

CONSUMER UPDATE



Giving poor consumers greater voice in India

Since the last one year, CAG is working with low-income consumers in Model Lane, Royapuram, Chennai to educate them on consumer rights and responsibilities, so that they are equipped enough to assert their rights as consumers and ensure safer/healthier homes for their children. CAG has partnered with Arunodhaya Centre for Street Children to carry out this project and is supported by Consumers International.

We conducted qualitative and quantitative surveys, pantry audits, etc. to understand their awareness as consumers, their consumption patterns, living conditions, quality of drinking water they use and so on. We also engage with them on a regular basis, by organizing various awareness programs, which include puppet shows, street plays, putting up of tin boards and distribution of calendars - with information on consumer rights, conducting quiz competitions, etc. in order to empower them.



CAG's participation in consumer events

Saroja, from CAG, spoke on consumer protection at the consumer awareness program organized by Dr. Ambedkar Law University, at Mevalurkuppam, Thiruvallur District, on 08.03.2018.

She also spoke at a few other events organized by, FEDCOT - at the Guru Nanak College on 22.03.2018, and the Hindu College on 24.03.2018, on account of World Consumer Rights Day - on E-commerce and the importance of Internet Safety, and DG Vaishnav College, on 14.03.2018 - on Social Science perspective of Right to Information.

Savitha, from CAG, participated in the "Privacy and Data Protection" workshop, organized by Google, in Haryana, on 08.04.2018. The topics presented/discussed included an overview of internet in India, consumer benefits from data driven innovation, internet safety, issues around privacy and data protection, Supreme Court judgment on privacy.

Cancelled ticket: Travel portal to pay patron Rs 63,000/-

District Consumer Disputes Redressal Forum, Chennai (North) directed online travel services facilitator MakeMyTrip to pay a sum of Rs 63,000 as compensation to a customer whose ticket was cancelled mistakenly by the firm. V Natraj, of Coimbatore, moved the Forum seeking compensation from the website for deficiency in services. Natraj and his friend Pramoth had booked flight tickets on July 29, 2015 through the Chennai office of the company, to travel from Chennai to New Delhi on August 28 and was charged Rs 12,098/- for the same.

However, Pramoth's travel plan had to be dropped due to personal reasons and a day before their scheduled flight, Natraj cancelled his friend's ticket through MakeMyTrip's website, according to the petition. MakeMyTrip, however, cancelled Natraj's ticket instead, and refunded a sum of Rs 3,799/- after collecting a penalty, the petitioner stated, adding that he learned of the cancellation of his ticket only on the day of travel through the airlines' customer care. Following this, he had to book a ticket again on August 28, spending Rs 8,994/-, Natraj claimed.

On July 14, 2016, Natraj moved the Consumer Forum seeking compensation from the travel company for the inconvenience.

For more details, [click here](#)

Customers Hit with Debit Card Decline Charges

Even as the government tries to push debit card use, banks continue to hit customers with unreasonable charges for incidents such as transactions declined for want of minimum balance. Each time a customer swipes a card without adequate balance in his bank account, between Rs 17 and Rs 25 is debited from him. The applicable rate of GST is added too.

SBI charges Rs 17 each time a debit card swipe is declined at either an Automated Teller Machine (ATM) or a point of sale (PoS) terminal. HDFC Bank and ICICI Bank charge Rs 25 as transaction decline charges at PoS machines.

IIT – B Professor (mathematics) Ashish Das said, “For debit card usage for non-cash merchant transactions, these exorbitant fees make no sense and by no means incentivise the government's wish of promoting payments through card and digital.” Das has authored several research reports on bank charges and has been instrumental in changing regulatory policies in the past.

The fees on declined transactions persist even as the government has capped merchant discount rate or MDR — the charges imposed by banks on merchants who accept card payments. Also, banks are running campaigns encouraging customers to use debit cards at shops for payments and not visit their branches or ATMs. Das added, “The present system is highly anti-digital and unnecessarily risky (in terms of fees) for people who have no great savings but live on monthly salary. Such charges only disincentivise and create negatives for digital payments.”

For more details, [click here](#)

How Indian insurance companies are defrauding the bottom of the pyramid

The nation remains riveted on the ongoing scandal of the Punjab National Bank (PNB) fraud. Government-affiliated economists such as Arvind Subramanian, corporate chiefs, and the business media – not wishing to waste a good crisis – have seized the PNB fraud to push for privatisation of government banks as a solution. Meanwhile, statutory regulators have been turning a blind eye to the fact that new private sector banks and their life insurance affiliates have defrauded sizeable numbers of vulnerable bank customers.

