



Bill Summary

The Consumer Protection (Amendment) Bill, 2011

- The Consumer Protection (Amendment) Bill, 2011 was introduced in the Lok Sabha on December 16, 2011 by Mr. K.V. Thomas. It has been referred to the Standing Committee on Food, Consumer Affairs and Public Distribution.
- The Bill defines unfair contract to include a contract which has one or more of the following clauses (a) excessive security deposit; (b) imposition of disproportionate penalty; (c) refusal to accept early repayment of debt and; (d) termination of contract without reasonable cause.
- Under the Bill unfair trade practice includes a (i) a failure to take back the goods or withdraw the services within a period of 30 days after the receipt of the goods by the consumer; and (ii) disclosure of confidential personal information.
- Under the Act, a maximum of two members are to be appointed to the District Forum. The Bill proposes that a minimum of two members should be appointed and the maximum number of members should be prescribed by the state government.
- Under the Act, the state government appoints the members of the District Forum on the recommendation of the Selection Committee. The Bill proposes that the state government may refer back the recommendation to the Selection Committee if in its opinion the nominee is not fit to be appointed.
- The Bill empowers the state government (in consultation with the State Commission) to notify places other than the district headquarters from where the District Forum may perform its functions.
- The Bill permits online filing of complaints. Under the Act, the admissibility of a complaint has to be decided within 21 days from date on which the complaint was received. The Bill proposes to increase it to 28 days.
- The Bill increases the minimum age of members from 35 years to 45 years in the case of State Commission and from 35 years to 55 years in the case of National Commission. It also increases the years of experience required to be appointed as members from 10 years to 20 years in the case of the State Commission and from 10 years to 30 years in case of the National Commission.
- Under the Act, a maximum of 50 per cent of the members of the National Commission are required to be persons having a 'judicial background.' The Bill defines the term 'judicial background' to include present and former judges of a High Court or the Supreme Court of India.
- The State Commission or the National Commission have been empowered to seek assistance from any individual or organisation if it believes that it involves the larger interest of consumers.
- The Bill provides that the orders of the District Forum, State Commission or National Commission shall be enforceable as a court decree. It levies a penalty if the order of the District Forum, State Commission or National Commission is not complied with.
- The penalty imposed shall not be less than Rs 500 or 50 percent of the value of the order whichever is higher. The Bill also gives the District Forum, State Commission or the National Commission the power to attach the property of the defaulting person.
- The District Forum, State Commission and the National Commission shall publish the data regarding the pendency of cases before it on their respective websites.
- Under the Bill the National Commission shall periodically furnish to the Central Government information regarding the cases pending before it. The State Commission shall furnish information to the state government regarding the cases pending before it.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.