

Role of Consumer Dispute Redressal Agencies in India

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ABSTRACT

Consumer Dispute Redressal agencies play a crucial role in protecting the rights and interests of consumers. They are the primary mechanism for resolving consumer grievances and ensuring that businesses comply with consumer protection laws. In India, consumer affairs are governed by a three-tier system of redressal agencies—the District Forum, State Commission, and National Commission—established under the Consumer Protection Act. These agencies are responsible for hearing and resolving consumer complaints regarding defective goods, deficient services, and unfair trade practices, with powers to order refunds, compensation, and other corrective actions. Their roles include dispute resolution, enforcing consumer rights, penalizing unfair practices, and promoting consumer awareness through educational initiatives. The present paper appraises the role of consumer dispute redressal agencies in India.

Key Words: Dispute Redressal Agencies, Consumer Protection, Role, India

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I. INTRODUCTION

Today, with the growth of e-commerce shopping, where everything is online and all the stores are online, the dissatisfaction among the customers has grown. The customers are mostly driven by fake claims and reviews, illegal goods, faulty receivables and so on. This is where Consumer Disputes redressal agencies step in. These agencies make sure Consumer rights are safeguarded and justice is delivered. In India, the government has established a systematic process to resolve grievances effectively under the Consumer Protection Act. The Consumer Dispute Redressal Forum is a three tier system. The tier redressal methods in consumer awareness comprise National Consumer Redressal Forum (NCRF), State commission and District forums. Consumer rights provide numerous advantages to consumers, including protection against unsafe products, redress for defective products, protection against fraudulent practices, access to information, and empowerment of consumers.

Deepa and Vijayarani (2015) evaluated the performance of Redressal Agencies from 2003 to 2014. They opined that there is critical need of settlement of pending cases at all three levels to facilitate ultimate justice to the consumers. Consumers are the backbone of an economy. Consumers play a very important role in the development of an economic system, no business activities without the consumers. Protection of the interest of the consumer is also a very essential and integral part of the economic system of the country. Consumers are conscious of their rights in developed nations. But due to their poverty, illiteracy and lack of awareness of legal rights, the Indian consumers are being exploited. The present paper focuses on consumerism and the performance of Consumer Dispute Redressal Forum (CDRF) and also the challenges before the working of the forum. The performance of the forum is analyzed based on a number of cases filed and disposed of and pending at the National level State level and District level forum. The present study critically evaluates the performance of the consumer forum for the last 8 years using statistical techniques (Deepa Sharma and Sanjaya Choudhury, 2024).

Meaning of Consumer Dispute

Consumer complaint is where a Consumer and a service provider or a vendor do not agree on goods or services. This can be due to defective goods, deceptive trade practices, inability to obtain a refund on returned goods or misrepresentation. For instance, if an auto company provides a faulty car and does not repair it even when there is a warranty, the Consumer is free to file a complaint under the redressal for consumers.

Consumer Rights and Responsibilities

- ❖ Right to safety
- ❖ Right to choose

- ❖ Right to be informed
- ❖ Right to consumer education
- ❖ Right to be heard
- ❖ Right to seek redressal
- ❖ Consumer Protection Act

CONSUMER DISPUTE REDRESSAL AGENCIES IN INDIA

A Consumer Redressal Agency is an institution under the Consumer Protection Act for the disposal and administration of Consumer complaints. Consumer redressal agencies provide Consumers with a platform to seek legal redress against malpractices in trade. The system is constituted in three tiers to enable efficient delivery of justice.

- ❖ District Consumer Disputes Redressal Commission
- ❖ State Consumer Disputes Redressal Commission
- ❖ National Consumer Disputes Redressal Commission

Different Types of Consumer Dispute Agencies

The redressal agencies under the Consumer Protection Act are categorized into three tiers:

1. District Consumer Disputes Redressal Commission (DCDRC)

It is the first level for getting the Dispute settled. It deals with cases involving claims up to Rs. 1 crore. Unnikrishnan (2013) concluded that the performance of district forums is better compared to the other forums. He suggested that The National and State Commissions should review their working to dispose of the pending cases.

2. State Consumer Disputes Redressal Commission (SCDRC)

If one is unhappy with the decision of the DCDRC, then he/she can file an appeal in the SCDRC. It handles appeals against district commission decisions and cases involving claims between Rs.1 crore and Rs.10 crores.

3. National Consumer Disputes Redressal Commission (NCDRC)

Dissatisfied with the decision of SCDRC, you can visit the highest authority, NCDRC, dealing with cases exceeding Rs.10 crores. One always has a chance to file an appeal to the Supreme Court of India in case you are not happy with NCDRC.

