

An Empirical Study on Solution to Address the Issues of Consumer Dispute Redressal Agencies

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Abstract

The perception of advocates and lawyers towards the CPA 2019 consumer grievance redressal mechanism in Delhi-NCR was investigated in this section of the study. For determining the extent of the respondent advocates' and lawyers' opinions and concerns about the current consumer dispute redressal procedure followed at consumer dispute redressal agencies, the legal framework, and other related issues, extensive discussions were conducted with them using Multi Dimensional Scaling Technique. The research traced out some important remedies based on the scores of advocates. Two most important measures to streamline the functioning and remove hurdles before consumer forums were 'Timely and fair selection of judiciary' and 'improving availability of funds' respectively. These two solutions will possibly help in dismantling the roots of bribery reduce the burden of consumer forums, consequently, help in providing fair and speedy redressal. Two least important measures suggested by advocates were 'Strengthening Penalty and Compensation Framework' and 'Provision of training before hiring of secretarial staff' respectively. Advocates certainly looked biased by these measures because these measures can improve the functioning of forums thereby reducing the utility of advocates at consumer forums. 'Availability of adequate infrastructure for consumer redressal agencies' and 'expansion of judiciary authority' were moderately important remedies suggested by advocates. Advocates seem to be comfortable with related problems to these measures.

Keywords: Consumer Protection Act, Consumer Forum, Dispute Redressal Agencies

Introduction

It was intended by the Consumer Protection Act of 2019 for consumers to present their cases in a civilised manner, but the reality was otherwise. Customers are compelled to act in accordance with the opposing parties, producers and service providers, hiring advocates. In consumer cases, there are often protracted arguments and frequent adjournments with advocates present. Through advocacy, problems pertaining to underprivileged, disenfranchised or marginalised groups in society are brought to the attention of those in positions of power for possible solutions. In the Consumer Grievances Redressal Mechanism, advocates are essential, helping to ensure that the innocent receive justice. In Delhi-NCR, it was observed that there weren't many consumer organisations actively promoting

consumer interests. When connected to these consumer organisations, advocates and legal professionals can create a synergistic effect that improves consumer protection.

Consumer advocacy organisations are not as successful as they should be. There could be multiple causes for it. The efficiency of the consumer grievance redressal agency is essential to safeguarding consumers' interests. Redressal agencies work with the aim to offer quick, easy, and reasonably priced. The option to directly defend the complaint by oneself or through advocates is offered by CPA. The CPA mechanism is not constrained by court procedural requirements. The authorities must resolve consumer complaints under CPA Section 38(7) within three months, or five months if a sample analysis is involved.

The redressal agencies must document their reasons for granting an adjournment in writing and are not allowed to do so unless there is a valid reason. For a variety of reasons, redressal agencies typically experience delays in justice. Consumer Forum has the authority to take harsh action against baseless and harassing complaints. Many variables can interfere with the redressal agency's ability to operate efficiently. Too many complaints are piling up on the forums. Justice is not delivered as quickly when cases are routinely postponed and forum members are appointed slowly. The process could be viewed as intricate and sophisticated.

In the current situation, there are numerous risks and opportunities in front of the consumer forums. The redressal agencies face various challenges and opportunities, including computerisation through CONFONET, funding availability, a robust consumer movement, consumers' lack of awareness, community radio stations, online complaint registration, dormant consumer organisations, fraudulent complaints, and noncompliance with final orders. At consumer forums, different solutions can be developed in collaboration with advocates and other stakeholders to address the issues.

The evaluation of the CPA's 2019 implementation is the focus of this entire research project. With an emphasis on the current study goal, the data was gathered and examined to determine how advocates in Delhi-NCR felt about consumer grievances being resolved under the CPA 2019. The CPA has not mandated that advocates be hired to submit or defend complaints at redressal agencies. Nonetheless, they are essential to the process for addressing customer complaints. In order to achieve this goal, these advocates and attorneys were considered responders. A survey was created based on Singh's (2012) research. The study by Mittal (2015) was used to incorporate changes to the questionnaire. Experts in the fields of law and consumer affairs were also consulted.

Analysing advocates' perceptions, it was determined that the best sample size was 100, selected through convenience cum purposive sampling. The respondents' addresses were obtained from acquaintances and district courts.

