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# CONSUMER UPDATE

Educating. Empowering.

## CONSUMER GUIDANCE SEMINAR ON RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE IN CONSUMER PRODUCTS AND SERVICES



On 25 March 2026, Citizen consumer and civic Action Group (CAG) in collaboration with Vellore Institute of Technology (VIT), Chennai, organised a consumer guidance seminar titled "Responsible Use of AI in Consumer Products and Services" at the Anna Institute of Management, Chennai, on the occasion of World Consumer Rights Day 2026. The seminar brought together experts from technology, academia, law, industry, and cybersecurity for a structured dialogue on the implications of AI for consumers. Key sessions included an address on understanding AI by Dr. L. Jeganathan of VIT Chennai, a virtual inaugural address by Mr. Anupam Mishra, IAS, Additional Secretary, Ministry of Consumer Affairs, and a presentation on how AI influences consumers by Dr. Geetha Raju from the Centre for Responsible AI, IIT Madras. A panel discussion on the future of AI and consumer protection, moderated by Ms. S. Saroja, Executive Director of CAG, featured representatives from Amazon, Apollo Tyres, MakeMyTrip, the Advertising Standards Council of India, and a law firm, among others. The seminar concluded with an open house discussion and aimed to generate insights to inform research, advocacy, and future interventions on responsible AI governance and consumer protection. [For more details, view the full event report.](#)

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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](mailto:helpdesk@cag.org.in)



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## TRAI DRAFT PROPOSES VOICE AND SMS-ONLY PLANS FOR CONSUMERS

The draft notification, proposing amendments to the Telecom Consumers Protection Regulations, put out by the Telecom Regulatory Authority of India (TRAI), seeks to ensure that consumers who do not require data such as elderly users, low-income consumers, rural residents, feature phone users, and those with limited digital literacy have access to simpler and more affordable alternatives. CAG has submitted comments to TRAI welcoming the proposal while flagging key concerns. CAG has urged that Voice and SMS-only plans be prominently displayed at retail outlets, websites, and mobile apps not just technically listed so consumers can genuinely access them. On pricing, CAG has pointed out that the term "largely proportional" used in the draft lacks a clear definition and could lead to inconsistent pricing across providers; clear benchmarks are needed. CAG has also called for short-duration validity options to be made affordable and available through both digital and non-digital channels, ensuring vulnerable consumers are not left out. Additionally, CAG has recommended that TRAI introduce compliance monitoring, consumer complaint tracking, and penalty provisions for non-compliance, noting that the draft currently lacks explicit enforcement mechanisms. Proactive consumer awareness through SMS notifications, local-language communication, and retail outreach has also been highlighted as essential for the regulation to deliver real impact. [Read CAG's comments on the draft notification here.](#)



## SUPREME COURT CLARIFIES CHOICE OF REMEDIES FOR HOMEBUYERS

In a notable ruling, the Supreme Court of India has held that parties cannot switch between legal forums once they have chosen a specific remedy for the same disputes. In *M/S Kabra and Associates & Ors. Vs Rekha Rajkumar Hemdev & Ors.* (2026), the court ruled that homebuyers who initially approached the Maharashtra Real Estate Regulatory Authority under the real estate (Regulation and Development) Act, 2016 were barred from later filing a complaint before the National Consumer Disputes Redressal Commission. Underlining the doctrine of election of remedies, the Court held that once a party consciously chooses a particular remedy, it cannot later pursue an alternative remedy for the same cause of action. The judgement highlights the importance of procedural consistency while affirming that RERA authorities retain jurisdiction even in cases involving unregistered projects. **SOURCE:** [Law Beat](#)



## LEGAL HEIRS LIABLE FROM ESTATE IN MEDICAL NEGLIGENCE CLAIMS SUPREME COURT RULING



The Supreme Court of India has clarified that in cases of medical negligence under the Consumer Protection framework proceedings do not abate upon the death of the doctor. Upholding the position of the National Consumer Disputes Redressal Commission, the Court ruled that legal heirs of a deceased doctor can be impleaded and brought on record and their liability is limited to the extent of the estate inherited from the deceased. The case arose from a long standing negligence claim involving loss of vision following eye surgery where the key issue was whether the right to sue survives after the doctor's death. Interpreting the Consumer Protection Act along with principles under the Indian Succession Act, the Court held that while personal liability does not transfer, compensatory claims with financial implications can be enforced against the estate. This ruling strengthens consumer protection by ensuring that valid claims are not defeated due to the death of the service provider, while maintaining a balanced limitation on the liability of legal heirs. **SOURCE: [LAW LIVE](#)**

## SUPREME COURT CLARIFIES LIMITS ON COMPENSATION IN SERVICES DEFICIENCY CASE

In a matter concerning alleged deficiency of services by a salon, the Supreme Court of India partly allowed an appeal seeking compensation for a defective haircut. The claimant had demanded Rs.5.2 crore, citing adverse impact on her professional prospects and mental well being , while the Court ultimately awarded Rs. 25 lakh. It held that although the incident warranted compensation, the evidence on record did not justify the quantum claimed and the damages in consumer disputes must be based on proved loss and remain proportionate to the injury established. The Court further observed that compensation cannot be granted on hypothetical or exaggerated grounds, and must instead reflect a reasonable nexus between the harm suffered and the relief awarded, thereby reinforcing limits on excessive claims in service deficiency cases. **SOURCE: [The Economic Times](#)**



