

## CONSUMERS AGAINST CORRUPTION

It is heartening to note that consumers and civil society organizations (CSO) have started to raise their voice against corruption and bribe culture in prevalent in public administration. It is not that earlier non-governmental organizations have not resisted corruption. But now grass roots organizations like women groups, consumer organizations, and slum dwellers have emerged as strong protestors against the evil of corruption. On 17th May, 2007 over one hundred women from a few slums of Bangalore launched a campaign against corruption and for better governance under the leadership of Association for Voluntary Action and Service (AVAS) along with Coalition against Corruption (CAC)

The workshop did not have any speeches or rhetoric against corruption. It was sharing of experiences about how citizens and consumers are harassed by the officials in day to day work. Each woman had heart rendering stories to tell. What Smt. Thayamma said should put our doctors in Government hospital to shame. She said that she had to borrow more than a lakh of rupees for getting treatment to her relatives. Doctors at a Government hospital

demanded hefty amount to put their signature on the bills. Thayamma could not wait for the simple reason that it will shoot up her interest burden. Besides, there is no guarantee that doctors will authorize. Better to pay bribe and get things done.

Mari Muttu, another women narrated how she was harassed by each and every employee in the



Government Hospital when her pregnant relative was admitted for delivery. Ward boys, Ayah, Doctors, clerks the list runs big. Each one had to be bribed. Another lady said how the X ray technician makes money. A youth from Chikkaballpur wanted to get old age pension for some senior citizens. He said that right from the peon up to the Tashildar had to be 'looked after'. Another person's experience in the Crematorium is an indication of the depth of corruption. Though the board in the Crematorium indicated Rs.150 as fees, the person demanded Rs.500 or else he would switch off the machine and vanish.

The slum dwellers did come out with solutions. It was amazing to know their knowledge about corruption and the means to solve it. One woman said that nothing short of direct action would bring results. She said that hundreds of women and others should conduct a dharna in the office/hospital and should not leave the premises until action is taken. Another woman suggested that people should insist refund of bribe in addition to punishment. Hundreds of women and men took a oath not to give or receive bribe.

The workshop also deliberated upon other tools to curtail corruption. Using Right to Information extensively, filing complaints with the CAC helpline, approaching the Lokayuktha, identifying honest officers in the Government and seeking their help, inviting vigilance officials of different departments and having open house sessions etc. were suggested. Thanks to AVAS and CAC for bringing poor people and making them share their concerns. What is needed is a strong movement to sustain the tempo generated during this workshop. If you are interested in fighting corruption send email, to [creatorg@sify.com](mailto:creatorg@sify.com)

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## Kingfisher to pay for delayed flight



The Bangalore Urban District Consumer Grievance Redressal Forum has directed the Kingfisher Airlines Limited to pay a compensation of Rs.5000 to a student who had to miss his exams due to delayed flight. The student

Mr.Rahul was appearing for his BBM exams. On the assurance of the Kingfisher staff he purchased a ticket to Bangalore for the flight scheduled at 10.30 am. But the flight took off at 1.30 pm. Rahul who had his exams at 2 pm reached Bangalore at 4.15 pm thereby missing his exams.

Rahul filed a complaint in the Forum and claimed a compensation of Rs.12.6 lakhs for loss of one year study, college fee, CAT coaching, backlog year, MBA entrance fee etc. However the forum did not agree for this huge compensation. It said that the fact the student had chosen to fly at the nick of the moment could not be overlooked. A serious student would not have taken such a risk. Yet the forum found the delay as deficiency in service and directed Kingfisher Airlines Ltd to pay a sum of Rs.5000 as compensation.

## Nursing College asked to refund fees

The Karnataka State Consumer Disputes Redressal Commission has directed a nursing institute to refund a part of the fee paid by a student even before she got enrolled for the B.Sc nursing course.

E.R.Tauro, a resident of Bantwal in Mangalore District had complaint to the district consumer forum that the management of Srinivas Institute of Nursing Science had refused to refund Rs.30000 paid by her while seeking admission to the course. She had asked the institute to return the amount stating that she was not interested in joining the course. But the college refused to refund the amount saying the fee, once paid, can not be returned. The district forum had dismissed her complaint against which she had moved to the State Commission.

The Commission held that the institute is liable to return the amount as the student was not admitted to the course. It also found that the institute had not kept a seat vacant because of the complainant's application and hence directed it to return the amount. It directed the institute to pay back the money within three months, failing which it has to pay interest at 6 per cent.

