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CONSUMER UPDATE

Educating. Empowering.

FAIR AND RESPONSIBLE AI- LEGISLATIVE MEASURES TO PROTECT CONSUMERS' INTERESTS

Every year, March 15 is observed as World Consumer Rights Day to raise global awareness of consumer rights, protection and empowerment. The theme for 2024 was 'Fair and responsible AI for consumers'. CAG wrote an article on the emerging and widespread adoption of generative AI technologies and their potential to automate laborious and time-consuming tasks. The article highlights the different categories of AI and its challenges, including bias and inaccuracies, security concerns, monopoly, and the need for legislative measures to govern AI. The article also looks at recent initiatives by the Indian government towards responsible AI, including a draft regulatory framework. **Source - [CAG](#)**



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Citizen consumer and civic Action Group

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 at helpdesk@cag.org.in or register your complaint on our website www.cag.org.in



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The Central Consumer Protection Authority has released draft guidelines for preventing and regulating greenwashing. The guidelines define greenwashing as deceptive or misleading practices that exaggerate or make false environmental claims about a product or service. The guideline mandates that vague terms such as "green" or "eco-friendly" must be used only with adequate disclosures, companies must avoid selective data presentation and back claims with verifiable evidence. It also states that comparative claims must be based on relevant data, and specific claims should be substantiated with credible certification and independent third-party verification. CAG has submitted its **comments** on the draft guidelines to the CCPA.

Source - [Press Information Bureau \(PIB\)](#)

GOVERNMENT LAUNCHES DIGITAL MODES OF CONSUMER REDRESS

The Indian government, in its proactive stance towards consumer protection, has launched a portal for the Central Consumer Protection Authority (CCPA) to combat persistent violations of advertising guidelines. This portal provides consumers a secure platform to file complaints online, track their progress, and access CCPA advisories, guidelines, and orders. Furthermore, the CCPA has taken a significant step by initiating an e-court facility for the State Consumer Disputes Redressal Commission (SCDRC) in Chandigarh, Punjab, Haryana, Maharashtra, and Delhi, ensuring a trustworthy and efficient e-filing process for consumers. **Source - [Mint](#)**



THE GOVERNMENT INSTRUCTS E-COMMERCE PLATFORMS TO EXCLUDE MALTED BEVERAGES FROM THE HEALTH DRINKS CATEGORY



Malted drinks lose their health drink tag, as per the advisory notice issued by the Ministry of Commerce and Industry to the e-commerce companies. This action is a response to an investigation by the National Commission for Protection of Child Rights (NCPCR), which uncovered high sugar levels in malted beverages. The NCPCR said that the drink's label failed to document all its ingredients correctly and that the label of 'health drink' was not defined currently. The FSSAI had earlier also directed e-commerce platforms not to label dairy-based or malt-based beverages as 'health drinks'. **Source - [The Economic Times](#)**

UBER CHARGES CUSTOMER RS 1,334 FOR 8.8 KM; CONSUMER COURT ORDERS UBER TO PAY RS 10,000

The Consumer Disputes Redressal Commission of Chandigarh has imposed a fine of Rs 20,000 on Uber India for overcharging a Chandigarh resident. The complainant paid Uber Rs 1,334 for an 8.83 km ride, while the initial booking fare was Rs 359. Uber India contested the claim saying that the increased fare was a result of route deviations, but that it was unable to ascertain if the deviations were caused by the passenger or the driver. The Commission however ruled that Uber could neither blame the driver nor the passenger; and that the ultimate responsibility for fares lie with itself, therefore ruling that this was a deficiency in service and an unfair trade practice. The commission also instructed Uber India to compensate the complainant with a deposit of Rs 10,000 in the State Consumer Welfare Fund and cover the litigation expenses.

