



## CONSUMER UPDATE

### Consumer Guidance Seminar – Banking Services

There are numerous problems that bank consumers face, including the various charges imposed by banks, threat to their deposits with banks which they assume are safe, losing money while transacting digitally and so on. Thus, in order to understand the diverse issues of bank consumers and discuss solutions that would protect consumers' interests in the banking sector, CAG organized a Consumer Guidance Seminar on Banking Services on February 7, 2018.

The seminar comprised of four sessions.

Session I: Are NPA's the drivers behind the various charges imposed on consumers?

Many of us strongly believe that, while on the one hand banks declare NPA's and write off crores of money borrowed by big corporates, on the other, they try to compensate this loss by imposing various charges on consumers. As we have seen in the last few years, there has been a steady increase in the diverse charges imposed on consumers, by banks. Speaking from this point of view, we had Mr. Yogesh Sapkale, Deputy Editor, Money Life.

Yogesh explained NPA and gave examples of big corporate heads borrowing huge sums and fleeing the country and the banks struggling to recover the money. He said that banking is no longer a service but a business, which is unfortunate. He also spoke about "Interest Spread", which is basically the difference between the interest on savings and the loan interest. The spread is more than sufficient to render all bank services free of cost to consumers, he said.

Following Yogesh, we had Mr. Badri, Retd General Manager and Chief Vigilance Officer of Indian Overseas Bank, who spoke about the various regulations available to protect consumers' interests and the role of RBI. He countered Yogesh's points stating that there were no research papers to prove the link between the NPA's and the charges imposed on consumers and added that RBI was always vigilant on such matters.

Session II: Finance Resolution and Deposit Insurance (FRDI) Bill and its implications on consumers

We were fortunate to have Mr. Thomas Franco, General Secretary, All India Bank Officers' Confederation speak at this session. Mr. Franco spoke about the dangerous implications the Bill had for the banking sector as well as the depositors. He expressed his concerns over various provisions of the Bill, which included excessive powers to Resolution Corporation, provisions for Bail-in and Hair-cut and uncertainty about depositors' money in case of liquidation. He feared that the ultimate aim of the Bill was to privatize the banking sector.

Session III: Effectiveness of RBI Guidelines issued in consumer interest

The first speaker for this session was Dr. Ramalinga Kannan, Professor, Madras School of Economics. He said that having served the RBI for many years, he knew that depositors' interests were always foremost in RBI's agenda and that, over the years, RBI has come up with various Guidelines and Circulars to protect the interests of consumers and has always stepped in, in case of problems that affected depositors.

The second speaker was Mr. Madhu Srinivas, Policy Research Analyst, Dvara Research. He stated that RBI was responsible not only for the monetary policy but also for maintaining financial stability. He explained the Charter of Customer Rights, issued by RBI in 2014, which included the Right to Transparency, Right to Suitability, Right to Fair Treatment, Right to Privacy and Right to grievance redress and compensation.

#### Session IV: Digital Transactions – how safe are we?

In this session, we had Ms. Sowmya Balakrishnan, an ex-banker, speak first. With the country moving towards a digital economy, she said that it was important for everyone to be aware and alert while on the internet and also insisted on the need for better safety measures. She said this mainly because of her personal experience, where she lost around Rs.1.75 lakhs, she said. Her purse, with debit cards in it, was stolen and misused. She said that being an ex-banker, she was aware and made sure that the PIN numbers were not easily reproducible and despite this, the cards were misused before she knew and blocked the card.

Following this, Mr. Prem Anand, Joint Secretary, Cyber Society of India, spoke. He presented about the various types of cyber crimes and the safety measures to be adopted. The various cyber frauds include social engineering, where the hacker may dig through the social media information, phishing, where fraudster may try to extract sensitive details such as bank account number through fake email, malware, money mule, sim cloning, card cloning, ATM Skimming, etc, vishing and so on.

