



# National Consumer Helpline

## Annual Report 2015-2016



### National Consumer Helpline

Toll-Free Number: 1800-11-4000

SMS: +918130009809

Website: [www.nationalconsumerhelpline.in](http://www.nationalconsumerhelpline.in)

A Public Service Project of Ministry of Consumer Affairs, Food and Public Distribution  
And Managed by Centre for Consumer Studies,  
Indian Institute of Public Administration, Delhi

## **Indian Institute of Public Administration (IIPA)**

The Indian Institute of Public Administration, established as an autonomous body under the Registration of Societies Act, was inaugurated on March 29, 1954 by Shri Jawaharlal Nehru who was the first President of the Society. The basic purpose of establishing this Institute was to undertake such academic activities that would enhance the leadership qualities and managerial capabilities of the executives in the government and other public service organizations. The activities of the Institute are organized in four inter-related areas of Research, Training, Advisory and Consultancy Services and Dissemination of Information. The Academic activities of the Institute are organized through 9 centers.



## **Centre for Consumer Studies (CCS)**

CCS is one of the academic centers of IIPA dedicated to consumer studies and is sponsored by Dept. of Consumer Affairs, Government of India. The objective of CCS is to perform, facilitate and promote better protection of consumers' rights and interests with special reference to rural India. The broad areas of focus of the Centre comprise capacity building, advocacy, policy analysis, research, advisory and consultative services, and networking.

The Centre seeks to network, with national and international agencies and interface with other stakeholders by serving as a bridging 'think tank' with an intensive advocacy role. It acts as a forum for creating dialogue among policy-makers, service providers, representatives of various business establishments and their associations, professional bodies/ associations, civil society organizations, educational/ research institutions, economic and social development organizations as well as leading NGOs. It also acts as a storing and clearing- house for the exchange and constant flow of information, ideas and activities relating to consumer protection and welfare. The Centre closely works in association with the Department of Consumer Affairs, National/ State Consumer Dispute Redressal Commissions and District Foras.

## **National Consumer Helpline - Overview**

National Consumer Helpline provides personalized counseling, advice, guidance and information on enquiries and complaints for any consumer related goods or service – be it defective products, deficiency in services or unfair trade practices. It also includes queries and complaints related to any organization - whether in the public sector, Govt. sector or in the private sector - wherever a consumer has a grievance. The objective of NCH is two-fold - to inform consumer about the avenues available to them for the resolution of their complaints and to create awareness amongst the public about their consumer rights and responsibilities. The large database collated at the National Consumer Helpline is analyzed in-depth to understand trends and issues. This helps in bringing out advocacy papers in different sectors.

The tagline of the National Consumer helpline is ‘.....towards making a smart consumer’.

### **Vision**

“A Nation of awakened, empowered and responsible consumers and socially and legally responsible Corporates”

### **Mission**

“To provide telephonic advice, information and guidance to empower Indian consumers and persuade businesses to reorient their policy and management systems to address consumer concerns and grievances adopting world class standards”



**The entire world economy rests on the consumer; if he ever stops spending money on things he doesn't have, on things he doesn't need– we're done for."**

**- Bill Bonner**

HEM PANDE

सचिव

Secretary

Tel. : 011-23782807, 23070121

Fax : 011-23384716

E-mail : secy-ca@nic.in



भारत सरकार  
उपभोक्ता मामले, खाद्य एवं सार्वजनिक वितरण मंत्रालय  
उपभोक्ता मामले विभाग  
कृषि भवन, नई दिल्ली - 110001  
Government of India  
MINISTRY OF CONSUMER AFFAIRS, FOOD AND  
PUBLIC DISTRIBUTION  
Department of Consumer Affairs  
KRISHI BHAWAN, NEW DELHI - 110001

November 3, 2016

**MESSAGE**

The Department of Consumer Affairs is pleased to see the progress of National Consumer Helpline over the last eleven years since it was instituted, to provide information and guidance to empower consumers of the country. NCH is synonymous with the very popular slogan – 'Jago Grahak Jago'. The slogan is to make consumers aware that they have rights which should be used to protect themselves from exploitation in the market place.

In keeping with the expectation of consumers contacting the National Consumer Helpline, NCH strives to redress their consumer grievances through its alternate dispute redressal programme known as "Convergence". Efforts are being made by the Government to enhance the sphere of this alternate grievance mechanism so that more and more companies can voluntarily partner with NCH to redress or resolve their customer complaints in an amicable manner without having to resort to litigation in Consumer Foras.