ROLES OF CONSUMER DISPUTE REDRESSAL AGENCIES IN INDIA

Consumer Dispute Redressal agencies play a crucial role in protecting the rights and interests of consumers. They are the primary mechanism for resolving consumer grievances and ensuring that businesses comply with consumer protection laws. The primary role of Consumer Disputes redressal agencies is to ensure justice and protect Consumer rights. Their key functions include:

Consumer Dispute Redressal Agencies

In today's world, consumerism is on the rise, and so is the need for consumer protection. Consumers face various issues, such as defective products, misleading advertising, unfair trade practices, and deficient services. To safeguard the interests of consumers, various consumer dispute Redressal agencies have been established. These agencies play a crucial role in resolving disputes between consumers and businesses. The primary objective of consumer dispute Redressal agencies is to protect the interests of consumers and ensure that businesses comply with consumer protection laws. These agencies aim to provide a quick, easy, and inexpensive mechanism for resolving consumer complaints. They also work towards creating awareness among consumers about their rights and responsibilities.

In India, the **Consumer Protection Act 2019** has brought significant changes to the existing consumer protection laws. The act has established a three-tier structure of consumer dispute Redressal agencies. The first tier comprises District Consumer Disputes Redressal Commissions, the second tier comprises State Consumer Disputes Redressal Commissions, and the third tier comprises the National Consumer Disputes Redressal Commission. The District Consumer Disputes Redressal Commissions handle complaints involving products or services worth up to Rs.1 crore. Concerning complaints involving goods or services valued at more than Rs.1

crore but less than Rs.10 crore, the State Consumer Disputes Redressal Commissions are responsible. For complaints involving goods or services worth more than Rs.10 crore, the National Consumer Disputes Redressal Commission is responsible.

Consumer dispute Redressal agencies have the power to hear complaints related to unfair trade practices, defective goods, deficiency in services, and unfair contract terms. They can also award compensation to the aggrieved parties and order businesses to take corrective measures. In case businesses fail to comply with the orders of the consumer dispute Redressal agencies, they can face penalties, fines, or even imprisonment. The role of consumer dispute Redressal agencies is not limited to resolving disputes between consumers and businesses. They also play an important role in promoting consumer awareness and education. They organize workshops, seminars, and campaigns to educate consumers about their rights and responsibilities. They also encourage consumers to lodge complaints against businesses that engage in unfair trade practices or provide deficient services.

Role of Consumer Dispute Redressal Agencies

- **Hearing and Resolving Consumer Complaints:** The primary role of Consumer Dispute Redressal agencies is to hear and resolve consumer complaints. They provide an accessible and cost-effective mechanism for consumers to seek Redressal for any grievances they may have against businesses.
- **Providing a Platform for Mediation:** Consumer Dispute Redressal agencies provide a platform for mediation, which is a voluntary and non-binding process for resolving disputes. Mediation helps to resolve disputes quickly and amicably, without the need for lengthy court proceedings.
- **Adjudication of Disputes:** In cases where mediation fails, Consumer Dispute Redressal agencies can adjudicate disputes and provide a legally binding resolution. They can order businesses to pay compensation or take corrective action to address consumer grievances.
- **Promoting Consumer Education and Awareness:** Consumer Dispute Redressal agencies play a critical role in promoting consumer education and awareness. They conduct outreach programs, workshops, and seminars to educate consumers about their rights and responsibilities and raise awareness about consumer protection laws.
- **Monitoring Business Practices:** Consumer Dispute Redressal agencies also play a crucial role in monitoring business practices to ensure that businesses comply with consumer protection laws. They can investigate complaints and take action against businesses that engage in unfair trade practices or violate consumer protection laws.
- **Ensuring Accountability:** Consumer Dispute Redressal agencies hold businesses accountable for their actions and ensure that they provide quality products and services to consumers. They provide a platform for consumers to voice their concerns and seek Redressal for any grievances they may have.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 is an Indian legislation that aims to protect the interests of consumers by providing a mechanism for resolving their grievances. The act replaces the earlier Consumer Protection Act, 1986 and brings significant changes to the existing consumer protection laws (Bhawna Kumari, 2023). Let's take a closer look at the salient features of the Consumer Protection Act, 2019:

- **Central Consumer Protection Authority (CCPA):** The act provides for the establishment of the CCPA, which has the power to investigate, regulate, and take action against unfair trade practices.
- **Three-tier Consumer Dispute Redressal Mechanism:** The act establishes a three-tier structure of consumer dispute Redressal agencies, comprising the District Consumer Disputes Redressal Commission, the State Consumer Disputes Redressal Commission, and the National Consumer Disputes Redressal Commission.
- **E-commerce and Direct Selling:** The act covers e-commerce and direct selling under its purview and provides for the liability of e-commerce entities for the sale of counterfeit or fake products.
- **Product Liability:** The act provides for product liability of manufacturers, service providers, and sellers in case of injury or damage caused by defective products or services.
- **Mediation:** The act provides for mediation as a mode of dispute resolution to expedite the process of Redressal.
- **Consumer Awareness and Education:** The act provides for the promotion of consumer awareness and education through various means such as seminars, workshops, and campaigns.
- **Penalties:** The act provides for penalties and fines for non-compliance with its provisions, which can range from Rs. 25,000 to Rs. 1 crore.