Source - [The Indian Express](#)

HEALTH INSURANCE AGE LIMITS REMOVED BY IRDAI, A HUGE RELIEF FOR SENIORS



The Insurance Regulatory and Development Authority of India (IRDAI) has lifted the age restriction on purchasing health insurance policies, allowing individuals of any age to buy new health insurance starting from April 1, 2024. Additionally, IRDAI has directed health insurance providers to create customised policies for specific groups, such as senior citizens, and set up dedicated channels to handle claims and complaints. Furthermore, the waiting period for pre-existing conditions has been reduced from 48 months to 36 months, and insurers are now prohibited from denying policies to individuals with severe medical conditions like cancer, heart or renal failure, and AIDS. **Source - [Rediff](#)**

ACCORDING TO THE SUPREME COURT, COMPANIES ARE ENTITLED TO FILE COMPLAINTS UNDER THE CONSUMER PROTECTION ACT

The recent ruling by the Supreme Court of India has clarified that a 'company' is eligible to file a consumer complaint. This ruling is based on the interpretation that the term 'company' falls within the definition of 'person' under Section 2(1)(m) of the Consumer Protection Act, 1986. and emerged from an appeal filed by Kozyflex Mattresses Private Limited against the final order of the National Consumer Disputes Redressal Commission and involved a convoluted legal process. The appellant company had sought indemnification from an insurance company for losses resulting from a fire incident in their manufacturing unit. The National Commission rejected the claim, prompting the appellant company to file a complaint before the Supreme Court alleging deficiency in service on the insurer's part. The Court said that the definition of 'person' as provided in the Act of 1986 is inclusive and not exhaustive. It stated that a liberal interpretation must be given to the statute as the Consumer Protection Act being a beneficial legislation.

Source - [Verdictum](#)

TWO CYBER SCAMS TARGET A CHENNAI RESIDENT AT THE SAME TIME



A resident of Chennai was defrauded of Rs 7.7 lakh through a job scam on the Telegram app. She promptly lodged a complaint with the Tambaram Cyber Crime Police. Subsequently, she was contacted by an individual purporting to be from the cyber crime department, who demanded a fee for legal proceedings. Sensing foul play, she sought advice from the police officer handling her case and avoided falling victim to a second scam. Acting swiftly is crucial in the event of fraud. The first course of action is to dial the national cyber crime helpline number 1930 to report the incident and receive assistance in filing a cyber crime complaint. Additionally, individuals can register their complaints on the website www.cybercrime.gov.in.

Source - [The News Minute](#)

CONSTRUCTION COMPANY ORDERED TO REPAY CUSTOMER 20 LAKH

The Pune District Consumer Grievance Redressal Commission has ruled in favor of a complainant, instructing a builder to refund Rs 20 lakh, the amount paid for booking a flat in June 2013. Additionally, the builder has been directed to pay Rs 35,000 for physical and mental suffering as well as complaint expenses. The flat, was supposed to be ready for possession within 36 months as per the legal agreement. However, the complainant submitted that at the time of filing the complaint, the builder has not made necessary arrangements for even the preliminary permissions from the Ministry of Foreign Affairs (MOFA), Real Estate Regulation and Development Act (RERA), and the Pune Municipal Corporation for site development. Construction had not commenced, prompting the petitioner to file a complaint with the Consumer Commission.

Source - [Pune Times Mirror](#)

DCDRC DIRECTS FLIPKART TO PAY COMPENSATION OF RS 13,000 FOR ADOPTING UNFAIR TRADE PRACTICES AND CANCELLING AN IPHONE ORDER



The District Consumer Disputes Redressal Commission (DCDRC) in Central Mumbai ruled against Flipkart Internet Private Limited for cancelling an iPhone order, commenting that this was tantamount to deficient service and unfair trade practices. The commission ordered the company to pay Rs10,000 in compensation and Rs. 3,000 for the cost of proceedings. Flipkart cancelled a customer's order, alleging that the customer was unavailable for delivery despite the customer's claims of being available. The commission found that Flipkart cancelled the order unilaterally without evidence of multiple delivery attempts. Additionally, Flipkart's request for the customer to place a fresh order after cancelling the previous one, coincided with a substantial rise in the item's price, and raised concerns about the motive behind the cancellation. **Source - [SCC Online Times](#)**