I wish NCH and its members a great success in the coming years as a pillar of strength for consumers.

 11.16  
(Hem Pande)



[www.jagograhakjago.in](http://www.jagograhakjago.in)



**T. Chatterjee,  
Director, IIPA**

### **Message from Director, IIPA**

The National Consumer Helpline is effectively educating and empowering an increasing number of consumers every year, for the last eleven years under the 'Jago Grahak Jago' rubric. The helpline was set up in March 2005 to provide information and guidance to consumers on their grievances. Along the way, its flagship initiative – Convergence – an alternate dispute redressal mechanism was developed and is proving to be of some assistance to complainants, besides helping companies in retaining their customers and ensuring good corporate governance.

In India, Consumers face several problems as Consumer Protection is not well organized. The majority of Indian consumers are not aware of their rights as consumers. They become easy victims of unfair trade practices and misleading advertisements and in the absence of awareness, buy sub-standard and defective products and services. The legal procedures can be expensive, time consuming and cumbersome, resulting in consumers avoiding legal recourse to redress.

In this scenario, the National Consumer helpline was conceived and mooted by the Union Ministry of Consumer Affairs, Food and Public Distribution, with a vision to help hapless consumers and empower them, without them necessarily having to go to a consumer forum. Just by calling a toll free number, an aggrieved consumer gets free, fast and informed advice. In fact, a mere advisory function has been successful in reducing the number of complaints.

NCH has been working in the area of consumer welfare, by giving information and advice to complainants as well as by coordination with senior corporate management who have voluntarily partnered with the helpline. The work of the helpline actually bridges the vision of consumer protection with actual implementation, thus helping in protection of consumer rights and, in the process, making consumers realize their responsibilities. The steady increase in the number of calls received at the helpline proves that NCH services are adding value for citizens. The Department of Consumer Affairs is planning to expand the capacity of NCH by increasing the number of seats on which calls are taken in the coming year so that more calls /complaints can be handled and the experienced NCH team can also focus on Convergence Partnerships and Industry interactions as well as for Big Data Analysis, so essential for research, advocacy and knowledge management.

I congratulate each member of NCH to have come this far and hope for expanded impacts in the future. I also convey our deep appreciation for the Ministry's early initiatives in this regard.

A handwritten signature in blue ink, appearing to be 'Ravi Kumar', is located in the bottom right corner of the page.



**Project Director,  
National Consumer helpline**

It is with great interest that I present the Annual Report of National Consumer Helpline for the financial year 2015-16. National Consumer Helpline (NCH) is playing a lead role in educating and empowering consumers by providing information and guidance on consumer grievance and aiming towards having more partners in the 'convergence' initiative – the alternate dispute redressal mechanism that bridges the link between complainants and partner companies.

The year 2015-16 was witness to NCH handling the highest number of calls in a particular month - 17,854 calls in March 2016, and the website [www.nationalconsumerhelpline.in](http://www.nationalconsumerhelpline.in) receiving over 5 lacs hits during the same month. This is the highest count in a month in its eleven years of existence. This speaks volumes of the quality of counseling provided to callers at NCH, and is also corroborated by the high feedback scores given by complainants on the NCH counseling services.

On the Convergence front – efforts were made to increase the number of companies as convergence partners. During the year, 162 letters were sent to companies to enroll into the Convergence process, but the results were not encouraging and only 4 companies agreed to enroll as partners. With the same objective, the annual Industry interaction organised this financial year was a workshop for Industry Associations - FICCI, CII, ASSOCHAM and PHD Chamber of Commerce, on 24<sup>th</sup> February 2016 at IIPA to familiarize the different Industry Associations with the functioning of National Consumer Helpline and its convergence programme, so that Industry Associations can facilitate their members to enroll in the NCH convergence programme.

The year 2015-16 has been significant for NCH not only due to good performance in our core operations, but also due to the various extra curricular initiatives taken during the year to spread awareness. . Apart from taking calls and handling grievance redressal, NCH staff conceptualized and performed a Nukkad Natak on Jago Grahak Jago held during the Independence Day celebrations at IIPA. NCH has also kept up its interactions with various Community Radios and counselors have handled programmes on consumer awareness, consumer rights and responsibilities. The senior members of NCH with the support and guidance of the faculty members of the Center for Consumer Studies, IIPA have written research and advocacy papers, besides publishing a manual - **National Consumer Helpline- A Ready Reckoner'** released by Hon'ble Minister of Consumer Affairs, Food & Public Distribution on December 22, 2015, the National Consumer Day ,

Apart from its various functions, NCH continues to make efforts to narrow the gap between consumer rights, protection, empowerment and welfare. The plans of the Department of Consumer Affairs to increase the helpline capacity in the next couple of months will give it impetus to reach out to more and more consumers seeking information and advise in grievance handling mechanism in the consumer space.