*(Source: The Deccan Herald)*

## Misplaced Cheques

Sudhir Gupta had a current account with Canara Bank in Uttarachal. He deposited a cheque of Rs.14000 drawn on Dena Bank in the Canara Bank account for collection in 2001 but neither was the cheque amount credited to his bank, nor was the cheque returned to him. Gupta filed a complaint claiming a compensation of Rs.20000 for the lost cheque. While Canara Bank did not dispute that Gupta had deposited the cheque, it alleged that the cheque amount had been received by the consumer. The Uttaranchal State Commission ruled that the bank must pay the entire cheque amount to the consumer.

Aggrieved, Canara Bank filed a petition with the National Commission. The Commission ruled that a bank, on ground of deficiency, can be burdened with some compensation but it cannot be made to pay the entire amount of cheque. Saying this, the NC set aside the State Commission's order and ordered a compensation of Rs.5000  
*(Source: Consumer Voice/04)*

## Mineral Water and MRP

The Delhi High Court has allowed hotels and restaurants to charge a higher amount than the printed maximum retail price on bottled mineral



water, saying that the nature of such a transaction did not amount to a sale or transfer of commodity. In a ruling, Justice Vikramjit Sen has observed, the customer doesn't enter a hotel or a restaurant to make a simple purchase of these commodities His direct purpose would clearly be to enjoy the ambience available. The Justice questioned the very grounds on which a Court or a Commission could restrain hotels from increasing the price of bottled water and at the same time 'ignore the relatively exorbitant charge for a cup of tea or coffee'  
*(CTJ4)*

### When chips packet is under weight

There was a time when consumers purchased their requirement in loose form. The shop keeper would weigh the product in front of you and pack it with old newspapers. Later on covers were introduced. Soon newspapers and covers gave way to packed commodities. Now everything and anything is sold in packed form. Though this has its advantages, there are instances wherein you have been cheated by the manufacturers, distributors and sellers. The packet may promise something which is not.

Take the case of Mr.Salian of Udupi. He purchased seven packets of Lays potato chips from a store in Udupi and on opening them found only a few slices of chips in each of them. When weighed, four of the packets had only 15 grams of chips instead of 60 grams. The consumer issued a legal notice to

Pepsi Foods Private Limited, the manufacturer of the chips and also to the distributor. As usual there was not reply.

Mr.Salian filed a complaint in the District Forum wherein it was found that the weight of the packets was not as much as was claimed on the label. The Forum concluded that the manufacturer had indulged in unfair trade practice. Though the consumer had demanded Rs.2 lakh as compensation, the forum ordered the manufacturer to pay Rs.500 with interest at 10 per cent. Dissatisfied with the order, Mr.Salian appealed to the Karnataka State Commission. The Commission increased the compensation to Rs.50000 saying that this was a message to other manufacturers and dealers who were engaged in similar practices.

### Worms in Pepsi bottle



A consumer court in Himachal Pradesh has imposed a fine of Rs.1 lakh on Pepsi after insects were found in one of the bottles purchased by a consumer five years ago. The HP Consumer Redressal Commission directed the soft drink major to pay the amount to the consumer after a state government laboratory termed the drink contaminated.

### Notice to Airline companies

Some of the airline companies have come under the scanner of the Monopolies Restrictive Trade Practices Commission (MRTPC) for their unfair trade practices. The MRTPC has issued



notices to Indian, Go Air, Air Sahara, Air Deccan, Spice Jet and Alliance Air stating that their refund policies were unfair and prejudicial to the public interest. These airlines allow their customers to travel by air

at affordable rates but unjustified costs were imposed on them if they were to cancel their tickets.

The MRTPC report has criticized the method adopted by the airlines through introduction of schemes of low rates of tickets to promote their sales amounted to an unfair trade practice under Section 36A of the MRTP Act, 1969. As per the MRTPC report, the terms and conditions of forfeiture of money on cancellation paid by the passengers were not in public interest.

### Notice to locker hirers

If you are holding a locker in a bank un-operated for more than a year you will receive a notice soon. Either you will have to surrender the locker or operate it at least once in a year. The Reserve Bank of India (RBI) has issued guidelines in this regard. As per the guidelines the banks can break open the lockers lying un-operative for more than a year in the case of high-risk customers and for more than three years in the case of medium-risk customers. These guidelines have been issued after guns and explosives were found in the lockers of a public sector bank

## Citibank & HSBC violate credit card norms

The MRTPC has found that the Citibank and HSBC have violated the rules framed by the Reserve Bank of India (RBI) with regard to credit cards. The Director General of MRTPC has found that both banks were allegedly delaying delivery of bills and realization of cheques towards payment just to charge increased interest rate, late fee and fines. In addition, both the banks were doing credit card business through Direct Sales Agents, who were working either as independent contractors or on commission basis. It is also said that the agents of these banks even used government offices and premises for soliciting business and sales promotion. As per RBI norms banks are supposed to carry out their activities only from their own branches and offices. Banks should provide toll free telephones. It the MRTPC has observed that the telephones are provided, but not toll free. Citibank did not mention address of either its registered office or corporate address, making it difficult for a consumer to issue notice of termination for credit card services.