Advocates were chosen at random from Delhi-NCR districts, and all of the questionnaires were mailed to them. The districts chosen were Gurgaon, Faridabad, Ghaziabad, Palwal, Alwar, Panipat, Rewari, Rohtak and Hapur. Through mailed questionnaires, few responses were obtained. With the assistance of an advocate peer group, friends, or family, they were then contacted directly to fill it out on an individual basis. MS Excel was used to code, tabulate, and transform the data into a meaningful format. Additionally, data were examined using a variety of statistical tools and techniques, including the PLS- SEM, one sample t-test, Chi Square Test (Goodness of Fit), Multi-Dimensional Scaling (MDS), average, standard deviation, percentage, and confirmatory factor analysis, using the assistance of the statistical package SPSS.

In this section, the study's results are compiled and discussed.

Review of Literature

As part of his doctoral dissertation, Kumar (2011) carried out an empirical investigation on Haryana district forum members, presidents, defending parties, solicitors, VCO associates, and consumers who had filed complaints. The results revealed that the 75% of complainants took help of the advocates in filing their complaints. Defending parties and consumer organizations also felt that a very high percentage of complainants lodge their complaints by involving advocates. The most significant contributing factor to the delay in district forum case resolution, according to complainants, is the extremely intricate and technical process. Complainants, Defending parties and VCOs believe that the method of disposal of judgment in District Forums is a very tedious process. Provision in CPA mandates that the opposite party has to file a reply within 30 to 45 days in the district forum. 73% of the complainants, 70% of the advocates involved in resolution of complaints and 76.92% of under study were of the VCOs felt that setting up of these Forums at sub divisional level will help in simple and quick delivery of justice to the consumers. The CPA provision requiring the defending parties to submit a reply to the district forum within 30 to 45 days should be expanded, according to about 76%

of the defending parties (Govt./Semi Govt. Sector). In contrast, 38% of private business establishments expressed some degree of satisfaction with this time frame. For 34% of respondents, the main reason they were deterred from filing complaints with the district forum was fear of being taken advantage of by the advocates. The analysis concluded that the district forum's setup was sufficient for the effective operation of complainants, defending parties, VCOs, and advocates. The study found that filing complaints in district forums was expensive, technical, & complicated and that one-third of the complainants were reluctant to do so out of fear of future exploitation. The consumers' awareness level assessment revealed that the majority of them only had a cursory understanding of CPA, with only 20% fully and 36% partially knowledge of the complaint filing process.

Mittal (2018) examines the perspectives of advocates and legal experts on the effectiveness of the consumer dispute redressal process under the Consumer Protection Act while also examining the opportunities and challenges influencing the operation of consumer forums. Although the Act does not require consumers to hire advocates, they play a vital role in the grievance redressal process. A descriptive research design was implemented, focusing on advocates and legal experts representing clients at Consumer Disputes Redressal Agencies. A convenience-cum-purposive sampling method was used to select 50 respondents, with primary data gathered through a structured questionnaire. Data analysis was conducted using various statistical tools and techniques, including averages, ratios, standard deviation, percentages, one-sample t-test, Chi-Square Goodness-of-Fit Test, Multidimensional Scaling (MDS), and Factor Analysis with Principal Component Analysis. The study found that consumer cases were randomly handled by practicing advocates. Based on advocates' opinions, consumer forums were deemed effective in delivering justice, offering accessibility, and ensuring hassle-free dispute resolution. The effectiveness of consumer dispute redressal procedures was largely shaped by five key factors: 'Fair Judgments,' 'Consumer Friendliness,' 'Ease

of Dispute Redressal,' 'Relevancy,' and 'Forum Reliability.' The study identified both traditional and innovative opportunities, along with threats such as system insufficiencies and dissonance in consumer forums. Advocates recognized online complaint registration as the most significant innovative opportunity and a strong consumer movement as the most valuable traditional opportunity. Additionally, they identified inactive consumer organizations and low consumer awareness as the highest-ranked dissonance and system insufficiency threats, respectively.

