

CONSUMER UPDATE



National Consumer Rights Day, 2021

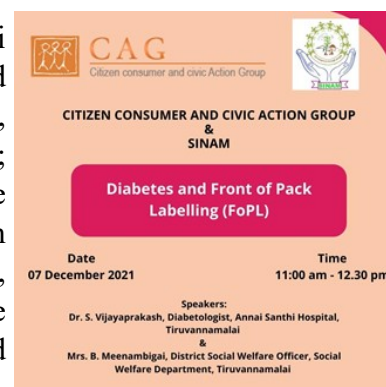


S. Saroja from CAG, was invited to address students of the Government Law College, Chengalpattu on “Consumer Protection Act 2019”, on account of National Consumer Rights’ Day that falls on December 24 every year. Saroja highlighted the salient provisions of the new legislation including those on Product Liability, Mediation, Central Consumer Protection Authority, E- commerce, Penalties for various offences like misleading advertisements and adulteration, and so on. More than 250 students participated and the session was well received.

World Diabetes Day, 2021

CAG ran a social media campaign during the week of World Diabetes day, with each post highlighting the importance of Front of Pack Labels (FoPL) and containing the incidence of diabetes in the country.

As part of this day, CAG, in collaboration with SINAM, Thiruvannamalai organised a meeting on 7th December on ‘Front of Pack Labelling and Diabetes’ in Thiruvannamalai. The speakers included Dr Vijayaprakash, diabetologist who spoke about the condition, its causes and prevention; Ms Meenambigai, District Welfare Officer, who addressed the audience regarding healthy food practises and the harmful effects of consuming high salt, sugar and fat foods; and Food Safety Officer (FSO) Mr Elangovan, who shared his experiences about conducting food quality checks in the food manufacturing industries. The event was well attended and had [extensive media](#) coverage.



Inauguration of Standards Clubs

The Bureau of Indian Standards (BIS) inaugurated ‘Standards Clubs’ in various educational institutions, including schools and colleges, across Chennai, to raise awareness among students about Indian standards. The objective of this club is to provide learning opportunities in the field of quality and standardisation, and the use of ISI mark, ISO certification and Indian standards formulated by BIS. Source: BIS

Meeting with Food Business Operators at Salem on implementation of trans fat regulations

CAG organised a meeting on 'Eliminating trans fats in the food supply chain - a discussion with food business operators' in Salem, together with the Social Consumer Rights Movement, on 23rd November. The speakers included Dr Kathiravan - Designated Officer, Tamil Nadu Food Safety Department; Dr PL Palanisamy, President of Hotel Owners' Association; and Mr Selva Kumar, President of Bakery Owners' Association, Salem. Dr. Kathiravan spoke about the ill-effects of trans fats and the need to comply with regulations in order to save lives; Mr. Palanisamy and Mr. Selvakumar, presenting the industry perspective, agreed with the need to limit trans fats in foods.



New Rules for Direct Selling Industry

The Central Government Notified new Rules for direct selling companies. Tupperware, Amway and Oriflame are some of the key players in the direct selling industry. According to the notification, direct selling companies have been banned from promoting pyramid and money circulation schemes.

Direct selling is a retail channel used by large global companies and smaller entrepreneurial businesses alike, to market goods and services to consumers. A pyramid scheme is a type of business model, which is structured, as implied in the name, like a pyramid. The main difference between direct selling and a pyramid scheme is that distributors for direct selling companies earn commissions only on the sale of goods and services, while in a pyramid scheme, financial return comes from recruiting more people into a company. Companies that use a pyramid scheme often ask for investments without considering the product, often manipulating consumers into investing, or purchasing low quality products.

The notification issued by the Government on 28 December, 2021 requires that entities comply with the Consumer Protection (Direct Selling) Rules, 2021, within 90 days of the release of the notification and that direct selling companies be held liable for the grievances of their consumers with regards to their sale. In addition to this, the new rules issued also make provisions for the states to initiate mechanisms to monitor and supervise activities of companies engaged in direct selling. A few other provisions that lay emphasis on protecting consumers' interests, include:

- ◆ Contracts must be made between a company and its direct sellers, prior to the commencement of business activities, for such sale to be deemed authorised.
- ◆ The new rules also mandate that companies that conduct business in India to have at least one physical office in the country.
- ◆ The new rules also have consumer centric provisions to ensure consumer rights. It reiterates the requirement for direct selling companies to ensure accurate and truthful advertising and not engage in false or misleading advertisements.

