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CONSUMER UPDATE

Educating. Empowering.

CAG AWARDED SECOND PLACE IN CONSUMER PROTECTION SERVICES AT THE STATE LEVEL (2024)

A PUBLICATION BY



CAG

Citizen consumer and civic Action Group



Mrs. S.Saroja and Mrs. Amudha.V receiving the award from Minister of Rural Development, Thiru. I. Periyasamy at a function in Dindigul.

CAG has been working for consumer protection for 40 years now. Our decades of work in the field was recognised and honoured with the state level award for the year 2024.



Consumer Protection is one of **Citizen consumer and civic Action Group's** core areas of work. This newsletter brings you the news on various consumer issues and related happenings, including our own activities.

If you have specific questions on your rights and responsibilities as a consumer, write to us on helpdesk@cag.org.in



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Consultation Meeting on Consumer Concerns in Digital Financial Services

On 21st November 2024, Citizen consumer and civic Action Group (CAG), Chennai, in collaboration with the MoneyLife Foundation, Mumbai, hosted a discussion on "Consumer Concerns in Digital Financial Services" at the IMC Chamber, Mumbai.



The event brought together finance experts, civil society organizations, consumer rights advocates, and representatives from banking associations. The discussions highlighted key challenges consumers face while accessing and using digital financial services. The session concluded with actionable recommendations to enhance digital literacy, streamline grievance redressal mechanisms, and improve regulatory coordination to safeguard consumer rights in the digital finance space. A collaborative approach was emphasised as essential to addressing these pressing issues.

Empowering Consumers: Telecom Awareness Programme on National Consumer Day 2024



On National Consumer Day 2024 (24th December), CAG, in association with TRAI and in collaboration with SINAM NGO, Tiruvannamalai, organised a 'Consumer Awareness Programme on Telecom Services' for the residents of Vanapuram panchayat in Tiruvannamalai district. The event witnessed the participation of over 100 consumers and representatives from telecom service providers. The program helped consumers know about the effective use of telecom services, their latest features, technologies, and regulations, TRAI initiatives, reporting service deficiencies, grievance redress mechanisms, and safety measures against malicious activities, financial frauds, and online scams. The [media](#) covered this event as well.

Ruling in Favor of Homebuyer: MahaRERA Orders Godrej Properties to Refund Booking Amount



The Maharashtra Real Estate Regulatory Authority (MahaRERA) has mandated that Godrej Properties refund ₹15 lakh to homebuyer Kishore Shamji Chheda following the cancellation of his booking for a luxury project in Kurla, Mumbai. The developer contested the matter, asserting that the booking occurred prior to the project's registration with RERA, thus claiming that Maha RERA lacked jurisdiction. However, Maha RERA determined that the project was indeed active at the time of the enactment of RERA regulations. The authority deemed the forfeiture of the booking amount to be unjust, noting that the developer failed to demonstrate any significant variation in market price. Additionally, Godrej Properties has been subject to multiple similar rulings this year regarding the withholding of refunds, highlighting a potential pattern of unfair trade practices. Consequently, the developer was required to process the refund, along with interest at a rate of 2%, by November 30, 2024. **Source:** [Money Control](#)

CCPA Takes Action Against Misleading Advertising in Coaching Institutes: Penalties Imposed

The Central Consumer Protection Authority (CCPA) has recently levied a penalty of Rs 2 lakh against Shubhra Ranjan IAS Study Institute for contravening the Consumer Protection Act of 2019 due to misleading advertisements. The institute was found to have omitted crucial information regarding the actual success rates of students who reportedly cleared the Indian Civil Services Exam. The advertisements in question created an inaccurate perception of the institute's performance and falsely implied that Shubhra Ranjan was an IAS officer. In a related development, on November 22, the CCPA imposed a fine of



Rs 7 lakh on Vajirao & Reddy Institute for similar misleading advertising practices. To date, the CCPA has issued a total of 45 notices to various coaching institutes concerning deceptive advertisements, resulting in penalties amounting to Rs 63.60 lakh imposed on 20 of these institutes, thereby compelling them to cease such promotional practices. The Department of Consumer Affairs has actively intervened to safeguard the interests of students and aspirants in these matters. **Source:** [DNA India](#)

CCPA Takes Action Against Direct Selling Firms for Unfair Trade Practices



The Consumer Protection regulator, the Central Consumer Protection Authority (CCPA), has taken significant action by issuing notices to 17 direct selling firms, including Oriflamme India, due to alleged unfair trade practices and violations of consumer protection regulations. Among the entities notified are Vihaan Direct Selling India and Zennesa Wellness. Currently, 13 cases are under investigation, and responses from three companies are still pending.

This proactive measure addresses serious concerns regarding deceptive practices within the direct selling industry, where certain companies have been reported to promote unlawful pyramid schemes while making unrealistic promises of substantial commissions and attractive rewards. The government reiterates the necessity of maintaining a fair and transparent market, advising consumers to exercise due diligence by reviewing disclosures, comprehending policies, and validating the credentials of sellers. **Source:** [The Economic Times](#)

FSSAI Classifies Packaged Water as falling within the High Risk Food Category: New Regulations and Compliance Measures

The Food Safety and Standards Authority of India (FSSAI) has designated packaged drinking and mineral water as a "High Risk Food Category," necessitating mandatory inspections and third-party audits. This classification follows the government's recent decision to eliminate the requirement for Bureau of Indian Standards (BIS) certification for these products. Under the updated regulations, manufacturers are now subject to annual risk-based inspections, as well as preliminary inspections prior to obtaining their licenses or registrations. This initiative aims to enhance compliance within the industry, which has previously advocated for more streamlined regulatory processes.