TO COMBAT FRAUDULENT SIM SWAP ACTIVITIES, TRAI AMENDS NEW MOBILE NUMBER PORTABILITY (MNP) REGULATIONS

The Telecom Regulatory Authority of India (TRAI) has introduced new regulations concerning SIM porting to prevent fraudulent SIM swap activities. According to the new guidelines, users must wait for seven days after a SIM swap or replacement of their mobile number before they become eligible to switch from one network to another. This rule applies to users who have lost their original SIM card and have requested a replacement. However, there are no porting restrictions for users upgrading SIM cards.

Source - [The Indian Express](#)



ONLINE PHARMACY TO COMPENSATE CONSUMERS FOR SUBSTANDARD MEDICINES- PUNE DISTRICT CONSUMER GRIEVANCE REDRESSAL COMMISSION'S RULING MANDATES



The Pune Additional District Consumer Grievance Redressal Commission has ordered an online pharmacy and five other parties to compensate a consumer with Rs 1 lakh for providing substandard medicines. The resident of Pune had purchased medications for his mother through an online pharmacy and found that some of the capsules were discoloured and had mould growth. Despite seeking assistance from customer service, the issue was not resolved satisfactorily. The Food and Drug Administration (FDA) conducted an examination of the medications, confirming the presence of fungal contamination in all 10 capsules examined. Consequently, the commission directed the online pharmacy to pay Rs 1 lakh within 45 days, along with Rs 5,000 for suit charges. **Source - [Pune Pulse](#)**

A RESTAURANT IN HYDERABAD HAS BEEN ORDERED TO COMPENSATE A CUSTOMER WITH RS 5,000 FOR FAILING TO OFFER COMPLIMENTARY WATER

A restaurant in Hyderabad, in clear violation of the law, has been instructed to compensate a customer with Rs 5,000 for failing to provide free drinking water. The restaurant has also been directed to refund the service charge and cover the litigation costs of Rs 1,000, as the Telangana government had mandated that all hotels, restaurants, and eateries offer purified water for free and sell bottled water at the MRP. The customer had asked for complimentary regular water due to an allergy to plastic materials. The staff however declined, forcing the individual to buy the restaurant's labelled 500-ml water bottle at an inflated price of Rs 50.

Source - [Moneycontrol](#)



RBI'S MOVE REGARDING KOTAK MAHINDRA BANK: IS YOUR INFORMATION SECURE IN OTHER BANKS?



Kotak Mahindra Bank Limited (KMBL) has been instructed by the Reserve Bank of India (RBI) to stop onboarding new customers through online and mobile banking channels and issuing fresh credit cards due to severe deficiencies and non-compliance in specific areas. The RBI highlighted deficiencies in IT inventory management, user access management, vendor risk management, data security, data leak prevention strategy, business continuity, and disaster recovery procedures. The Digital Personal Data Protection Act of 2023 has laid a comprehensive guideline for handling customers' data. It requires that the data be protected and secured, the fiduciary who is processing the data must only process that data for a specific purpose that the customer has consented to, and there must be a way for the customer to revoke consent. **Source - [The Economic Times](#)**

TN BANS USE OF LIQUID NITROGEN IN FOOD - 'SMOKING' BISCUITS AND ICE CREAMS CAN CAUSE HEALTH HAZARDS

The use of liquid nitrogen in the food industry for quick freezing and visual effects has prompted the Tamil Nadu government to caution against its direct consumption in items like biscuits, ice creams, and wafers. Ingesting these items before the liquid nitrogen fully evaporates can pose serious health risks, as evidenced by reported injuries and a viral video showing a young boy in distress after consuming a "smoking" biscuit.

Source - [South First](#)



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