Officials at ICICI Bank, in collusion with its subsidiary, ICICI Prudential Life Insurance, have been exposed by Nitin Balchandani, a whistleblower, for exploiting customers and mis-selling life insurance policies in Rajasthan. Many of these customers were low-income farmers who were specifically targeted.

It appears that these companies have whole heartedly embraced management guru C.K. Prahlad's doctrine that corporate profits can be found at the 'bottom of the pyramid'. Prahlad claimed this would also "bring prosperity to the aspiring poor". Farmers in Rajasthan might beg to differ.

Apart from this, ICICI Bank and ICICI Pru Life took even educated customers for a ride. The details of how this happened and continues to happen – and more troublingly, how the insurance regulator has done very little to intercede and protect customers – comes from Insurance Angels, a registered entity set up by Balchandani, who is a former employee of ICICI Prudential Life.

For more details, [click here](#)

Telecom Subscription Data as on 28th February, 2018

Particulars	No. of Wireless subscribers (in Millions)	No. of Wire-line Subscribers (in Millions)	No. of Total subscribers (Wireless + Wire-line) (in Millions)
Urban Subscription	650.03	19.6	669.63
Rural Subscription	506.84	3.37	510.2
Total Subscription	1156.87	22.97	1179.83
Overall Tele-density	89.12	1.77	90.89
Share of Urban Subscription	56.19%	85.34%	56.76%
Share of Rural Subscription	43.81%	14.66%	43.24%
No. of Broadband Subscribers	374.34	17.72	392.06

In the month of February, 2018 alone, 6.57 million requests were made for MNP. Till the end of Feb. 18, a total of 351.16 million consumers have availed MNP facility since its implementation.

Source: TRAI

Justice delayed, but not denied!

Mr. Santhanam approached CAG in October 2013 requesting for help to fight his case against a builder. His family of seven brothers and one sister had entered into an agreement with a builder, for construction of eight apartments. The total consideration was Rs. 9,35,20,000/- and Rs.93.52 lakhs was paid as advance in August 2011. As per the terms of the agreement, the builder was expected to obtain the necessary approvals for construction, from the Chennai Metropolitan Development Authority (CMDA), within 2 months from the date of agreement. If delayed by more than four months, the builder was required to refund the entire amount along with interest @ 12%. Also, it was agreed that the project would be completed in all respects and handed over to the buyers within a period of 15 months from the date of agreement. However, even after lapse of 5 months, the builder did not get the necessary approvals from the concerned authorities, let alone start construction. The complainants wrote several letters to the builder, asking to refund the amount along with interest, but, there was no response. They sent a legal notice as well, but to no avail.

CAG referred Mr. Santhanam to a consumer group based in Delhi, who, in turn, connected him to a lawyer, to file the case in the National Consumer Disputes Redressal Commission (NCDRC). The case was filed in 2014. Since the opposite party did not make an appearance or file a written statement, the matter was proceeded ex-parte in May 2015 and on January 29, 2016 orders were passed directing the opposite party to refund the advance amount of Rs.93.52 lakhs along with interest @ 12% per annum as per the terms of the agreement, within four weeks of the order. The builder was also asked to pay Rs.10,000/- towards litigation costs.

However, Mr. Santhanam and his family's woes did not end there. The builder did not honor the decision of the NCDRC, following which, Mr. Santhanam and the other complainants had to file an Execution Petition. During the course of the hearing, Mr. Santhanam dispensed with their advocate (engaged for filing the Execution Petition) and argued the matter himself, as he realized that the advocate was unnecessarily delaying the case, by seeking adjournments. Finally, in January 2018, after enormous pressure put by the NCDRC on the builder, the builder refunded the entire amount, along with interest, to the complainants. To quote Mr. Santhanam, "On the whole, everything went well...Thanks to you for referring your Delhi contact who helped us get a good advocate. Justice was delayed, but not denied".



CAG

Citizen consumer and civic Action Group

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.

New No.246, Old No.277-B,
T.T.K. Road (J.J. Road),
Alwarpet, Chennai 600 018.
Ph: 044 - 2499 4458 / 2466 0387
Email: helpdesk@cag.org.in

TRUSTEES

Sriram Panchu
Arjun Rajagopalan
Suchitra Ramakumar
R. Hema
George S. Thomas
C. Rammanohar Reddy
Keshav Desiraju

ADVISORS

Tara Murali
N.L. Rajah