

# CONSUMER INFO

[Monthly Newsletter of Consumer Rights Education and Awareness Trust (CREAT), Bangalore]

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## UNFAIR BANKING PRACTICES

If you are a visitor to a bank in the recent past you might have noticed some "customer friendly reforms" which goes very much against the principles of good banking. Yet you might have accepted this as part of your fate. Are the banks giving you acknowledgment for cheques and drafts deposited into your account? Certainly not. You are asked just to drop the instruments in the cheque drop box and forget it. If you are under the impression that this is being done at the instance of Reserve Bank of India instructions you are sadly mistaken.

Giving acknowledgment for cheques, demand drafts and other instruments submitted to the bank for collection is a minimum service that a customer expects from the bank. If banks are unable to do even this service, why do they charge service charges? Even a Government department or office gives acknowledgment for every sundry paper you submit. Why not banks?

The Reserve Bank of India (RBI) in its circular dated 10<sup>th</sup> April 2004 prescribes the procedure to be followed for acknowledging cheques, demand drafts and other negotiable instruments. It says that banks should provide both the drop box facility and the facility for acknowledgment of the cheques at the regular collection counters. It further says that no branch should refuse to give an acknowledgment if the customer tenders the cheque in the counters.

The Committee which went into these issues has specifically said that there should not be any curtailment of the depositors' right to obtain acknowledgment. The RBI has specifically instructed all banks to ensure that the above instructions are scrupulously followed and customers

are not inconvenienced in this regard. So next time if you need to deposit a cheque or DD you have the right to get an acknowledgment.

Some of the banks refuse to give cheque books in person. Instead they insist on dispatching the cheque book by courier to the depositor. As if this is not enough banks are forcing the depositors to sign a declaration that the dispatch of the cheque book is at the depositors risk and consequence and the depositor shall not hold the bank liable in any manner whatsoever in respect of such dispatch of cheque book.

If you come across such a practice, refuse to sign the declaration. You have the right to take the cheque book in person. The RBI has stated that the above procedure is an unfair practice and banks are advised to refrain from obtaining such undertakings. It has instructed the banks to deliver the cheque books over the counter to the depositors or his authorized representative.

The RBI has also asked the banks to ensure that the statement of accounts and passbook entries are made properly and in a way understandable to the customer or depositor. Many banks do not give the details of the cheque number, date etc, but merely mention 'by clearing' or 'by cheque' though the particulars of the remittance is provided to the receiving bank. In some cases computerized entries use sophisticated codes which just cannot be deciphered. Banks have been advised to avoid such inscrutable entries in passbooks and statements of accounts. It is for the customers to assert their rights. If your rights are violated approach the Banking Ombudsman.

## Amount spent on Consumer Awareness

You may be dissatisfied with the level of awareness among the people about their rights as consumers. People give suggestions about the methods to be adopted to increase the awareness. But if you know the amount spent by the Government for creating consumer awareness you may stop from making such suggestions. Do you know that the Government of India has spent about Rs.47 crores on consumer awareness?

According to the statistics given by the Government to the Lok Sabha a sum of Rs.47 crores has been spent on consumer awareness up to November 2006. Of the Rs.69 crores allocated for consumer awareness in the 2006-07 budget, Rs.61 crores has been allotted for various regions and Rs.7.5 crores for North Eastern States.

The Lok Sabha was also informed that the Consumer Disputes Redressal Commissions have disposed of over 81 per cent of the cases since their inception in 1986. Out of 45375 cases filed before the Commissions 36928 cases have been disposed off.  
[CPTPJ/January/2007]

## Helpline for Consumer Grievances

A helpline has been established to assist consumers in solving their complaints and grievances. For any consumer related problem dial 0124-3989-8080. This helpline is available for 24 hours seven days in a week. The helpline has been created and managed by Consumer Voice.

For details log on to [www.consumer-voice.org](http://www.consumer-voice.org)

## Patients Right to Information

Though a vigorous campaign on Right to Information is going on in the country patients who receive treatment in hospitals and nursing homes have not been able to get proper information and records about their own treatment. In the absence of a specific law to provide information and documents to patients, the medical fraternity is refusing to divulge any information. As a result patients and their relatives are finding it difficult to file complaints and argue their case before any court of law.

In this background the recent decision of the Delhi State Consumer Disputes Redressal Commission is worth noting. The Commission has directed all hospitals, nursing homes and health centers in Delhi to hand over copies of treatment records, including proof of competence of doctors to patients when they are discharged. Making it mandatory the Commission said the records were necessary to ascertain charges of medical negligence. It has also said that patients have an 'inherent right' to know about the treatment given to them.

The direction came in a case relating to a two-year old boy who had been admitted to a South Delhi clinic for micro stitches on his face. He slipped into a coma due to adverse reaction to the anaesthesia. Later he died at the Ganga Ram Hospital. Though there was no allegation of negligence against the hospital, the Commission took it to task for not providing the medical records to the complainant on the premise that they were 'confidential'

## Compensation for wrong use of Mobile Number

Forget about misuse of mobile and landline telephones for telemarketing. Here is a more serious case where a consumer's mobile phone number was used in an advertisement of a company thereby causing nuisance to the mobile phone owner. M/s.Spice Communications Ltd. issued an advertisement in 2002 in which the personal mobile number of Mr.G.Balakrishnan was wrongly mentioned as a customer service number. As a result a large number of unnecessary calls were received by the consumer.

As if this nuisance was not enough the mobile company charged Rs.31000 towards the incoming calls most of them were received due to wrong advertisement by the company. Mr.Balakrishnan filed a complaint in the Karnataka State Consumer Disputes Redressal Commission, which directed Spice Communications Ltd to pay a sum of Rs.40000 for deficiency in service.

