

Consumer Dialogue

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E-newsletter

Incentives Provoke Bankers for Misselling Financial Products

About 67 percent consumers of financial services opined that the provision of incentives leads to bank staff providing misleading information or misselling of the financial products whereas 56 percent were unaware of the existence of grievance redressal systems. These were some of the key findings of a study conducted by CUTS in partnership with Consumers International (CI) and 'Which?', UK.

These results were revealed in a National-level Dissemination cum Advocacy meeting organised by CUTS on February 20, 2015 in Jaipur, the purpose of which was to share the findings of the research conducted across five major cities of India i.e. Delhi, Kolkata, Mumbai, Chennai and Jaipur to collect experiences of financial consumers and bank officials. CUTS has implemented this project for pushing better and effective mechanism to control misselling of financial products to consumers of banking services.

In the meeting, referring to the Reserve Bank of India (RBI) Charter on Customer Rights, George Cheriyan, Director, CUTS International, said that under the Right to Suitability of RBI Charter, the onus of providing suitable products to the consumer lies on the provider of financial services. Cheriyan also stated that if properly enforced, this would help in addressing the misselling of products.

Speaking at the event, Dharmendra Azad, Assistant General Manager, Department of Banking Supervision, Reserve Bank of India said that banks need to be transparent in the execution of their functions. Shirish Deshpande from Mumbai *Grahaak Panchayat* said that bankers are becoming product-centric instead of being customer-centric. R K Meena, Assistant General Manager, State-level Bankers Committee shared about SLBC's involvement in financial literacy programmes for consumers in cooperation with National Bank for Agriculture and Rural Development and All India Bankers Association.

The programme was well attended by participants from various bank and Securities Exchange Board of India, consumer activists, media and civil society organisations from various parts of India.

http://cuts-international.org/cart/pdf/Report-National_Level_Advocacy-Dissemination_Meeting.pdf



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Seven *Grahaak Suvidha Kendras* to be Established

Department of Consumer Affairs of Ministry of Food and Consumer Affairs of Government of India has assigned CUTS International, the task to undertake *Grahaak Suvidha Kendra* (Consumer Convenience Centre) to be established at Jaipur. This would be one of the seven centres to be established by the Ministry in major cities of India. Facilities to be provided in the *Grahaak Suvidha Kendra* are for advising and counselling consumers in redressal of their grievances. Wherever necessary, *Grahaak Suvidha Kendra* would be equipped to assist consumers in registering their complaints in the appropriate consumer fora by providing appropriate guidance.

The concerned letter in this aspect was handed over to CUTS' representatives by the concerned Minister Ram Vilas Paswan during an event organised by the department to commemorate 'World Consumer Rights Day' on March 18, 2015 at Vigyan Bhawan, New Delhi. The theme of the event was "Consumers' Rights to Healthy Food". Apart from the Minister, the programme acquired participation from Justice D K Jain, President, National Consumer Disputes Redressal Commission; officials from Department of Consumer Affairs; Central Ministries; Bureau of Indian Standards; Central Consumer Protection Council, Press and voluntary consumer organisations. Besides, two technical sessions held were: (i) Consumer Rights to Healthy Food and (ii) Grievance Redressal Mechanisms in Consumer Courts. George Cheriyan and Deepak Saxena attended the conference.



CUTS CART



Pillars of Democracy to Jointly Work in Making Section 134, a Worth

A judgement by the Supreme Court in the case of Advocate Parmanand Katara by way of Public Interest Litigation (PIL) in the year 1985 said that Article 21 of the Constitution of India guarantees the Right to Life to every citizen, but in case of road accident victims, nearly 60 percent die awaiting for treatment, even after being admitted in a hospital.

As the doctors do not attend the victims until a police case is registered in such medico-legal cases, results into victims' deaths. Following a Supreme Court order in 1989, the Motor Vehicles Act was amended in 1994, (New Section 134) making mandatory for both the driver and owner of the vehicle to take the accident victim to the nearest doctor, but also casts a duty on the doctor to treat the victim without waiting for any formalities.