We would like to thank the Department of Consumer Affairs for their support to the NCH. The Project Manager, Ms. Deepika Sur and her entire team needs to be congratulated for the excellent work done during the year.

*Suresh Thirumala*



**Deepika Sur,  
Project Manager**

The eleven years of National Consumer Helpline has been a journey of mixed experiences, of achievements and challenges and raising of its own benchmark, and has become synonymous with the slogan 'Jago Grahak Jago'. Way back in March 2005, the National Consumer Helpline (NCH) had pioneered the concept of a telephonic helpline for consumers across the country - to advise and guide them on any consumer issue – be it for defective products, legal help or just for cross checking information in the realm of consumer affairs. It is with utmost pleasure that I bring to you this annual report on the completion of the second year of Phase III of the project for the year 2015-2016. Continuous guidance and support of officials of the Department of Consumer Affairs, Academicians and management of IIPA, Industry Regulators, and most important - our team at NCH, has made this achievement possible.

Through our Convergence process, we have partnered with a large number of industry players. This partnership has resulted in speedy grievance redressal benefitting consumers in a big way. We plan to further the cause of consumer protection by partnering with more and more companies in the corporate sector with the sustained support of all.

Owing to the strong Research ambience at IIPA, NCH entered this arena by presenting two research papers titled 'Role of National Consumer Helpline in redressal of consumer complaints' and 'Big and open data- Consumer Complaints data bank analyzed on current trends with respect to consumer complaints and the grievance redressal mechanism in that industry. NCH has also come up with its first ever manual titled 'National Consumer Helpline – A ready reckoner' published by Indian Institute of Public Administration and released by the Hon'ble Minister of Consumer Affairs Shri Ram Vilas Paswan on 22nd Dec. 2015.

As part of NCH advocacy, the problems are analyzed and solutions suggested to industry, government, regulators, policy-makers, academicians and the public at large for inputs in policy, rules, and regulations according to the changing requirement of consumers. In addition, the two Research projects that NCH had initiated over 4 years back are continuing – that of assessing the penetration of the NCH toll free number amongst the socio economic classes of the country, as well as estimating the Consumer Detriment of Callers - the direct, financial loss incurred due to exploitation of consumers as a result of market operations in the year 2015-2016. In continuation to its advocacy for responsible business practices by corporate houses, NCH had organized a conference with Industry Associations for increasing the companies under Convergence programme. Delegates from ASSCOM, FICCI, CII and Phd Chamber of Commerce attended. The focus of the workshop was to expand the outreach of Convergence programme with more vigor.

National Consumer Helpline introduced newer ideas for 'Jagriti' – the initiative for educating and empowering consumers of their rights and responsibilities. NCH team performed a Nukkad Natak, titled 'Jago grahak Jago' on 14th August 2015 at IIPA Auditorium. In addition, a Radio programme on Apna Radio – the community radio of the Indian Institute of Mass Communications was initiated to reach out to listeners with the objective of informing consumers of their rights and responsibilities.

In the year to come, NCH will be carrying forward new initiatives – all to enhance corporate responsibility and further consumer empowerment with an urge to provide consumer insights to corporate, policy makers, regulators and government.