There were around 100 participants, which included students, CSO's and consumers. The seminar was well received and there were valuable discussions towards the end of every session.



#### Ongoing projects 'not meant for sale' in Chennai – TNRERA issues list

The official portal of The Tamil Nadu Real Estate Regulatory Authority (TNRERA) has published a list of 40 ongoing projects in Chennai, the promoters of which have declared that they were not meant for sale.

The page on TNRERA's website states that the regulator had issued notices to promoters of the respective buildings advising them to register the projects as they fell within the ambit of RERA. However, the promoters had replied stating that those buildings were meant for personal use and not for sale to the general public and therefore, were not registered with RERA. "Public may take note that the promoters/developers of these projects are not authorized to sell any space in the project under Section 3 of the Real Estate (Regulation and Development) Act, 2016", the notice added. To get the list of projects, [click here](#)

## Patients treated free also consumers, can sue for negligence - NCDRC

Patients treated free of charge at government hospitals fall under the definition of 'consumers' and cases can be filed in consumer forums against hospitals for negligence, country's Apex Consumer Forum, National Consumer Disputes Redressal Commission (NCDRC) has said. Holding the district medical officer and in-charge of Government Bangar Hospital in Rajasthan's Pali district guilty of negligence, resulting in the death of a road accident victim in 2001, the NCDRC ordered Rs 10 lakh penalty on the hospital. The counsel of the respondents had argued that the complaint does not fall within the definition of consumer under the Consumer Protection Act as the patient was in a government hospital and he was treated free of cost. The NCDRC bench referred to a 1995 judgment of the Supreme Court which had observed that "free service would also be 'service' and the recipient a 'consumer' under the Act." For more details, [click here](#)

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## Telecom woes

In February, the sudden closing down of towers, affecting aircel's network across Tamil Nadu, created a real panic situation, with aircel subscribers not knowing what was happening. Aircel had a huge subscriber base of 15 million customers in Tamil Nadu. People were not able to generate port requests as there was no connectivity and phones happen to be the only means by which one can send out a port request. This increased the anxiety and resulted in aircel subscribers thronging aircel offices. When CAG and many others approached the regulator, TRAI, we were told that they were apprised of the situation and will act upon it. Later, as we all know, time till first week of April has been given for consumers to port out of aircel and the action facilitated by other service providers. In the given situation, the concerns that arise in one's mind are:

1. Was TRAI aware of the situation in advance? Did aircel inform TRAI? If so, why did TRAI not take necessary measures to inform consumers in advance? On the other hand, if aircel did not inform TRAI in advance, does it not set a bad precedence? What and how is TRAI planning to ensure that a similar situation does not arise in future?
2. The above question is more relevant because, till the end, thousands of subscribers had been recharging and have thus lost their money. It may be Rs. 100 or 200 or 500 per individual, which again is hard earned money, and adds up to lakhs! Thus, with lakhs of public money in their possession, aircel has filed for bankruptcy, which is not fair. On the fateful day, the panic created was such that, people were only concerned about retaining their number (especially since nos are linked to various other online services) and had no time to think about getting their money back. Later, when subscribers approach/ed aircel, refund is/ was not an option. Asking consumers to file a criminal complaint/case for this is again not fair, as we all know that the process is not easy and may take years, which may not be worth its while. Under such circumstances, what TRAI, as a regulator, proposes to do in order to protect consumers' interests and instill confidence?
3. Also, with increased network coverage issues with airtel and vodafone (may be due to sudden increase in customer base and lack of sufficient bandwidth?) and the widely circulated whatsapp messages about airtel and vodafone likely to close down, there is absolute chaos, distrust and uncertainty in people's minds. How is TRAI planning to assuage these fears?
4. Why is mobile phone the only means by which one can generate a port request?

We have taken up the matter with TRAI and are hopeful that they will take cognizance of these important issues that affect large number of consumers and take necessary measures to protect their interests.