Source: [The Hindu Business Line](#)



Consumer Rights Affirmed: Indian Railways Ordered to Compensate

The District Consumer Commission (DCC) has mandated that Indian Railways compensate Mr. V. Moorthy of Visakhapatnam with Rs. 30,000 due to a failure to provide essential amenities. Mr. Moorthy reported issues including a malfunctioning air conditioning unit in the coach, scarcity of drinking water, and unsanitary toilet conditions rendering them unfit for use. In response, Indian Railways contended that Mr. Moorthy's claims were unfounded, asserting that he and his family completed their journey from Tirupati to Duvvada without incident. However, the Visakhapatnam DCC resolved that it is incumbent upon the railways to ensure the provision of adequate facilities for passengers. Consequently, the DCC ordered Indian Railways to pay Rs. 25,000 to Mr. Moorthy and his family and an additional Rs. 5,000 to cover the expenses incurred during court proceedings. **Source:** [Mathrubhumi](#)



Bridging the Gap: Ensuring Compliance with Consumer Commission Rulings

Despite favourable rulings from the Consumer Commission, many consumers are dissatisfied due to frequent noncompliance of service providers with compensation orders. After carefully considering claims and arguments, the Consumer Commission delivers verdicts intended to provide redress to consumers. However, enforcing these orders remains a significant challenge, as a substantial number of service providers either fail to comply or opt to appeal the decisions in higher commissions. This non-compliance is often driven by the fact that certain companies receive a higher volume of complaints, which can lead to increased financial liabilities that they seek to contest legally. Although consumers can file applications for enforcement under Sections 71 and 72 of the Consumer Protection Act, the associated process is frequently cumbersome and time-consuming, contributing to consumer frustration.

Advocates for consumer rights are now urging the implementation of stricter enforcement mechanisms to ensure that companies are held accountable for their actions, thereby providing justice to those adversely affected by negligent or fraudulent practices. **Source:** [Punekar News](#)



கோவிட் 19 காரணமாக ரத்து செய்யப்பட்ட நிகழ்வுக்கு ₹1.82 லட்சத்தை திருப்பித் தருமாறு திருமண மண்டப உரிமையாளருக்கு நுகர்வோர் நீதிமன்றம் உத்தரவு



ராமநாதபுரத்தைச் சேர்ந்த திரு. கருப்புசாமி தனது மகளின் திருமணத்திற்கு மண்டபத்தை முன்பதிவு செய்து ₹70,000 செலுத்தியிருந்தார். கொரோனா ஊரடங்கு காரணமாக திருமணம் நடைபெறாததால், மண்டப உரிமையாளர் ₹25,000 பராமரிப்பு கட்டணமாக வைப்பதாகவும், மீதியை திருப்பித் தருவதாகவும் கூறினார்.

திரு.கருப்புசாமி முழுத் தொகையை திருப்பி வழங்குமாறு கோரி கோவை நுகர்வோர் நீதிமன்றத்தில் வழக்குத் தொடர்ந்தார். பின்னர் இந்த வழக்கு சேலம் நுகர்வோர் நீதிமன்றத்திற்கு மாற்றப்பட்டது.

விசாரணைக்குபிறகு, சேலம் நுகர்வோர் நீதிமன்றம், மண்டப உரிமையாளரை திருமண மண்டபத்தை பயன்படுத்தாத நிலையில் ₹70 ஆயிரத்தை திரும்ப வழங்கவும், மேலும் இழப்பீட்டு தொகையாக ₹30 ஆயிரம், சேவை குறைபாட்டிற்காக ₹25 ஆயிரம், நுகர்வோரின் மன உளைச்சலுக்காக ₹25 ஆயிரம், வழக்கு நடத்தியதற்கான கட்டணம் ₹10 ஆயிரம், வட்டி ₹15781 ஆயிரம் என மொத்தமாக ₹1.82 லட்சம் வழங்க உத்தரவிட்டது.

இந்த உத்தரவினை திருமண மண்டப உரிமையாளர் நிறைவேற்றாத நிலையில், சேலம் நுகர்வோர் நீதிமன்றத்தில் நிறைவேற்றுதல் மனு தாக்கல் செய்யப்பட்டு கைது வாரண்ட் பிறப்பிக்கப்பட்டது. இதனையடுத்து, திருமண மண்டபம் தரப்பில் மொத்த தொகைக்கு தேவையான வரைவு (DD) நீதிமன்றத்தில் சமர்ப்பிக்கப்பட்டு, திரு. கருப்புசாமிக்கு வழங்கப்பட்டது.

Source: [Dinakaran \(Print\)](#)



The complainant, K. Sunil Chowdary, filed a complaint at the DCDRC in which he claimed that he was facing issues with his EV, an Ola S1 Pro, since its delivery on June 26, 2022. He alleged that despite the purchase of extended warranty and a one-year Ola Care Plan, at an additional cost of ₹6,299 and ₹3,539, the scooter's charger was non-functional from the outset. He also claimed that OLA Electric had failed to provide a timely resolution despite raising many complaints. After not receiving a satisfactory response, Mr. Chowdary sent a legal notice in October 2023, which went unanswered. After this, he approached the Commission. However, OLA Electric failed to show up or submit a response. The Commission held that OLA's service had been deficient, displaying unfair trade practices. The Commission directed the company to refund the amount in full, along with 9% interest from August 2023 until the payment is realised, and also directed a compensation of ₹10,000 to be paid. If the order is not complied with within a time period of 45 days, the Commission stated that the interest rate would rise to 12% per annum. **Source:** [The Hindu](#)

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