to replicate and remove and has easy application.

Looking at these while purchasing a product will help you in making a wise purchase. Generally, whenever making an important purchase THINK!

All products must carry labels which should:

- State the materials used in production
- Give details of place of manufacture
- Indicate standards of quality and for safety
- Give instructions for use
- Use standardized symbols
- Carry appropriate warnings

Food Marks & Labels

1. FPO



You must have noticed FPO marks on the containers of fruit products like jam, jelly, pickles, fruit juices, soft drinks, etc, FPO stands for Fruit Products Order. This order sets standards for protection of quality of products made from fruits and vegetables. Any manufacturer who wants to produce and sell processed fruits and vegetables must also have a license from the Government of India.

ii. Agmark



It is a logo prescribed by the Agricultural Marketing Department of Government of India for use on agricultural, horticultural, forestry and livestock products. The use of this logo ensures the standard of natural and prescribed products. You can find this logo on oil, fats, cereals, pulses, spices, honey etc.

iii. Vegetarian and Non-vegetarian Mark



You must have noticed a mark of a small green or red circle inside a square on the package of some products. The red circle indicates that the food item contains non-vegetarian ingredients and the green circle indicates vegetarian ingredients. This helps the consumer to identify the food of their choice. The Government of India has made it mandatory for all packages of processed food items to bear the

vegetarian or non-vegetarian mark.

Food Adulteration

In our country, adulteration of food is a major problem even today. Adulterated food means that the food has been tampered with, usually by adding some cheap substitutes which might be harmful to us. It is against the law to sell adulterated and misbranded food. Adulterants, particularly chemicals, which are very hazardous for the health of consumers are used by people selling tea, spices like turmeric, garam masala etc, in the open market. Milk has sometimes been found to contain large quantities of urea and detergent powder. Sweets and savouries are often found to be adulterated.

The consumer should always buy goods sold under hygienic conditions and, as far as possible, carrying certified marks. It is against law to sell adulterated and misbranded food. If you find any food to be adulterated, do not keep silent. Complain to the concerned authorities in your place and report to the newspapers to make more and more people aware to take joint action.

Labels for Clothes

As an aware consumer, aim to get quality for money when buying clothes – a designer label doesn't necessarily mean your new dress will last longer.

Before you buy any item of clothing, take the following simple steps:

- Check the name of the manufacturer or mill name
- Check the store's reputation with your neighbours and friends
- Find out the correct measurement of cloth sold in pieces and make sure your item conforms to it.
- Check with the seller of the cloth for colour fastness / light fastness
- Check the label attached to garments for instructions on use

1. Handloom mark



Handloom Textiles constitute a timeless facet of the rich cultural heritage of our country. It occupies a place second only to agriculture in providing livelihood to the people.

Information on genuine hand over products promoted by the Ministry of Textiles, Government of India can be found at-

Website : www.handlooms.nic.in

Contact email id : dchl@nic.in

2. Silk Mark



Silk Mark is a quality assurance label which is aimed at protection of the interests of the consumers of pure silk. Silk

Mark Organisation of India is an initiative of the Ministry of Textiles, Government of India.

Contact id : silkmark@silkmarkindia.com

3. Wool Mark



It is a certification mark that specifies that a product contains pure, new wool and is recognized throughout the world as a symbol of quality and reliability. This quality

standard for woolen products is prescribed by the International Wool Secretariat.

Energy Efficiency Label

The BEEs Star energy efficiency labels, promoted by the Bureau of energy efficiency, Ministry of Power, have been created to standardize the energy efficiency ratings of different electrical appliances and indicate energy consumption under standard test conditions. The BEE star labels include a star rating system that ranges from one star (least energy efficient) to five stars (most energy efficient)

For more information, contact :

Bureau of Energy Efficiency, Ministry of Power, Government of India

Email : helpdesk@beenet.in

Just Remember ...

You can save energy, reduce your electricity bills and help in the availability of electricity to more people by just buying ACs, tubelights, refrigerators bearing BEEs Star Rated energy efficiency labels.

Eco-Friendly Consumer

We all know that an unpolluted and unspoiled environment is important to the well being of all species. But somehow, even though we talk about it often enough, we do not very often get around to practicing it in our daily lives. Today, the large scale production, use and careless disposal of consumer goods and services, excessive use of fossil fuels for energy generation and transport, excessive use of pesticides and fertilizers in agriculture, cutting down of forests and disposal of raw sewage and toxic waste into water bodies and sea are highly threatening and dangerous to the fragile ecosystems.

Hazards to nature include

- Unsustainable and increasing use of natural resources
- Increasing pollution (air, water, land, noise)
- Loss of forest cover and wildlife habitats
- Excessive concentration of harmful pesticides in the soil and consequently in the food chain and water sources

The Indian Government has set up a Central Pollution Control Board (CPCB) and also Pollution Control Boards in all States for the prevention, control and abatement of pollution.

website : cpcb.nic.in

The Boards try and ensure that the 'polluter pays' principle is adhered to. However, the Government cannot perform this task alone. We, as consumers, must be aware that the increasing pollution will affect us the most and must help in the task of reducing pollution and in conserving natural resources.

An example of pollution today is the waste being generated in cities and towns. A lot of packaging material thrown consists of plastic material, which is largely non-biodegradable. Segregation of waste and appropriate disposal techniques for each kind of waste category is probably the only solution to scientific waste disposal.