Mittal & Gupta (2018) explores the perspectives of advocates and legal experts on the challenges and potential solutions for ensuring the smooth operation of Consumer Forums under the Consumer Protection Act in Haryana. The Consumer Protection Act, 1986 (CPA), allows individuals to defend their complaints either personally or through legal representation. However, due to various complexities, both consumers and defending parties often find it necessary to engage advocates or legal experts to present their cases effectively. Since legal professionals are directly involved in forum proceedings, they have a deep understanding of the challenges faced and can propose practical remedies to address these issues. The research followed a descriptive design, with advocates and legal experts serving as the sampling unit. A convenience-cum-purposive sampling method was used to select 50 respondents. Primary data was collected using a structured questionnaire, and several statistical tools, including average, ratio, standard deviation, percentage, one-sample t-test, Chi-Square Goodness of Fit Test, Multidimensional Scaling (MDS), and Factor Analysis using Principal Component Analysis, were applied for data analysis. The study concluded that the efficient functioning of Consumer Forums is affected by three primary factors: 'administrative hindrances,' 'human resource (HR) challenges,' and the 'work environment' within the forums. Advocates also suggested several solutions to mitigate these issues and improve the efficiency of consumer dispute resolution. The findings provide valuable insights for policymakers to strengthen the Consumer Protection Act and implement necessary

amendments to enhance the quality of justice delivered to consumers.

Ali (2010) examines the operations of Goa's Consumer Dispute Redressal Agencies in his doctoral dissertation. In North Goa and South Goa, two districts of the state, he examines how CDRA operates. It was deduced that more than one year was taken by redressal agencies in disposing of the cases. At times the complaint is found to be pending before redressal agencies for five to six years. The survey explored three reasons for delay in justice i.e. non-reporting of defending party on the date, frequent adjournment and excessive workload. Consumers and VCOs were of the view that the process of dissolution of cases followed by the consumer courts is easy in comparison to that of the ordinary courts. VCOs in Goa had shown their contentment with the proceedings at forums but reported non delivery of justice in time.

Singh (2012) conducted an in-depth study to evaluate the effectiveness of consumer forums and their impact on both consumers and corporations in Uttar Pradesh. The study highlighted a significant backlog of unresolved cases, raising concerns for both the forums and consumers. Pending cases witnessed an increasing trend every year. On an average only 29.64% & 16.82% of cases got disposed of in Agra and Meerut respectively in a year. The collective agreement of distressed consumers measures the moderate effectiveness of consumer forums. Similarly, the entire calculation of agreement is carried out for lawyers to measure the effectiveness of consumer forums. The findings revealed that lawyers scored higher than consumers, though both remained within the range of moderate agreement. Additionally, reports from selected corporate officers suggested that consumer forums demonstrated moderate effectiveness. The gap between actual and expected effectiveness was determined to be insignificant. The researcher came to the conclusion that consumer forums were only moderately effective and that they needed to be improved in order to provide quick and affordable decisions.

Solution to Address the Issues of Consumer Dispute Redressal Agencies

This section of the analysis addresses solutions that have been proposed to address the issues faced by consumer dispute redressal agencies. A weighted score was used to determine the final ranks of these remedies, which were ranked by advocate respondents. A range of remedies were chosen from the literature and discussed with Delhi-NCR advocates. Following extensive deliberation, ten remedies were ultimately chosen and surveyed among the advocates. Advocates' opinions regarding potential solutions to issues facing consumer dispute resolution agencies are displayed in Table 1. Table 1 final column presents the rankings of different remedies based on their weighted mean scores and weighted scores. 'Timely and fair selection of judiciary' was chosen as the most effective way to deal with the problem of biased decision-making and dismantle the basis of bribery by monitoring the activities of consumer dispute redressal organisations.

'Improving availability of funds' was ranked second best opportunity for betterment of operational capabilities and reducing the backlog of pending cases; affecting their ability to provide timely and efficient services to consumers. Third best remedy was 'Increasing accountability of the monitoring authority', CACP is held accountable for ensuring fair and transparent mechanisms for protecting consumer rights, penalizing violators, and upholding the principles of consumer justice. 'An expansion of the judiciary's authority' was ranked as the fourth best remedy because non judicial members lack judicial competencies, this will facilitate the proper execution of final orders and expedite the resolution of cases. 'Availability of adequate infrastructure for Consumer redressal agencies' was ranked as fifth remedy followed by 'Well defined duties for its members' to prevent confusion and conflicts among the members. The seventh-ranked suggestion was to "increase hiring of clerks" in order to streamline official work at forums. Proper organisation and management of files remains an issue due to shortage of clerical staff. Regular work is hampered and members encounter issues during proceedings. Empowerment of District Consumer Protection Councils' was placed at eighth rank. Making councils more active in grievance collection, case

tracking, and early intervention can help. 'Before hiring secretarial staff, provide training.' was assigned ninth rank'. Finally, 'Strengthening

Penalty and Compensation Framework' was assigned last rank. (The finding reaffirms the finding of Mittal, 2015).

