

RACE FOR THE PROMISED PRIZE

The moment you see a prize scheme announced by trade, industry or magazine publishers you feel that it is unfair and illegal. That many consumers are a prey to it is a different matter. In every consumer meet, there is a common allegation that consumers are cheated by these prize and gift schemes. Though it is true that very few winners get the promised prize, yet the scheme as such is not unfair or bad in the eyes of law. Because prize schemes are formatted within the legal framework.

Take for instance the scheme announced by the famous Tamil magazine Ananda Vikatan, which promised a sovereign of gold to be given to a successful woman every day all through the year. All that the readers have to do was to tick the write answer to some questions in a coupon found in the magazine. Normally a large number of readers will give right answer. Hence the scheme provided that in case of more than seven contestants who correctly answer the question, there shall be a draw and seven contestants will be give the award.

The Consumer Protection Council, Tamil Nadu, wrote to the magazine stating that the scheme was an unfair trade practice. It filed a complaint in the State Commission (SC) with a request to direct the magazine to stop the scheme and to deposit the extra amount earned to the Consumer Welfare Fund. The (SC) without going into the merits of the case readily gave its orders in favor of the Council. This was challenged in the National Commission(NC).

The NC dismissed the order of the SC and said that any scheme in the nature of an object test cannot be faulted as unfair trade practice. Secondly it said that no scheme can be faulted as unfair until it is shown that they are designed to affect the trade in favor of the magazine. Finally it said that setting a quiz and rewarding the persons who are successful in such test cannot by itself be classified as unfair trade practice.

The NC found that the scheme did not compel any reader to purchase the magazine. It even accepted photocopies of the coupon for participating in the competition. Such being the case, there was prize scheme. The Consumer Protection Council appears to have not made sufficient homework. In a number of cases, the Monopolies Restrictive Trade Practices Commission (MRTPC) has identified the elements to be present if any scheme is to be considered as restrictive or unfair.

For example, the price of the product or magazine should be increased as soon as the prize scheme is announced. Secondly, there should be a compulsion to buy a product. Thirdly, consumers must be compelled to buy an additional product along with the main product to compete in the scheme. Finally, there should be loss or suffering to the consumer in terms of value by purchasing a product covered in the scheme. In other words if a consumer gets the same value for money irrespective of the prize scheme, then such a scheme cannot be termed unfair.