In this context, marking the commemoration of road safety week 2015, CUTS in partnership with the Department of Transport, Government of Rajasthan organised a workshop on the subject theme on February 27, 2015 at Jaipur. Among key speakers, Justice N K Jain, Former Chairman, Rajasthan Human Rights Commission and also the Retd. Chief Justice, Madras High Court said that the overall purpose of introducing this Section 134 must be translated to reach to common masses and if it is not done at



present, then this section would become part of several other obsolete laws existing in the country. Moreover, Jain referred Section 134 with article 51(A) of the Constitution of India, which speaks on fundamental duties. He also urged for joint efforts by all the five pillars of our democracy to make this section a worth, which includes not only the judiciary but also the legislative, executive, media and citizens.

On the occasion, R N Meena, Joint Director (Hospital Administration) of Medical and Health Department of Government. of Rajasthan speaking on the role of doctors and medical fraternity, whereas, Tara Chand Saharan, Former Member, Board of Revenue for Rajasthan stressed on the importance of four Es i.e. **engineering, emergency, education and enforcement**. Anil Jain, Assistant Regional Transport Officer, Jaipur stressed on the significance of a conscience mind set while driving. Transport Department, Government of Rajasthan supported to conduct the workshop, which provided platform for 88 representatives of civil society organisations, Media, Medical Consultants, Advocates, Traffic Police, Health Department and Academician and actively took part in the workshop.

http://cuts-international.org/cart/pdf/Workshop_on_Section_134_of_Motor_Vehicle_Act-1988.pdf

Glimpses of Other Activities

Awareness Workshop on Hallmarking

CUTS with the support of Bureau of Indian Standards (BIS) organised a workshop on Hallmarking of gold products at Saraswati Convent School in Jobner Block of Jaipur on March 25, 2015. The objective was to raise awareness among rural based people on the need of investing only in hallmarked gold products so as to ensure assured quality of gold.



President, SSNC Visits CUTS

Johanna Sandahl, new President of Swedish Society for Nature Conservation (SSNC), visited CUTS on January 15, 2015. The 'ProOrganic' project team accompanied her to *Krishi Vigyan Kendra*, Chomu campus to get an insight of the organic farming practices and interact with the farmers. The visit was followed by a meeting with CUTS Consumer Action Research and Training (CART) staff. Amarjeet Singh, Project Coordinator made a presentation about SSNC supported interventions.



'ProOrganic' Activities Reaches Grassroots

Awareness campaigns at the grass roots, under the ProOrganic project in selected 102 *gram panchayats* of all six districts of Rajasthan concluded in January 2015 with the aim to make consumers aware of available organic products and influence their buying habits by use of street plays, posters, hand outs etc. These campaigns were initiated in August 2014.



The team comprising of Amarjeet Singh, Project Coordinator; Deepak Saxena, Sr. Programme Coordinator; Arjun Kant Jha and Dharmendra Chaturvedi, both Project Officers attended the awareness campaign organised in different areas to monitor the programmes. These campaigns

were organised with an aim to ensure village participation of both farmers and consumers in order to create awareness on the issue of organic culture. Progressive farmers, agriculturists and the district partner acted as resource persons in all the programmes and thus provided their full contribution.

CUTS Pothole Contest

For enhancing the state of roads in Jaipur, a campaign was initiated on the theme 'Find Pothole and Win Prize', which was advertised in newspaper and FM Channel 'Radio City'. People responded greatly to the same through mail and Whatsapp. A copy of the compiled photographs received was later presented to the Chief Executive Officers of Jaipur Municipal Corporation and Jaipur Development Authority and to the Mayor of the city for initiating the action on the same..



Later, Jaipur Development Commissioner's office informed that their office has taken the required action to divide their zones for further proceedings.

Rajasthan Patrika published the campaign news on January 29-30, 2015. Prizes were awarded to the winners of the contest on January 16, 2015 in a meeting.

<http://epaper.patrika.com/426988/Rajasthan-Patrika-Jaipur/29-01-2015#page/4/2>

District Level Consultation Workshops Kick Started

The District-level Consultations under the 'ProOrganic' Project began from Dausa on March 27, 2015. The main purpose of these consultations was to showcase the activities done under the project so far, at a glance, and also to present the key findings of the survey conducted in six districts under the project research with specific results from that particular district, where the consultation



was being organised. The consultation also involved discussions on key recommendations for consumers and farmers inferred from the research. Dausa consultation was attended by about 63 participants including *Krishi Vigyan Kendra* in-charge, Agriculture Officer, Assistant Director-Horticulture, District Industries Officer, Deputy Director-Animal Husbandry, farmers, consumers and shopkeepers representing majority of the blocks of Dausa.