The Consumer Protection Act of 2019 aims at providing a comprehensive framework for protecting the interests of consumers and ensuring fair trade practices in the market. It provides for a mechanism for the Redressal of consumer grievances, product liability of businesses, and regulation of e-commerce and direct selling. The act also emphasizes the importance of consumer education and awareness and provides penalties for non-compliance.

POWERS OF REDRESSAL AGENCIES IN INDIA

Consumer dispute redressal agencies have the power of hearing complaints and order a variety of remedies, such as ordering the repair or replacement of defective goods, refunding the price of goods or services and awarding compensation for loss or injury. They can also enforce their orders by summoning witnesses, demanding documents, and imposing penalties or fines for unfair trade practices. The Consumer redressal agencies have several powers to enforce consumer rights such as:

- ❖ Issuing orders for replacement, refund, or compensation
 - ❖ Penalizing businesses for unfair trade practices
 - ❖ Summoning and examining witnesses
 - ❖ Directing corrective advertisements for misleading promotions
 - ❖ Temporarily close the brand or store
 - ❖ Investigate documents
 - ❖ Educate public
 - ❖ Record and verify the complaints submitted by Consumers
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- ❖ **Adjudicating complaints**
Agencies have the authority to investigate and resolve complaints related to defective products, deficient services, and unfair trade practices.
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- ❖ **Ordering remedies**
They can mandate corrective actions including:
 - Removing defects in goods or services
 - Replacing goods
 - Refunding the price paid for goods or services
 - Paying compensation for loss or injury
 - Discontinuing unfair trade practices
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- Enforcing orders**
 - They can summon and enforce the attendance of witnesses and examine them on oath.
 - They have the power to order the discovery and production of any document.
 - They can receive evidence on affidavits.
 - They can order the requisitioning of a report from an appropriate laboratory for testing.
 - They can impose fines and penalties on businesses that fail to comply with their orders, and in some cases, face imprisonment.
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- Other powers**
 - The Central Consumer Protection Authority (CCPA) has the power to file complaints directly with District, State, or National Commissions.
 - State and National Commissions have the power to hear appeals against decisions made by lower commissions.
 - They can also order the withdrawal of hazardous goods from sale.

For instance, in the famous case of Nestlé's Maggi noodles, the NCDRC played a crucial role in addressing Consumer concerns regarding food safety, which further led to the ban of Maggi in India.

FUNCTIONS CONSUMER DISPUTE AGENCIES

The Consumer redressal process is simple and effective:

Filing a complaint

The Consumer submits a complaint to the appropriate Agency with the necessary documents and a detailed overview of the situation.

Hearing and investigation

The Agency examines evidence and listens to both parties to check the validity of the complaint filed.

Notification to the business

Once the complaint is verified, the Agency sends a legal notice to the business involved.

Hearing

The Agency hears both parties and lets the parties present their arguments before the panel.

Judgment and Compensation

If the Consumer wins, the agency orders compensation, refund or product replacement.

Appeal Process

If anybody is dissatisfied either party can appeal to a higher Consumer Disputes Redressal Agency and then finally to the Supreme Court.

eDrafter in Consumer Disputes

eDrafter is a platform where one can get in touch with consumer complaint expert advocates to resolve consumer disputes. One can rely on eDrafter whether sending a legal notice or filing a consumer complaint case in consumer court (Suhani Sugandha, 2025). Here are the steps to get the consumer complaint service of eDrafter:

- ❖ One can visit website edrafter.in and click on Consumer Complaint in the Service section of the main menu of the website.
- ❖ Now, one will be redirected our consumer complaint page where he needs to fill a form to provide some details.
- ❖ Now, the eDrafter will schedule a call with the Consumer Complaint Advocate and will share the details on email.
- ❖ During the call, Advocate will discuss the case and will provide one the legal advice by letting one know about the available legal options to resolve his consumer dispute and will take all the actions to protect his legal rights.

II. CONCLUSION

The three-tier system of Consumer Dispute Redressal Agencies in India acts as shield, protecting consumers from unfair practices and misleading claims. These redressal agencies ensure that justice prevails, businesses remain ethical, and consumer rights are protected. Consumer rights provide numerous advantages to consumers, including protection against unsafe products, redress for defective products, protection against fraudulent practices, access to information, and empowerment of consumers. Consumer Dispute Redressal agencies play a vital role in protecting the interests of consumers and ensuring fair trade practices in the market. They provide an accessible and cost-effective mechanism for resolving consumer grievances, promote consumer education and awareness and even hold businesses accountable for their actions. Consumers should be aware of their rights and seek the help of Consumer Dispute Redressal agencies in case of any grievances.

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