Table1: Opinion on Solution to Address the Issues of Consumer Dispute Redressal Agencies

S.N	Remedies	1	2	3	4	5	6	7	8	9	10	Total	WS	WMS	Rank
A	Improving availability of funds.	30	10	15	14	10	4	6	6	0	5	100	735	7.35	2
B	Timely and fair selection of judiciary.	20	25	16	13	10	8	2	2	4	0	100	771	7.71	1
C	Availability of adequate infrastructure for Consumer redressal agencies	10	8	14	2	20	12	10	14	8	2	100	578	5.78	5
D	Increase hiring of clerks.	4	2	2	10	22	18	16	20	4	2	100	500	5.00	7
E	An expansion of the judiciary's authority.	2	12	8	25	12	12	12	16	0	1	100	596	5.96	4
F	Well defined duties for its members	2	8	10	6	4	26	20	12	10	2	100	506	5.06	6
G	Empowerment of District Consumer Protection Councils	4	4	2	6	8	6	20	36	4	10	100	423	4.23	8
H	Increasing accountability of the monitoring authority	23	2	9	10	6	14	10	20	2	4	100	604	6.04	3
I	Provision of training before hiring of secretarial staff.	0	4	2	4	6	4	20	25	20	15	100	346	3.46	9
J	Strengthening Penalty and Compensation Framework	2	0	1	5	3	7	14	24	26	18	100	314	3.14	10

Rank 1: Most Important; Rank 8: Least Important; WS= Weighted Scores; WMS= Weighted Mean Scores

Advocates were asked to rate various remedies for issues in consumer dispute redressal agencies based on their importance. Table 2 presents the mean values of these ratings. Remedies with mean scores below 4 were considered important by advocates, while those with mean scores above 4 were viewed as less significant. The most important remedy identified was "timely and fair selection of

judiciary", whereas the least significant was "strengthening penalty and compensation framework." A one-sample t-test was applied to assess the statistical significance of the remedies, using the decision rule $t \geq 1.960$ or $t \leq -1.960$ at the 5% significance level. As shown in Table 2, all ten remedies were found to be statistically significant.

Table 2: Descriptive Statistics of Solution to Add

Descriptive Statistics				One-Sample Test (95% Confidence level)	
S.No.	Remedies	Mean	Std. Deviation	t- value	Sig. (2-tailed)
J	Strengthening Penalty and Compensation Framework	6.77	1.64	10.185	.000
G	Provision of training before hiring of secretarial staff.	6.54	1.992	12.751	.000
H	Empowerment of District Consumer Protection Councils	6.16	1.52	7.117	.000
D	Increase hiring of clerks.	5.86	1.809	10.281	.000

F	Well defined duties for its members	5.70	1.941	8.748	.000
C	Availability of adequate infrastructure for Consumer redressal agencies	4.98	2.015	4.864	.000
E	An expansion of the judiciary's authority.	4.88	2.189	4.019	.000
G	Increasing accountability of the monitoring authority	4.82	2.653	3.091	0.003
A	Improving availability of funds.	3.30	2.149	-3.258	0.002
B	Timely and fair selection of judiciary.	3.06	1.786	-5.264	.000

ress the Issues of Consumer Dispute Redressal Agencies

Mean score < 4.0 indicates highly ranked opportunities

Table 3: Chi Square Goodness of Fit Test for Solution to Address the Issues of Consumer Dispute Redressal Agencies