(Source: *The Deccan Herald*)

## Mobile Phone Directory to be published

The Department of Telecommunications (DOT) has asked the Telecom Regulatory Authority of India (TRAI) to furnish its recommendations about the



telephone service providers publishing the mobile phone directory. As a result mobile operators may have to finally publish the telephone directory and start directory enquiry service, something they have managed to put off

However the Cellular Operators Association of India had opposed and continues to oppose publication of any directory of post paid subscribers arguing that mobile phone users prefer privacy. They have also argued that users in view of the unsolicited calls by telemarketers, a directory may not be recommended. But consumers organizations have insisted on the need to publish mobile phone directory. The TRAI had circulated a consultation paper on the issue to the recognized consumer advocacy groups (of which CREAT is one). CREAT had urged TRAI to make publication of mobile phone directory mandatory for 12 years.

## Banks may ask for nominations

Despite the best efforts from banks and their staff customers are not coming forward to give their nominations. But such freedom may not be available in future. The RBI has advised banks to insist that the person opening a deposit account makes a nomination. In case the depositor declines to fill in nomination, the bank should explain the advantages of nomination facility. And if the person still does not want to nominate the RBI has asked the banks to give a specific letter to the effect that he does not want to make a nomination.

In case the person opening the account declines to give such a letter, the bank should record the fact on the account opening form and proceed with opening of the account. However under no circumstances a bank can refuse to open an account solely on the ground that the person opening the account refused to nominate.

(Source: *The Financial Express*)

## Guidelines for Telemarketers

The Department of Telecommunications (DOT) will be issuing guidelines for telemarketers in order to check unsolicited commercial calls. The guidelines issued by TRAI could not be implemented due to certain specific issues which required the intervention of DOT and the RBI. As per press reports, the guidelines propose to differentiate between telemarketers and other service providers, entities providing application services like telebanking, teletrading, e-commerce, call centers etc. The guidelines, expected to keep a check on the activities of the 60000 telemarketers across the country propose a compulsory registration fee, rights to the DOT to inspect and suspend the registration, measures to prevent objectionable, obscene, unauthorized or any other content, messages or communication, infringing copyright or intellectual property rights.

(Source: *The Business Standard*)

## CONSUMERS AND ELECTRICITY REGULATION



The Five decade old consumer rights movement has undergone a metamorphosis. Particularly in the light of economic reforms and globalisation consumer protection has taken different shape and a host of new issues are being covered. The establishment of regulatory authorities and commissions consumer movement has assumed greater importance. Take for example consumer protection in the electricity sector. A number of issues like tariff setting, standards for quality of service, safety, providing information, handling consumer disputes, billing etc. are now considered as consumer protection issues. On a larger scale consumer participation in the regulatory process is seen as an effective tool for consumer protection.

In this background several professional institutions and government bodies involved in power sector are including consumer protection in their seminars and workshops. Recently the Power Finance Corporation (PFC) had organized a two-day training on Emerging Regulatory Regime Role of Utilities in Mysore, for the officials of the utilities from Southern region. One of the sessions was on Consumer Protection under the Electricity Act (EA) 2003 addressed by Consultant(Consumer Advocacy) of KERC.

The EA 2003 provides several tools for protecting the interest of the consumers. Firstly, each distribution licensee has to set up an

internal complaints handling procedure. Secondly a Consumer Grievance Redressal Forum is to be constituted with three members to represent the utility and consumers respectively. One person is the chairperson. The forum has to dispose of the complaints within 90 days. In addition the State Electricity Regulatory Commission has to designate a person as Ombudsman to settle appeals. It was observed that except Karnataka none of the Southern States have implemented these regulations. In some northern state while the notification has been issued, the members of the forum and ombudsman has not been nominated.