We can contribute to protecting the environment by

- Practicing the 4 R's: Reduce, Reuse, Recycle, Refuse
- Using environmentally friendly and less harmful products
- Conserving natural resources and energy
- Segregating waste
- Practicing sustainable consumption – which ensures better quality of life

Do you know that banks cannot deploy collection agents without prior permission?

Credit cards are now available with lots of features in addition to the payment convenience & credit period. To promote the usage of card, most banks offer certain reward points and cash-back schemes. However, similar to two sides to a coin, there are many problems as well that makes one skeptical about the usefulness of the credit card. A few common issues that people face are –

- Buying goods which are not necessary and landing in huge debts
- Not being aware of the hidden costs
- Excessive billing
- Erroneous debit/credit
- Losing the card leading to fraudulent transactions
- Harassment by the recovery agents

To safe-guard themselves, consumers should be very careful while using credit cards.

- Never get lured by the various offers and promotions of the creditcard companies. Go for one that would be suitable for you
- Enquire in detail about the rate of interest, service charges, the offer period, etc.
- By no means give your PIN number to anyone
- Always remember to ask for the receipt after using the card
- If you lose the card, inform the credit card company immediately and make sure that the card is blocked

- Make it a point to settle the entire amount before the credit period is over. Otherwise, you will end up paying higher rates of interest

As per Reserve Bank of India's regulations, banks and credit card companies cannot deploy collection agents for recovery without prior information to the customer. The agents should not make anonymous or threatening calls and should not resort to intimidation or harassment of any kind against any person in their debt collection efforts.

Have you heard about the “black-out days”?

These are days on which free/concessional SMS are not available to the consumers. It is limited to a maximum of 5 days in a year and the service providers should specify the exact dates of the “black-out days” on the package itself. This cannot be altered later and the charges applicable to these special days are to be explicitly conveyed to the consumers.

What is MRP?

MRP is the maximum retail price at which products should be sold in retail and such price shall include all taxes levied on the product. At the same time, hotels and restaurants where service is involved are allowed to sell above the MRP.

Do you know what does the redline in medicines mean?

The red vertical line on the left side of the medicine strip indicates that the medicine will be available only on prescription.

Do you know that you can complain about the functioning of a ration shop?

Every ration shop is expected to follow certain systems including specify dates for supply, display information about the quantity and quality of items available on that date, display of samples of items, etc. If this is not followed or if you have complaints about the quantity or quality of the products being sold at the shop, you should ask for the Complaints Book and register your complaint.

You can also contact the District Supply Officers/Assistant Commissioners, Department of Civil Supplies, of the respective Districts/States with a written complaint to enable them to initiate action.

Do you know that Indian Railways has one of the largest rail networks in the world?

- Indian Railways has one of the largest and busiest rail networks in the world, transporting over 18 million passengers and more than 2 million tonnes of freight daily

- If the AC is not operative in the AC coach, then the passenger is entitled for refund of the difference between the fare of AC and non-AC coach. However, during the journey, the passenger should collect a certificate from the TTE/Guard to prove this
- If the fare is inclusive of food, bedding, etc. and if they are not provided or if those are of inferior quality then the passenger is entitled for appropriate refund
- In case of death or injury caused due to train accident or dacoity during train journey, the passengers are entitled for compensation.
- Passengers can record their complaint in the complaint book kept with the guard or the train superintendent during their journey.
- Aggrieved passengers can file a complaint with the concerned Station Master, Additional General Manager/Director, Public Grievances

If not satisfied with the decision of the Railway Administration, passengers can approach the Railway Claims Tribunal with Benches in different parts of the country, established under the Railway Claims Tribunal Act, 1987, which provides much relief to the rail users by way of expeditious payment of compensation to the victims of rail accidents and to those whose goods are lost or damaged in rail-transit.

Website : www.rct.nic.in

Do you know that persons booking apartments are also "consumers"?

The availability of credit and an increase in income levels has led to a spurt in the housing and construction sector. Do you know?

Persons booking apartments or engaging the services of a builder / construction company are also “consumers” and can approach the Consumer Disputes Redressal Forums if there are any deficiencies in service.

Common complaints against builders are:

- Usage of substandard materials in construction
- Delay in handing over possession
- Construction in violation of approved plan
- Arbitrary increase in the cost of construction
- Documents not handed over

While booking or buying a flat/house:

- Ask for approved plan from the local municipal or town planning authority
- Get a copy of the Building Permit
- Get copies of relevant sale deed of the property
- Get copies of detailed drawings including structural details
- Check on the credentials of your builder / architect / engineer
- See if there are any hints of earlier encumbrances or multiple sales of the same property
- Check for authenticity of stamp papers and property tax receipts
- Ensure transfer of the entire undivided share of the land

Grievances Redressal

If you have a complaint relating to structural defects / other deficiencies in construction in the flat / house you have purchased, you can:

- Get a licensed surveyor to assess your flat and give you a report on the structural defects
- If you have not taken possession, write a complaint letter to the builder / promoter listing the defects and demand that they are attended to before making the full payment
- If you have already paid in full, then, you can list the defects in your letter to the builder / promoter and demand rectification and compensation.

Do you know?

The registered land sale deed does not confer land subdivision sanction. Sanction of building plans may be required from more than one authority.

Contact Us:

Local Address: Md Niyaz Ahmed, s/o Md Farooque, Madhopur, Satgawan, Dist: Koderma-825132,
Phone. , Ph: 9006208492

Regd Address: Ranjan Bhawan , Kurji, Kothian, Vikas Nagar, Patna: 800010ph: 0612-2260146, M:
9334993772