S.No	Remedies to Solve the Problems in Consumer Dispute Redressal Agencies	Observed Weights
A	Improving availability of funds.	735
B	Timely and fair selection of judiciary.	771
C	Availability of adequate infrastructure for Consumer redressal agencies	578
D	Increase hiring of clerks.	500
E	An expansion of the judiciary's authority.	596
F	Well defined duties for its members	506
G	Empowerment of District Consumer Protection Councils	423
H	Increasing accountability of the monitoring authority	604
I	Provision of training before hiring of secretarial staff.	346
J	Strengthening Penalty and Compensation Framework	314
Calculated Chi Square Value=0; Table value=16.919; DF=9		

Table 3 was prepared to evaluate whether all ten remedies share an equal role in addressing issues within consumer dispute resolution agencies. To test this, the Chi-Square Goodness of Fit Test was applied. Respondents ranked the ten remedies on a scale of 1 to 10, and specific weights were assigned to these rankings for analysis:

Rank 1: Weight 10; Rank 2: Weight 9; Rank 3: Weight 8; Rank 4: Weight 7; Rank 5: Weight 6; Rank 6: Weight 5; Rank 7: Weight 4; Rank 8: Weight 3; Rank 9: Weight 2; Rank 10: Weight 1

Results are obtained by allocating weights to each of the ten ranks, as indicated in Table 4.145.

H_0 = there is no significant difference in contribution of all ten remedies in solving the problems in consumer dispute redressal agencies.

At the 5% level of significance and 42 degrees of freedom, the table value is 16.919, but the calculated chi square value is 0. Because the chi square calculated value is less than the table value, it is within the acceptable range. H_0 is therefore not rejected, and it is concluded that the eight remedies listed above have no statistically significant

differences and are equally effective at resolving issues with consumer dispute resolution agencies. Nevertheless, the analysis indicates that the second remedy—"Timely and fair selection of judiciary"—was strongly advised, and the seventh remedy—"Strengthening Penalty and Compensation Framework"—was the remedy that advocates recommended the least.

Interpreting the Analysis of Solution to Address the Issues of Consumer Dispute Redressal Agencies

The Consumer Dispute Redressal Agencies under the Consumer Protection Act, 2019, provide an efficient and hierarchical system for resolving consumer complaints. With the three-tier structure of District, State, and National Commissions, depending on the value of the contested goods or services, consumers can access varying levels of grievance redress, ensuring fairness and justice. Because they were frequently hired by complaining or defending parties, advocates became an integral part of these Dispute Redressal Agencies. Advocates are directly aware of the issues facing these agencies because they work for their clients and spend a lot of time with these judicial bodies.

As a result, they can recommend appropriate and targeted solutions to address issues that impede the consumer dispute resolution agencies' ability to function. Based on the advocates' scores, several significant remedies were identified in this study. "Timely and fair selection of judiciary" and "improving availability of funds" were the two most crucial remedies to simplify operations and remove obstacles of consumer dispute resolution agencies. These two approaches may contribute to removing the underlying causes of bribery and lowering the backlog of cases, which will enable prompt and equitable redress. The two least significant recommendations made by the advocates were 'Strengthening Penalty and Compensation Framework' and 'Provision of training before hiring of secretarial staff' respectively. These remedies undoubtedly made advocates to become biased, as they have the potential to enhance the efficiency of Dispute Redressal Agencies and reduce their importance. Two moderately significant remedies put forth by advocates were "an expansion of the judiciary's authority" and "availability of adequate infrastructure for consumer redressal agencies."

Multidimensional Scaling (MDS) for Remedies to Solve the Problems in Consumer Dispute Redressal Agencies

Multidimensional scaling (MDS) was applied to determine the positioning of various remedies for addressing the issues in consumer dispute redressal agencies. For simplicity and better interpretation, a two-dimensional map was used as the output. The reliability and validity of the results were assessed using the Stress value and R-square. The obtained Stress value was 0.07193, which falls within the

acceptable range (0.05 to < 0.10 indicates a good fit; Malhotra & Dash, 2011). Similarly, the R-square value was 0.9638, which is considered highly satisfactory (values above 0.60 are acceptable; Malhotra & Dash, 2011). This means that 96.38% of the variance in the data is explained by the two dimensions, reflecting a very good model fit. Since both Stress and R-square values were within acceptable limits, the model can be regarded as reliable and valid.