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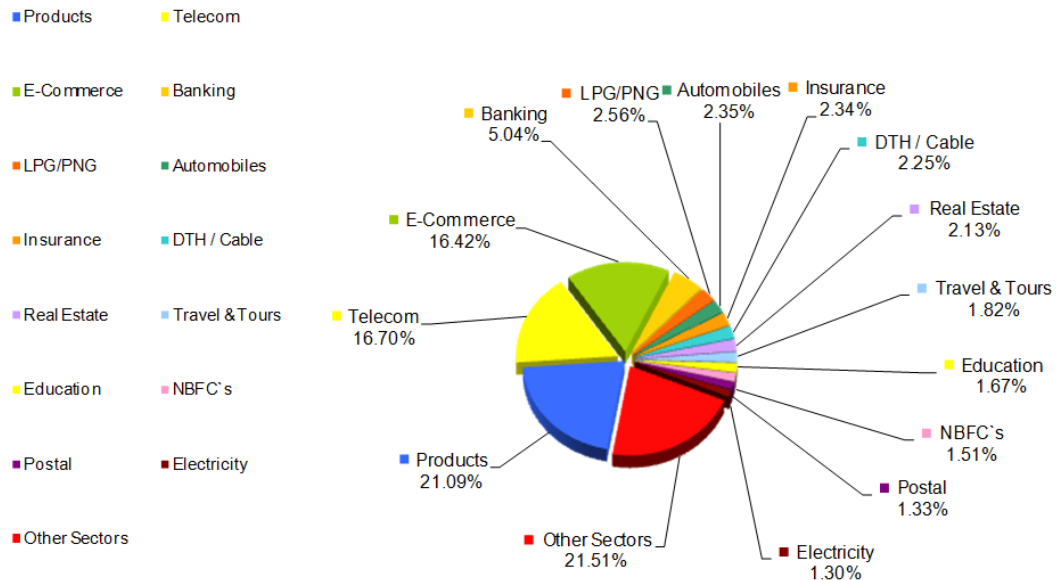
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## State Wise Calls received at NCH



## Sector Wise Calls received at NCH

Sectoral Distribution of Calls - April 2015 to March 2015



## Gender –wise Calls Status

Genderwise Distribution of Calls for Apr 2015 - Mar 2016



## Consumer Products

A Consumer product is generally referred to as tangible goods for sale which is used for personal, family, or household purposes - for non business purposes - to satisfy wants and needs. Consumer goods may be durables or non durables.

Domestic Appliances are almost indispensable in homes today, especially in urban areas. We have become so used to home appliances that it seems difficult to live without them. Products such as microwave ovens, Juicers, - mixer grinders, Air Conditioners, washing machines, refrigerators, LED/LCD are the most popular category of home appliances.

They are included in the Products category along with mobile phone handsets. The mobile phone handsets category account for almost 60% of the calls received in this sector alone

Most of the complaints in this sector pertain to poor functioning of the product, poor after sales services or delay in getting services.

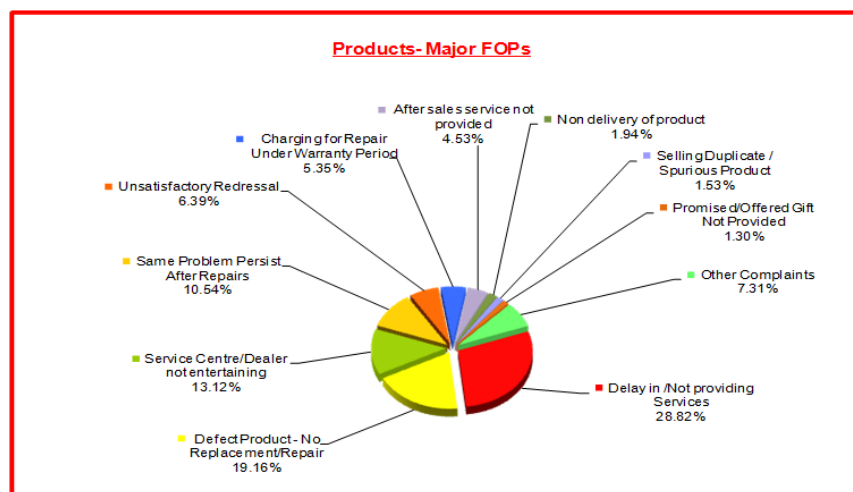
Almost all Companies have a dedicated customer service cell to address consumer grievances. But in the absence of any industry regulator, the consumer is left with no choice other than approaching the consumer forums in case complaints are not redressed up to their satisfaction by the customer care department of the organization.

### Redressal System for this sector:

**Tier 1:** There is no regulatory body to regulate the functioning of consumer durable companies. Consumers can complain to the authorized Service Centre or Customer Care Centre of the respective company.