In addition to the above the EA 2003 provides for framing regulations called Standards of Performance (SOP). The utilities are expected to provide electricity and related service according to the benchmark specified in the SOP. For example mistake in the consumer's bill should be rectified on the same day. If a transformer fails it should be repaired within 24-72 hours. A consumer's request for refund of deposit should be attended to within 60 days. The SOP says that if the electricity company does not adhere to the SOP it will have to pay a fixed sum as penalty or compensation. In Karnataka the amount is Rs.50 per day of delay.

The representatives of electricity companies were taken aback when these issues were brought to their notice. The reason being utilities having worked in an monopoly situation rarely focus on consumers. Thanks to the PFC for its effort in making the utilities aware of their duties and responsibilities towards their pay masters.

## Ensure anti-theft device to insure your vehicle

Installation of anti-theft devices in motor vehicles and two-wheelers may soon be made mandatory. The General Insurance Council (GIC) and the transport ministry are jointly working on introduction of a specific rule that will make installation of such devices compulsory for all vehicles, including two-wheelers. This may be made applicable for all vehicle owners, both existing and new.

According to the GIC, insurers loose Rs.1000 crore every year. As much as 155 of all motor vehicles claims are for theft. Claims paid every year for theft is collected from vehicle owners in the form of increased premium. In the process, customers lose. This is a risk mitigation measure for benefit of owners.

## DELAY IN DECIDING CASES: CAN CONSUMERS GET RELIEF?



It is said that justice delayed is justice denied. It is also said that the real problem of a litigant in India starts after he gets a favorable order from the Court. Both these clichés are apt to consumer complaints filed in the forum and Commissions. Though the Consumer Protection Act (CPA) says that complaints are to be disposed off within 90 days, this is not happening. Of course for the past few years there is a visible improvement in working of the forums.

If the Consumer Forums or the Commissions do not dispose off the cases within the prescribed time limits, can the forums ask the Government to pay compensation to all the consumers whose complaints are pending beyond a certain period? These and other important questions have come to the fore in the case of

Government of NCT of Delhi vs. Bal Bhavan Public School. In this case the Delhi State Commission had passed a general order stating that every consumer who shall be filing complaints under Section 12 of the CPA within effect from 1.11.2006 shall be entitled for a compensation of Rs.10000 payable by the Government of NCT of Delhi either through the Chief Secretary or Secretary (Consumer Affairs) if his complaint is not decided within the period of one year on account of the Government being guilty for deficiency in service in not following the provisions of the CPA for want of requisite infrastructure like forums, benches of State Commission etc. It directed the Government to increase the number of Presiding officers to man the State Commission and the District Forums.

The Government of NCT Delhi challenged the above order before the Division Bench of the Delhi Court. The Bench over ruled the decision of the State Commission stating that

the Commission/Forum does not have the superintending powers which are vested in the High Court along under Article 226 and Article 227 of the Constitution of India. The issue came up before the Delhi Court.

Here again the Delhi High Court upheld the views of the Division Bench. It has said that the order of the State Commission is a new concept of retributive damages and the order beyond the defined jurisdiction of the State Commission and unrelated to the inter se dispute between the parties. It has said that the Courts have a limited role to play if they find that a particular field, the Government is abdicating its duties. But this corrective action can be taken only by the High Courts or the Supreme Court in exercise of their inherent powers and in no case the consumer disputes redressal agencies. Further the Court has observed that the directions issued by the State Commission are unrelated to the inter-se dispute between respondents.

## CONSUMER ALERT

### Expiry date on LPG Cylinder



Are you aware that there is an expiry date for your cooking gas cylinder, popularly called as LPG cylinder? It is dangerous to use an expired gas cylinder. So you need to be cautious while getting the LPG cylinder changed. But how do you find an LPG cylinder's expiry date? On one of the three stems of the cylinder the expiry date is mentioned. The date is coded alpha-numerically as follows A or B or C or D and a two digit number eg. D06

The alphabets stand for the four quarters of the year i.e A for the first quarter from January to March, B for April to June, C for July to September, and D for October to December. The digits stand for the year till it is valid.

## Monitoring Cable TV advertisements

A committee of the Ministry of Information and Broadcasting has recommended that the Advertisement Code developed by the Advertisements Standards Council of India (ASCI) be included in the Cable Television



Networks (Regulations) Act 1995. The Rules state that the cable service shall not carry any advertisement which violates the standards of practice for advertisement agencies. As a result any violation of the ASCI code will be considered as a violation of the Cable TV Regulation Act. Meanwhile it is proposed to constitute a broadcast regulatory authority. This authority will have powers to regulate the conduct of TV channels on various forms of broadcast, distribution, including cable, direct to home, terrestrial and broadband.