## CONSUMER COURT ORDERS LG ELECTRONICS TO REFUND RS. 1 LAKH OVER DEFECTIVE PRODUCT AND SERVICE LAPSE



A District Consumer Disputes Redressal Commission in Noida has ordered LG to refund ₹1.42 lakh to a consumer for a defective LED television that developed display issues within its warranty period and could not be satisfactorily repaired despite repeated complaints. The Commission held the company guilty of deficiency in service, observing that the consumer was left with a non-functional product even after approaching customer support multiple times. It directed LG to not only refund the full purchase amount but also pay 6% interest from the date of filing the complaint, along with ₹10,000 as compensation for mental agony and litigation expenses. The order is to be complied within 30 days, underscoring the legal obligation of manufacturers to provide effective after-sales support and honor warranty commitments.

**SOURCE:** [THE TIMES OF INDIA](#)

## WEDDING PHOTOGRAPHY FIRM ORDERED TO REFUND RS. 80,000 AND PAY RS. 2.5 LAKHS COMPENSATION FOR SERVICE LAPSES

A District Consumer Disputes Redressal Commission in Kottayam has directed Piccolo Weddings and its proprietor to refund Rs.80,000 and pay compensation after finding deficiency in service in a wedding photography and videography contract. The complainants had engaged the firm for a comprehensive wedding package but alleged that several promised services were not delivered including helicam coverage reels and complete documentation of key ceremonies, while some deliverables were incomplete or delayed. The Commission observed that these lapses caused significant mental distress as the services were meant to capture an irreplaceable life event. It ordered Rs. 2.5 lakh as compensation for hardship and Rs.10,000 towards litigation costs to be paid within 30 days, with interest application in case of default. **SOURCE:** [LAW LIVE](#)



## ADVISORY AGAINST HIDDEN CHARGES IN HOSPITALITY



In the wake of rising global tensions, including the ongoing conflict involving Iran, fluctuations in fuel prices led to an increased cost of LPG. Citing this, several hotels and restaurants started surging the price of food by imposing and levying charges such as “LPG charges”, “gas charges”, or similar charges in a mandatory or concealed manner. The Central Consumer Protection Authority (CCPA), under the Consumer Protection Act, 2019, took cognisance of the matter and issued an advisory instructing hotels and restaurants to avoid imposing such additional charges in a mandatory or concealed manner. These expenses are considered part of the overall cost of food preparation and must already be included in the menu prices. Therefore, levying such separate charges is regarded as an unfair trade practice due to lack of transparency and restriction of consumer choice. The advisory emphasises that all charges must be disclosed and applied only with the consumer’s consent. Through this, the authority aims to safeguard consumer interest and prevent unfair trade practices in the hospitality sector.

**SOURCE: [MINISTRY OF CONSUMER AFFAIRS](#)**

## STAR HEALTH PENALISED FOR WRONGFUL CLAIM DENIAL

Holding Star Health Insurance accountable for the wrongful rejection of a mediclaim, a Chennai Consumer Commission ruled in favour of a policyholder whose claim had been denied without valid ground. The North District Consumer Disputes Redressal Commission found that the claim was covered under the policy but was rejected arbitrarily, without sufficient justification or proper evaluation of the medical records. Terming this a clear deficiency in service, the Commission directed the insurer to settle the claim amount with applicable interest, along and litigation costs. The order also emphasised that insurers are expected to act in good faith while processing claims and must provide valid reasons when denying benefits.

**SOURCE: [THE TIMES OF INDIA](#)**



## BSNL ORDERED TO PAY RS. 30,000 FOR SERVICE LAPSE



The Dakshina Kannada District Consumer Commission has directed Bharat Sanchar Nigam Limited (BSNL) to pay ₹30,000 as compensation to a consumer for deficiency in service. The case involved a prolonged internet disruption in 2024 in Sullia Taluk, where BSNL failed to restore a fibre network connection despite repeated complaints. The Commission awarded ₹25,000 for mental agony and ₹5,000 towards litigation costs, and directed that the amount be paid within 45 days, failing which a 6% annual interest would apply. The ruling emphasized the accountability of service providers to ensure uninterrupted delivery of essential services, noting that reliable internet access has become a basic necessity in modern life and that failure to address consumer grievances promptly constitutes a clear deficiency in service under consumer protection law.