ACTIVITIES



World Consumer Right's Day

On the occasion of World Consumer Rights Day 2015, CUTS organised a workshop on Consumer's Right to Healthy Diet for school children at Ahinsa Vidyapeeth School, Jaipur. The workshop primarily focussed on healthy diets and thereby making the students aware of the importance of reducing salt and sugar consumption; viewing nutrition labelling on pre-packaged foods; and promoting healthy food in schools.



Visit of NCDRC Member

George Cheriyan and other team members participated in an informal discussion with Honourable Justice V B Gupta, Member, National Consumer Dispute Redressal Commission (NCDRC), and New Delhi during his visit to CUTS on 05 March 2015.

REPRESENTATION



- George Cheriyan attended a meeting on 'Recent Trends in Consumer Rights and Unfair Trade Practices' in a National Conference of the Non-Judicial Members of the State Consumer Disputes Redressal Commissions organised by the National Judicial Academy, Bhopal on January 03, 2015.
- George Cheriyan attended the 13th Meeting of the Central Advisory Committee of Food Safety and Standards Authority of India at New Delhi on January 08, 2015.
- Dharmendra Chaturvedi of CUTS attended a session on 08 January, 2015 at Maharaja Girls School, Jaipur on consumer rights.
- George Cheriyan was a part of the Government of India's delegation and was involved in the meeting of Third Ad Hoc Expert Group on United Nations Guidelines for Consumer Protection held at Geneva on January 22-23, 2015. Besides George, the delegation consisted of Keshav Desiraju, Secretary to the Government of India, Department of Consumer Affairs and Head of the Delegation; A K Jain, Deputy Secretary, Bureau of Indian Standards & National Test House.
- Dharmendra Chaturvedi attended the inaugural function of national seminar on 'Missed Opportunities in Child Nutrition, Health and Development' organised by Department of Home Science, University of Rajasthan, Jaipur on January 30, 2015.
- George Cheriyan attended the 29th meeting of reconstituted Central Consumer Protection Council held in Patna, Bihar on February 05, 2015.
- Dharmendra Chaturvedi attended Open House for consumers organised by Bharat Sanchar Nigam Limited, Jaipur on February 18, 2015.
- George Cheriyan attended a National Seminar on 'E-commerce vs Consumers: *Safeguarding Consumer's Interests in the Emerging Era of E-commerce*' organised by Citizen Consumer and Civic Action Group in Chennai on February 18, 2015.

Dharmendra Chaturvedi, Deepak Saxena and Amarjeet Singh attended consumer outreach programmes organised by Telecom Regulatory Authority of India regional offices at Nagaur on January 21, 2015; at Bharatpur on January 29, 2015; and at Sawai Madhopur on February 12, 2015 respectively.

- Deepak Saxena along with Arjun Kant Jha, Dharmendra Chaturvedi and Vipin Chawla of CUTS attended the second day event of the Road Safety Week at Science Park, Shastri Nagar on February 24, 2015, whereas Dharmendra Chaturvedi and Arjun Kant attended the concluding programme of the week on February 29, 2015.



Clean Advertisement Campaign Launched

Observing the National Consumers Day, Advertising Standards Council of India (ASCI), India has launched the initiative 'Swachh Ads Abhiyan' (Clean Advertisement Campaign).



With the purpose of combating misleading advertisements, the Department of Consumers Affairs proposed ASCI to come up with an initiative to create awareness amongst consumers to take action against misleading content. The campaign was initiated across various social media sites like Facebook, Twitter, LinkedIn and YouTube. Engaging with the consumers and making them aware of what advertisements lead to misleading content and consumers' right to

complain against any such advertisements was the objective of this endeavour.

<http://www.indiantelevision.com/mam/marketing/asci-launches-swachh-ads-abhiyan-141224>

Panel Proposes Direct Benefit Transfer to Farmers

The high-level panel on public Distribution System of Government of India has proposed substantial use of direct cash transfers to consumers to help save ₹30,000 crore in a year in subsidy payments to farmers to help decontrol fertilisers and asked the Food Corporation of India to focus on innovation and competition.