## Seed Inspectors can test GM crops

The Union Ministry of Environment and Forests has notified empowering testing of seeds of genetically modified crops by the State seed inspectors, who draw powers under the Seeds Act. Under this exercise, the seed inspectors are allowed to take samples of genetically modified crops for analysis and also to regulate the quality as per the provisions of the Environmental (Protection) Act, according to a Gazette notification.

Though the seeds of the non-GM crops are normally subject to testing by the seed certification authorities before being certified under the Seeds Act, there has been no official provision so far available for testing the GM crops. The Ministry's notification has formally brought GM seeds under quality testing by State-level seed inspectors under the Environmental Protection Act.

*[The Business Line/28.11.2006]*

## Piracy in India

One of the responsibilities of consumers is not to encourage piracy. Be it cassettes, books, CDs or computer software, consumer should not be swayed by pirates sold in footpaths at a throw away price. On the other hand consumers have to report such sale of pirated goods to the concerned officials. But India is among three worst offending countries in allowing piracy.

A report in the Financial Express (30.1.2007) says that India, China and Russia are the three worst offenders in allowing product piracy and counterfeiting in the world. This is based on the survey by Paris based International Chamber of Commerce (ICC) along with London's Cass Business School. The survey has ranked China and Russia as the two worst performing countries in tackling piracy, followed by India, Brazil, Indonesia, Vietnam, Taiwan and Pakistan respectively.

## Gujarat Jewellers oppose Gold Hallmarking

The Bureau of Indian Standards (BIS) had made hallmarking of gold jewelry mandatory from 1<sup>st</sup> January 2006. However it was postponed to next year. But traditional and family jewelers in Gujarat have opposed the move. They have also submitted a memorandum to each of the District Collectors. Jewelers have said that mandatory hallmarking will lead to increase in corruption and Gujarat does not have proper hallmarking system in place. In addition, it is also not possible to have hallmarks on rings and earrings. Jewelers have also complained that there aren't sufficient assay centers in the state to obtain hallmark as a result jewelers have to wait longer to get hallmark.

*[Adapted: Financial Express, 30.1.2007]*

## TRAI consultation paper on consumer grievances

The Telecom Regulatory Authority of India (TRA) has issued a consultation paper (No.1/2007 dated 3.1.2007) on the Redressal of Consumer Grievances and Consumer Protection in Telecommunication. It has also invited the consumer advocacy groups (CAG) registered with TRAI and the public to give its suggestions. The proposed Regulations provide for establishment of a Call Center by all telecom service providers. The call center will handle consumer complaints within the specified time. In case the call center fails to solve the grievance the consumer can approach the Nodal Officer to be designated by the service provider. Finally the regulation provides for establishment of an Appellate Authority.

CREAT, a recognized CAG of TRAI and other eight prominent consumer groups of Karnataka have submitted their comments to TRAI.

## CREAT nominated to DRUCC

CREAT has been nominated as a member of the Divisional Railway Users Consultative Committee (DRUCC) of the South Western Railway. CREAT will represent consumer organization category and the membership is from 1.9.2006 to 31.8.2008. CREAT has designated Ms.Rekha Ganachari, executive committee member of CREAT to attend the DRUCC meetings.

The first meeting of the DRUCC was held on 31<sup>st</sup> January 2007. On the advise of the DRUCC, CREAT will be making a presentation on applicability of Consumer Protection Act, 1986 to Railway service. The exact date is yet to be finalized.

## Survey on Consumer Protection Telecom Service

The Centre for the Study of Law and Governance, Jawaharlal Nehru University (JNU) New Delhi has taken up a research survey on 'Consumer Protection under a Competitive Telecom Market'. As part of this project the JNU nominated CREAT to conduct research survey and collect data on telecom service in Bangalore. CREAT has submitted the data to JNU. The survey details will be presented in a workshop to be held at New Delhi, in which CREAT will participate.

## Meeting of CAC

CREAT and other six prominent civil society organizations in Bangalore have formed the Coalition against Corruption (CAC). The object of CAC is to take up cases of corruption in certain identified departments and assist citizens in fighting corruption. The meeting of CAC was held on 29<sup>th</sup> January 2007 at the Swabhimana Office, Koramangala, Bangalore. The activities of the CAC in the past one year were discussed and the future plan of action finalized.



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239, 5<sup>th</sup> 'C' Main, Remco Layout, Vijayanagar, Bangalore-560 040. Tel: 080-23357280.  
Email: [creatorg@sify.com](mailto:creatorg@sify.com)

## Stand up for your Consumer Right

Are you interested in a particular consumer issues that affect consumers in their day to day lives?  
Are you interested in doing research and investigation work?  
Are you interested in writing about consumer issues?  
Do you want to be part of an organization that does all that?

If you have answered YES to all these questions, then you can join CREAT,

**CREAT** works on several public issues. Some of them which may be of interest to you are:

- \*Consumer Education including Consumer Clubs
- \*Producing and editing newsletters, brochures, and other materials
- \*Facilitating consumer involvement in Power Sector Reforms
- \*Campaign on Right to Information
- \*Capacity building of civil society organizations on issues related to World Trade Organization, globalization, trade and economics
- \*Research and survey on Citizens' Charters
- \*Designing a website for CREAT
- \*Running the Consumer Information Center
- \*Manning the helpline (for right to information issues)

## Requirements

You don't have to be an expert on consumer matters you do have to have an interest in local and national consumer issues

You don't have to be opinionated you do have to have opinion

You don't have to be fit and active you do have to have an active open mind

You don't have to be well educated and highly articulate you do have to communicate with us and keep us informed. So why are you waiting. Just write to us or call on us (080-23357280) or email [creatorg@sify.com](mailto:creatorg@sify.com)