Figure 1 presents the SPSS output of multidimensional scaling:

- **Stress Value (Badness of fit):** Obtained = 0.06893; acceptable range = 0.05 to < 0.10 .
- **Squared Correlation Coefficient (Goodness of fit):** Obtained $R^2 = 0.9638$; acceptable threshold = 0.60 or higher.

Improving availability of funds were marked as high ranked conventional remedies to solve the problems in the consumer dispute redressal agency while Strengthening Penalty and Compensation Framework were low ranked conventional remedies. Timely and fair selection of judiciary was assigned as high ranked radical remedy while Empowerment of District Consumer Protection Councils were described as low ranked radical remedies by advocates. An expansion of the judiciary's authority and Increasing accountability of the monitoring authority could not be perceived by advocates with any particular dimension. These remedies with their positions in middle of map indicate that problems at consumer forums can be checked if these factors were regularly maintained by the forums.

Multi Dimensional Scaling Remedies to Solve the Problems in Consumer Forums

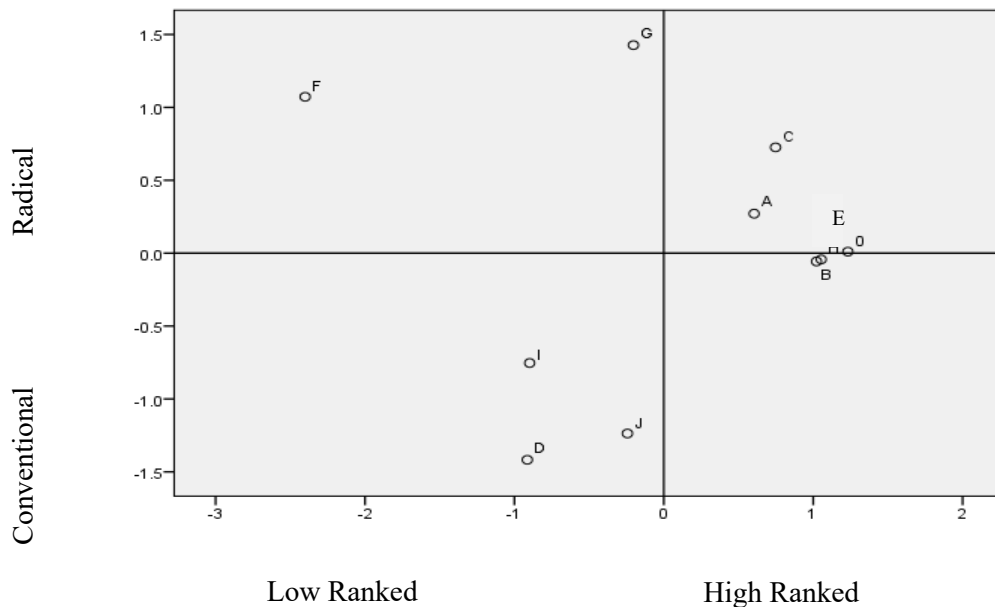


Figure 1

Perceptual Mapping of Remedies to Solve the Problems in Consumer Forums

Conclusion

Consumer forums are functional at all nine district of Delhi. Most of these forums are placed in the premises of civil courts. Advocates are the regular part of these forums as they were regularly engaged by complainants or defending parties. Advocates spend maximum time at these judicial bodies and fight for their clients, thus, they are directly aware of the problems of consumer forums and can suggest suitable and specific remedies to solve the problems which hinders the functioning of consumer forums. In this study, researcher traced out some important remedies based on the scores of advocates. Two most important measures to streamline the functioning and remove hurdles before consumer forums were 'Timely and fair selection of judiciary' and 'improving availability of funds' respectively. These two solutions will possibly help in dismantling the roots of bribery reduce the burden of consumer forums, consequently, help in providing fair and speedy redressal. Two least important measures suggested by advocates were 'Strengthening Penalty and Compensation Framework' and 'Provision of training before hiring of secretarial staff'

respectively. Advocates certainly looked biased by these measures because these measures can improve the functioning of forums thereby reducing the utility of advocates at consumer forums. 'Availability of adequate infrastructure for consumer redressal agencies' and 'expansion of judiciary authority' were moderately important remedies suggested by advocates. Advocates seem to be comfortable with related problems to these measures.

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