The recommendations of the eight-member panel headed by Member of Parliament from Himachal Pradesh Shanta Kumar are in the process with the Prime Minister's declaration at the ET Global Business Summit that the Government would expand the scheme of direct subsidy payments already being introduced for cooking gas to other programmes. The panel also proposed for massive computerisation in the public distribution system to enhance efficiency in food delivery with the help of technology. The proposed changes would give a greater role to the private sector, which would be able to compete with the state agencies in purchasing grains from the farmers and also be involved in the storage of grains.

(ET Bureau, 22.01.2015 & http://economictimes.indiatimes.com/articleshow/45973188.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



Flipkart Fined Heavily



Thiruvananthapuram, the capital of Kerala has slapped a fine of ₹53.63 crore on four well-known online trading companies including Flipkart and Jabong for allegedly carrying out illegal business in the State.

The state Commercial Taxes Department issued a release in this regard the other day. The fine was imposed by the intelligence wing of the Department for the year 2012-13 and 2013-14.

(PTI, 28.01. 15)

Flyers Set for Higher Payoffs from Airlines

The Government of India has enhanced the compensation that airlines must pay the passengers in case of lost baggage or suffering an injury while travelling with them.

If a person dies or suffers a body injury in an air crash or in some other aviation-related accident, the compensation payable to the family is presently ₹90 lakh marking a raise of from the earlier ₹75 lakh. In case of inordinate flight delays, the compensation could be as high as ₹3.5 lakh, up from ₹3 lakh earlier. The maximum compensation for lost baggage has been increased to about ₹84,000 from the earlier compensation of ₹74,000.

The enhanced compensation comes with the amending of the Air Carriage Act that deals with issues like damages to be paid for flight delays, loss of baggage and accidental death. Indian carriers would presently pay as their international counterparts, in line with the 1999 Montreal Convention that governs airline liability and compensation. These compensations are based on special drawing rights (SDR), with each SDR worth US\$1.2.

(<http://timesofindia.indiatimes.com/india/Flyers-set-for-higher-payoffs-from-airlines/articleshow/46615684.cms> and Tol, 19.03.2015)



Ministry Introduces New Portal 'GAMA'

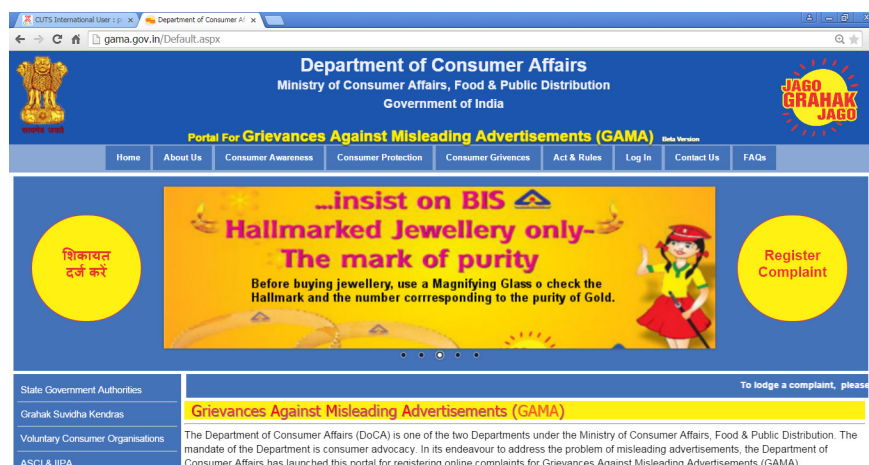
The Department of Consumer Affairs has launched this portal for registering online complaints for Grievances Against Misleading Advertisements (GAMA).

Any advertisement or promotion through television, radio, or any other electronic media, newspapers, banners, posters, handbills, wall-writing etc. to misrepresent the nature, characteristics, qualities or geographic origin of goods, services or commercial activities so as to mislead the consumer could be broadly defined as a misleading advertisement. In simple terms any advertisement that gives false information, making false claims or contravening any other provision of the advertising code can be termed as a misleading advertisement. Advertisements appearing in news papers, hoardings, handbills, wall writing as well as advertisements in the electronic media such as TV channels, radio channels, internet sites etc. are some examples.

