



**FACULTY OF JURIDICAL SCIENCES**

**COURSE: B.B.A.LL.B. I st Semester**

**SUBJECT: LAW OF TORTS**

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## LECTURE 31

# TOPIC: CONSUMER PROTECTION ACT, 1986- CONSUMER PROTECTION COUNCIL, CONSUMER DISPUTE REDRESSAL AGENCIES

### Who is Consumer?

Section 2(7) of the Act defines consumer as any person who—

- (i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or
- (ii) hires or avails of any service for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such service other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person, but does not include a person who avails of such service for any commercial purpose.

Explanation. —For the purposes of this clause, —

(a) the expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;

(b) the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing;

The definition of "consumer" under the 2019 Act includes those who make purchases online. The aforementioned definition of the term 'consumer' is really comprehensive so as to cover not only consumer of goods but also consumer of services. The deviation is wide enough to include in 'consumer not only the person who buys any goods for consideration but also any user of such goods with the approval of the buyer, likewise it covers any person who hires or avails of any services for consideration and also includes any beneficiary of such services, when availed with the approval of the hirer.

In this way, any user of goods or any beneficiary of services, other than the actual buyer or hirer, is a consumer and thus he is competent to make a complaint before the Consumer Disputes Redress Forums. It includes anyone who consumes goods or services at the end of the claim of production.

The definition of consumer may be discussed in following two parts:-

i. Consumer of goods

ii. Consumer of services Consumer of Goods

Goods according to section 2(21) of Act means every kind of movable property and includes "food" as defined in clause (j) of sub-section (1) of section 3 of the Food Safety and Standards Act, 2006; According to section 2(7) a consumer of goods means any person who –

(a) buys any goods for consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment, and

(b) includes any user of such goods other than the person who buys the, when such use is made with the approval of the buyer but

(c) does not include a person who obtains such goods for resale or for any commercial purpose. Commercial purpose does not include use by a consumer of goods bought by and used by him exclusively for the purpose of earning his livelihood, by means of self-employment.

A person claiming himself to be a consumer should fulfill the following requirements:

- (i) there should be a sale transaction between the seller and the buyer,
- (ii) the sale must be of goods,
- (iii) the buying of goods must be for consideration,
- (iv) the consideration has been paid or promised or partly paid and partly promised, or under any system of deferred payment; and
- (iv) the user of the goods may also be a consumer when such use is made with the approbation of the buyer.

It may, however, be noted that a person who obtains the goods for resale or for any commercial purpose is not included within the meaning of the term consumer.

This clearly reveals that the intention of the legislature is to restrict the benefits of the Consumer Protection Act to ordinary consumers buying goods or hiring services for consumption and not for resale or large-scale commercial activity. Where the goods have been purchased or used by the consumer exclusively for the purpose of earning his livelihood, by means of self-employment, such use of the goods will not be treated as 'commercial purpose. Consumer of Services The term 'consumer' also covered any person who hires or avails of any 'services for consideration and also includes any beneficiary of such sentences.

According to section 2(7) of the Act, a consumer of services includes any person, who

- (i) hires or avails of any services for consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment, and
- (ii) includes any beneficiary of such services other than the person who hires or avails of them, when such services are availed of with the approval of the hirer.

Service has been defined in section 2(42) of the Act as "service" means service of any description which is made available to potential users and includes, but not limited to, the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, telecom, boarding or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service;

For the purpose of consumer of services, it is essential that the services must have been hired or availed of for the consideration. But it is not essential that the payment of consideration must be made immediately, it may be paid afterwards or even in installments.

The services which are rendered free of charge or under contract of personal service are outside the purview of the Act.

**Exercise:**

1. Which of the following constitute goods?
  - a) Insurance Policy
  - b) Purchase of cycle
  - c) Car repaired
  - d) Travelling
  
2. Which of the following is a consumer right?
  - a) Right to safety
  - b) Right to information
  - c) Right to Choose
  - d) All of these

3. Getting a product replaced is under which right?

- a) Right to seek redressal
- b) Right to Heard
- c) Right to information
- d) Right to Consumer Education

4. How many tier is Consumer Dispute Redressal Forum?

- a) One
- b) Two
- c) Three
- d) Four

5. What is the timeline to decide jurisdiction over a particular case?

- a) 20 days
- b) 21 days
- c) 18 days
- d) 15 days