## உரிமம் பெறாமல் செக்கு எண்ணெய் விற்பனை புகார் அளிக்கலாம் - நுகர்வோருக்கு உணவு பாதுகாப்புத் துறை வேண்டுகோள்

உரிமம் பெறாமல் விற்பனை செய்யப்படும் செக்கு எண்ணெய் வாங்குவதை மக்கள் தவிர்க்க வேண்டும். மேலும், அப்படி விற்கப்படும் எண்ணெய் பற்றி புகார் அளிக்கலாம் என்று நுகர்வோருக்கு உணவு பாதுகாப்புத் துறை அதிகாரிகள் வேண்டுகோள் விடுத்துள்ளனர்.

‘செக்கு’ நல்லெண்ணெய் என்ற பெயரில் பாட்டிலில் அடைக்கப்பட்ட நல்லெண்ணெய் விற்கப்படுவது சமீபத்தில் அதிகரித்துள்ளது. பாட்டிலில் நுகர்வோரைக் கவரும் வகையில் வாசகங்களை ஒட்டி கூடுதல் விலைக்கு இந்த எண்ணெய் விற்கப்படுகிறது. பொது மக்களும் இவற்றை ஆர்வமாக வாங்கி வருகின்றனர். இந்நிலையில் பல கடைகளில் செக்கு நல்லெண்ணெய் என்ற பெயரில் கலப்பட எண்ணெய் விற்கப்படுவதாக புகார்கள் எழுந்துள்ளன. எனவே, இவ்வாறு விற்பனை செய்யும் கடைகளை கண்டறிய தமிழகம் முழுவதும் உணவு பாதுகாப்புத் துறை ஆய்வுகளை நடத்தி வருகிறது.

இது தொடர்பாக, உணவு பாதுகாப்புத் துறை அதிகாரி ஒருவர் கூறியதாவது: செக்கு நல்லெண்ணெய்க்கென்று தனியே தர விதிமுறைகள் ஏதும் இல்லை. செக்கு எண்ணெய்க்கும் சாதாரண எண்ணெய்க்கும் அது தயாரிக்கப்படும் விதத்தில் மட்டுமே வித்தியாசம் உள்ளது. செக்கு என்பது மோட்டர், மரம் என எந்த விதத்திலும் இருக்கலாம். பொதுவாக செக்கு முறையில் எண்ணெய் தயாரிக்கப்பட்டால் அது மிகக் குறுகிய காலாவதி தேதியைத்தான் கொண்டிருக்கும். எனவே, செக்கு எண்ணெய் வாங்கும் போது காலாவதி தேதி, தயாரிப்பாளரின் முகவரி, உணவு பாதுகாப்புத் துறை உரிமம் (FSSAI License) பெறப்பட்டுள்ளதா என்பதைப் பார்க்க வேண்டும். உணவு பாதுகாப்புத் துறை உரிமம் பெறுவது கட்டாயம் என்பதால் அதைப் பெறாத நிறுவனங்களின் எண்ணெய் வாங்குவதை மக்கள் தவிர்க்க வேண்டும். செக்கு எண்ணெய் பாட்டிலில் குறிப்பிடப்பட்டுள்ள காலாவதி தேதிக்கு முன்னதாகவே அது கெட்டு விட்டது என்று தெரிந்தாலோ அல்லது உரிமம் பெறாத நிறுவனங்கள் குறித்தோ மாநில உணவு பாதுகாப்புத் துறையின் **9444042332** வாட்ஸ்அப் எண்ணில் புகார் தெரிவிக்கலாம்.



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CAG is a 32 year old non profit, non political, professional organization working towards protecting citizen's rights in consumer and environmental issues and promoting good governance including transparency, accountability and participatory decision making.

The complaints cell at CAG addresses specific problems of consumers. Also CAG regularly conducts consumer awareness programmes for schools, colleges and special target groups.

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