**SOURCE:** [THE HINDU](#)

## BIS STRENGTHENS GRIEVANCE REDESSAL AND QUALITY MONITORING

A recent update from the Bureau of Indian Standards highlights its continued efforts to strengthen grievance redressal and quality monitoring, with complaints relating to product quality, misuse of the BIS Standard Mark, and violations of Quality Control Orders being addressed through established mechanisms under the BIS Act. During 2024-25, a total of 4,763 complaints were received through platforms such as the BIS Complaint Portal, CPGRAMS, and INGRAM, of which 4,660 were resolved. In 2025-26, 3,200 complaints were received via multiple channels, including the Public Call Facility, with 3,390 complaints disposed of, including pending cases from the previous year. The Bureau continues to periodically review its complaint handling performance to ensure timely redressal, transparency, and effective enforcement of statutory quality standards.

**SOURCE:** [BIS REPORT](#)



## INDIA SEEKS TO PROHIBIT ADDED SUGAR IN BABY FOOD TO TACKLE RISING CHILDHOOD OBESITY



India is set to tighten infant nutrition norms, with the Food Safety and Standards Authority of India proposing a “zero added sugar” standard for baby food products aimed at children aged 6 to 24 months. This move would restrict formulations to naturally occurring lactose while eliminating added sugars such as sucrose and fructose, potentially reshaping a \$1.16-billion market and impacting major players. The proposal comes amid rising concerns over childhood obesity and metabolic disorders, with government data and studies projecting a sharp increase in overweight populations in the coming decades. While industry stakeholders have called for a phased rollout due to reformulation complexities and hidden sugar sources in supply chains, the regulator is consulting scientific panels and state authorities to finalise standards, positioning stricter infant food regulation as a key public health intervention. **SOURCE: HINDUSTAN TIMES**

## CONSUMER COMMISSION SLAMS AXIS BANK OVER FAILED ATM TRANSACTION, ORDERS REFUND AND COMPENSATION

A District Consumer Disputes Redressal Commission in Nagpur has held Axis Bank guilty of deficiency in services for a failed ATM transaction in which Rs.5,000 was debited but not dispensed. The Commission observed that the bank failed to properly investigate the complaint, did not provide CCTV verification or a fair grievance redressal, and ignored repeated follow-ups of the customer. It also noted that Axis Bank did not appear before the Commission despite the notice, leading to an ex parte hearing. Concluding that the non-dispensation of cash despite debit from the account constituted to clear service failure, the Commission directed the bank to refund the amount along with Rs.10,000 compensation for mental harassment, to the complainant.

**SOURCE: The Economic Times**



வந்தே பாரத் ரயில் உணவில் புழுக்கள் - இந்திய ரயில்வே கேட்டரிங் மற்றும் றீரிசம் கார்ப்பரேஷன் மீது ரூ.10 லட்சம் அபராதம் மற்றும் சேவை வழங்குநருக்கு ரூ.50 லட்சம் அபராதம்

பீகார் தலைநகர் பாட்னா-டாடாநகர் இடையிலான வந்தே பாரத் எக்ஸ்பிரஸ் ரயிலில் மார்ச் 15 அன்று உணவுடன் வழங்கப்பட்ட பிரபல நிறுவனத்தின் தயிர் டப்பாவில் புழுக்கள் இருப்பதைக் கண்டு பயணிகள் அதிர்ச்சி அடைந்து, அதனை வீடியோவாக எடுத்து ரயில் மேலாளரிடம் புகார் அளித்தனர்.

இதனை விசாரித்த ஐ.ஆர்.சி.டி.சி நிறுவனம், அந்த தயிர் காலாவதியாகவில்லை என்றும் உரிய குளிர் நிலையில் பாதுகாப்பாக வைக்காததால் புழுக்கள் உருவாகியிருக்கலாம் என்று தெரிவித்து, உணவு விநியோக நிறுவனத்திற்கு ரூ.25,000 அபராதம் விதிக்கப்படுவதாக அறிவித்தது.

ஆனால், இதனை மறுவிசாரணை செய்த ரயில்வே அமைச்சகம், இது மிகப்பெரிய சேவை குறைபாடு என்று கூறியதுடன், உணவு ஒப்பந்த நிறுவனத்திற்கு ரூ.50 லட்சம் அபராதம் விதித்து, அதன் ஒப்பந்தத்தையும் ரத்து செய்தது. மேலும், இதனை முறையாக கையாளாத ரயில்வேயின் துணை நிறுவனமான ஐ.ஆர்.சி.டி.சி. க்கு ரூ.10 லட்சம் அபராதம் விதித்துள்ளது.

மேலும், எதிர்காலத்தில் இது போன்ற எந்தத் தவறும் நிகழாமல் கண்காணிக்க வேண்டும், மற்றும், உணவின் தரம், சுகாதாரத்துக்கு உரிய முக்கியத்துவம் அளிக்க வேண்டும் என்றும் ரயில்வே அமைச்சகம் அறிவுறுத்தியுள்ளது.

SOURCE: DINAMANI



## GET IN TOUCH



+91(44) 2435 4458 |  
2435 0387



helpdesk@cag.org.in



No.103 (First Floor), Eldams Road,  
Teynampet, Chennai 600 018

### TRUSTEES

Sriram Panchu  
Suchitra Ramakumar  
R. Hema

George S. Thomas  
C. Rammanohar Reddy  
Sandeep Murali  
Phanindra Reddy

### ADVISOR

N. L. Rajah