- ◆ Direct sellers must also be able to provide accurate identification to customers in the case of a grievance arising and companies must maintain a record of all such identification of its direct sellers which must be made public on a shared website. Direct selling entities are obliged to provide consumers regarding the identification details (name, email, contact number, etc) of the direct sellers with whom they have engaged with after having purchased a good/service on a written request made by a consumer.
- ◆ It also reinforces the obligation of companies to follow the mandates of the Companies Act, 2013, or the Limited Liability Partnership Act, 2008, as may be relevant.
- ◆ Direct selling entities must provide a mechanism for consumer grievances and redressal. A grievance redressal officer must be appointed who should acknowledge the receipt of a consumer complaint within forty-eight working hours of receipt of such complaint and redress the complaint normally within a period of one month from the date of receipt of the complaint. In case of delay, reasons for the delay, and the actions taken on the complaint, should be informed to the complainant in writing.

For more details, [click here](#)

Consumer Protection (Jurisdiction of the District Commission, the State Commission, and the National Commission) Rules, 2021

The Consumer Protection Act, 2019 follows a three-tier-quasi-judicial structure for redressal of consumer disputes: District Commissions, State Commissions and the National Commission, and stipulates the pecuniary jurisdiction (ie, jurisdiction as per the financial compensation sought) for each tier. The new rules issued by the central government makes changes with regards to pecuniary jurisdiction of the three commissions, and as of now stands as follows:

1. District Commissions – have jurisdiction to entertain consumer claims in which the value of the goods and services paid as consideration does not exceed ₹50 lakh.
2. State Commissions – have jurisdiction to entertain consumer claims in which the value of the goods and services paid as consideration is within the range of ₹50 lakh and ₹2 crore.
3. National Commission – has the jurisdiction to entertain consumer claims in which the value of the goods and services paid as consideration exceeds ₹2 crores.

Source : [The Gazette of India](#)

உணவு பாதுகாப்பு துறைக்கு வாட்ஸாப்ப் (whatsapp) செயலி மூலம் புகார் தெரிவிக்கலாம்

நுகர்வோருக்கு உணவு பொருளில் தரம், கலப்படம் மற்றும் காலாவதி குறித்து புகார் தெரிவிக்க வேண்டும் என்றால் 9444042322 என்ற வாட்ஸாப்ப் எண் அல்லது unavupukar@gmail.com என்ற மின்னஞ்சலில் தமிழ்நாடு உணவு பாதுகாப்பு துறைக்கு தெரிவிக்கலாம்.



தமிழ் நாடு ரியல் எஸ்டேட் ரெகுலேட்டரி அதாரிட்டி (TNRERA) அங்கீகாரம் இல்லாமல் பத்திரங்கள் பதிவு செய்ய முடியாது

தமிழக அரசு, 500 சதுர மீட்டர் பரப்பளவிற்கு மேலே உள்ள அங்கீகரிக்கப்பட்ட மனைகள், முதல் பதிவின்போது, மனை உரிமையாளர்கள் அம்மனை பிரிவினை Tamil Nadu Real Estate Authority (TNRERA) வில் பதிவு செய்திருந்தால் தான், மனையை பதிவுத்துறையில் பதிவு மேற்கொள்ள முடியும் என்று ஆணையிட்டுள்ளது. Source : Department of Registration, Tamil Nadu.

Insurer cannot deny claim citing pre-existing disease when policy was issued after considering necessary medical records - Supreme Court

Nanda had bought an overseas Mediclaim Business and Holiday Policy as he intended to travel to the US. On reaching the San Francisco airport, he suffered a heart attack and was admitted to a hospital, where angioplasty was performed on him and three stents were fixed to remove the blockage from the heart vessels.

Subsequently, Nanda claimed the treatment expenses from the insurer, which was repudiated by the company stating that the appellant had a history of hyperlipidaemia and diabetes, which was not disclosed while buying the insurance policy. Earlier, the National Commission had decided that since the complainant did not disclose that he was under statin medication while taking the policy, the insurance company was right in repudiating the claim for non-disclosure.

The Supreme Court held that repudiation of the claim by the insurance company was not in accordance with the law. “Once the policy has been issued after assessing the medical condition of the insured, the insurer cannot deny the claim by citing an existing medical condition. The complainant, in this instance, had disclosed that he was suffering from Diabetes Mellitus, which condition had probably led to a particular risk in respect of which the claim was made by the insured. If the insured suffers a sudden ailment, which is not expressly excluded under the policy, a duty is cast on the insurer to indemnify the complainant for the expenses incurred”, observed the Supreme Court Bench and ordered the insurance company to settle the claim amount along with 6% interest and pay Rs.1,00,000 towards litigation costs. For more details, [click here](#)



CAG

Citizen consumer and civic Action Group

CAG is a 36 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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