Any consumer can register a complaint along with a copy/video/audio of such advertisement through the web portal <http://gama.gov.in>. The process is:

Step 1. A one time registration is required for lodging a complaint. For registration go to the web portal <http://gama.gov.in> and click on the login link and then singup giving details required, verify through your email. The User id and password are created.

Step2. Using this user id and password, enter into the portal and fill in require details of complaint attaching necessary audio/video/paper clip/photograph (if available).



One can register a complaint along with the copy / video / audio of such advertisement through the nearest Grahak Suvidha Kendra or designated Voluntary Consumer Organizations (VCOs), who will in turn lodge your grievance through the web portal of the GOI at <http://gama.gov.in> to bring it to the notice of the Government.

Regional Language and local complaints will be taken up by Grahak Suvidha Kendras / Voluntary Consumer Organizations (VCOs) as the case may be with appropriate local authorities, whereas national level complaints would be forwarded to the concerned regulator of the sector to which the complaint pertains. Complaints would also be monitored for follow up action by the Department of Consumer Affairs.

Regulators will be in turn take up the matter with the concerned Company/Agency for remedial action. All VCOs, regulators and DoCA will update the action taken by them regularly through the web portal.

All unresolved complaints will be placed before the Inter-Ministerial Committee constituted by the Department of Consumer Affairs, for arriving at a logical conclusion.

Complainants could login using user id and password provided at the time of registering complaint and can track the status. Alternatively, GSK/VCOs would inform the complainant, if the complaint was lodged through them, from time to time.

Every complaint will be registered and a Unique Complaint ID will be issued. The complainant can track the status of the complaint using this ID.

The complaint will be forwarded to the concerned regulator/authority for action against those responsible for the misleading advertisement. Action according to the provisions of the existing law will be initiated.

The contact person in the Department of Consumer Affairs:
Deputy Secretary (Publicity), Department of Consumer Affairs
Krishi Bhawan, New Delhi - 110001
Email: dspub-ca@nic.in



Making Road Safety Accountable

Road owning agencies and those involved in designing, implementation and maintenance would have to cough up ₹1 lakh for any death in a crash due to the road condition. The penalty would be ₹50,000 in case a road crash victim is disabled.

These are some of the finalised provisions that the Road Transport Ministry has incorporated in the Road Transport and Safety Bill, which has been circulated for inter-ministerial feedback, sources stated. Besides, the Bill has also lowered the fines for common traffic offences.

This is for the first time that any provision of holding road agencies responsible for their fault has been included. As per the proposed norm, the government agency or contractor responsible for the design, construction and maintenance of the safety standards of a road shall follow the standards as determined by the national authority that would be set up under the new law. The focus was to ensure that no death, injury or damage is caused to road users, as a result of failure to adhere to such safety standards.

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/soon-road-agencies-may-be-fined-for-accidents/articleshow/46377182.cms>



Now Online Organic Products

We might soon be able to buy organic fruits and vegetables at the price of regular produce or even less. Ethnic lifestyle retailer Fabindia, known for its apparel and furniture is currently preparing to sell organic fruits and vegetables online. Plans are afoot to establish a supply chain that could deliver fresh produce directly from farmers to households by excluding intervention of middlemen.

(TNN, 23.03.15)

New Independent Lab to Test Road Samples

Government of Rajasthan would soon set up a new independent laboratory to test materials being used to carpet roads. Urban Development and Housing minister Rajpal Singh Shekhawat announced that an independent agency accredited to National Accreditation Board of Laboratories (NABL) will set up a laboratory to test road material samples used under the Jaipur Development Authority region. He also informed that 17 out of 42,000 samples were found to be sub-standard in the laboratory set in JDA, which raises doubts too.

Meanwhile, Shekhawat also announced to conduct online photography and videography of the development works in public domain and assured to make defect liability period from three to five years for some selected roads in Jaipur. (DNA, 14.03.15)



Upcoming Activities under Consumer Protection

- More District-level Consultation Workshops, under ProOrganic" to be completed by May, 2015.
- Inauguration of 'Grahak Suvidha Kendra' in Jaipur.



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