## Advertisements banned on National Highways

The Central Government has decided to ban all advertisements along the national highways. The government feels that large hoardings distract



drivers resulting in accidents. A clause to this effect has been added in the Model Concession Agreement (MCA) finalized recently for 'build, operate and transfer (BOT) projects. The MCA would dictate the terms and conditions for future road contracts. In this connection it may be noted that the Supreme Court has banned advertisements along roads in cities like Delhi.

However this move is going to hit the outdoor advertisement industry as well as the income of

## Taskforce to combat counterfeit auto parts

The Society of Indian Automobile Manufacturers has set up a taskforce to combat the increasing sales of counterfeit spare parts. The taskforce comprising of representatives from major auto manufacturers, is going to first commission a survey to get an in-depth picture of the counterfeit spare business.

The NCAER report of 2000 estimates the parallel market to have a share of 35 per cent of the overall market. It says that the duplicate market leads to a loss of Rs.1520 crores in revenue for the government, a Rs.4000 crore increase in maintenance cost for vehicle users and over 66000 accidents in a year and an increase of fuel consumption and pollution. This is the first time that the auto makers have come together to tackle this problem.

(Source: The Financial Express)

## Pulses and Oil in FPS

The government is planning to introduce sale of pulses through Fair Price Shops (FPS) at subsidized rates to those living below the poverty line. The Committee of Secretaries (CoS) has asked the Department of Consumer Affairs and Public Distribution to formulate a scheme for selling edible oils and pulses through the Public Distribution System. The proposed subsidy would be Rs.10 per litre of oil and Rs.10 per kg on pulses. This would cost the Centre an amount of Rs.1500 crores.

The scheme, to be devised in consultation with state governments, will identify the variety and the maximum quantity to be provided to each BPL cardholder. The states will have to manage and fund the cost of transportation and distribution.

(Source: The New Indian Express)

### USA to ban sale of soft drinks in schools



While the developed countries like USA is blamed for promoting soft drinks at the cost of the health and wealth of the consumers across the globe, the same country has banned sale of soft drinks to students in schools. The American

Beverage Association (ABA) itself has taken a decision to this effect in response to the growing concern about obesity among children in the country.

Major soft drink manufacturers like Coca-Cola, PepsiCo and Cadbury accepted a decision that soft drinks will no longer be sold to students in primary and middle schools in the USA. Instead only bottled water and 100 per cent juice will be stored in primary schools and only nutritious and or lower calorie beverages will be made available in middle schools. The rules for high schools, however, will be less stringent.

### McDonald's to provide nutrition facts

The most popular fast food giant McDonald's have decided to display nutrition facts on the packaging for most of its menu items. The company feels that by providing information to consumers, it can counter charges that its food is unhealthy and contributes to obesity. The McDonald has been under pressure from consumer groups and the government to provide more nutritional information about its food.

### Condom in happy meal

You can find hair, mosquito, fly, cockroach and such other foreign elements in your food served in a hotel. But any one ever think of a condom in a meal packet supplied by the world famous McDonalds?

A grandmother was alarmed to find a condom in a happy meal gift packet bought for his 7 year old grand daughter at a McDonald's restaurant in New Zealand. The condom was discovered during night in a bag that came with Maia Whitaker's meal, which here grandparents bought at a McDonald's outlet in the city of Wellington. Grandpa Rowan Hutch said, it was lucky his wife was first to look inside the small sports bag that came with the meal. She was aghast when she found the green condom and its packet inside the bag.

*(Source: The Financial Express)*

### Hallmarking of gold mandatory

The Bureau of Indian Standards (BIS) has said that hallmarking of gold jewellery will be made mandatory from January 2008. The move, which has Center's approval, would cover over 3 lakh jewellery retailers and more than 100 large scale manufacturing units across the country.. India imports an estimated 100 tonnes of gold every year, 80 per cent of which is used in ornaments. But due to impurity of gold in instruments buyers lose a huge amount every year.

### Ban on smoking in land of long cigars



Cuba, which evokes images of cigar chomping revolutionaries, banned smoking in public places, an uphill struggle in a country synonymous with fine tobacco where more than half of adults smoke. But recently the Government has taken an initiative to ban smoking. Reuters reports that as per the recent directive Cubans are no longer allowed to smoke in air-conditioned areas, offices, schools and sports centres. Cigarette vending machines have been banned outright as part of the drive. State run bars and restaurants must set up separate smoking areas.



Published by

**CONSUMER RIGHTS EDUCATION & AWARENESS TRUST(CREAT)**

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