**Tier 2:** If the consumer is not satisfied then he can approach the head office of the company.

**Tier 3:** If the complaint is still not redressed, the consumer can approach the consumer Forum.



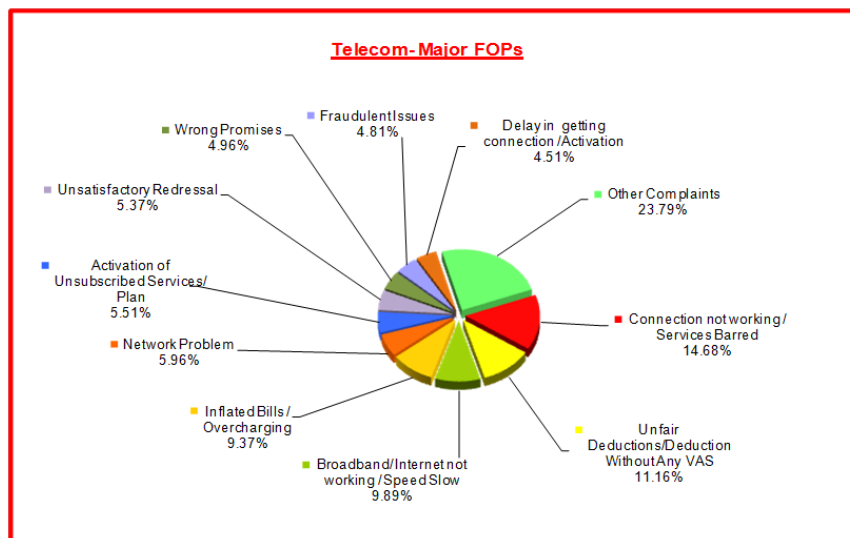
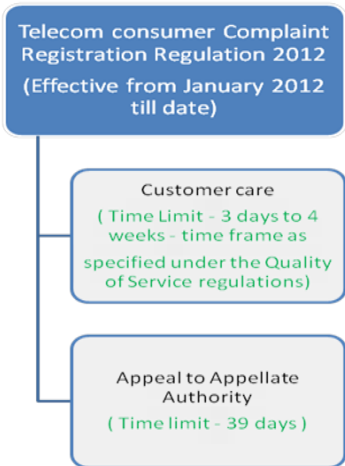
## Telecom

The telecommunications sector evolved from the Indian Telegraph Act 1885. In those days, when communication took days to reach, telegrams were sent for any urgent communication and telex was used in offices to communicate on a real time basis. We have come a long way – the modern mobile technology today can send large amounts of data in seconds, and a mobile phone makes it possible to talk to anyone, anytime, anywhere.

India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade and half. The largest companies in the sector are wireless operators, satellite companies, cable companies and Internet service providers

The tremendous expansion of this sector also led the Regulator (TRAI) to mandate adherence to Quality of Service parameters by companies. Around 17% of the total calls received at NCH during the year were for the Telecom Sector.

### Grievance Redressal System



## E-Commerce

E-commerce is one of the fastest growing sectors across the world today. The development of telecommunication technology has changed many aspects of our lives – how we search information, how we travel and how we buy goods and services. Online shopping through internet is gaining ground. There is tremendous growth leading to new companies coming into the Sector in a very large way. There is no regulator for this sector, and the issues that arise are due to security and authentication problems. Websites are created, sales are made, payment gateways are used to get the payment, but delivery of the product does not happen. Usually, in such cases, there is no information about the company's office and contact details. Generally, only one number is mentioned on the website, which usually turns out to be a mobile number. Tracking the company details from the available information is difficult. In many websites offering e-commerce, the return and refund policies and cancellation terms are also not adequate or transparent. Cases are reported at the NCH of cancellation of an order by the Service provider after it is confirmed and then being asked to book the order again at higher prices.

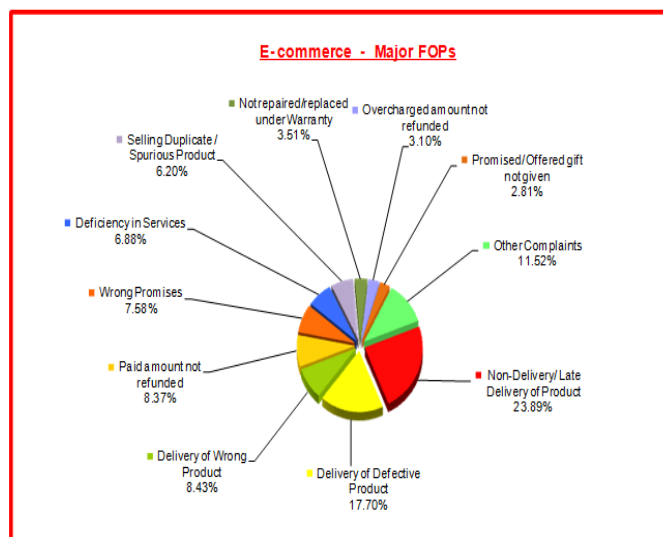
Further escalation is missing. Misleading advertisements, unfair marketing practices to lure customers, selling sub standard and duplicate products, are increasing. There is no Regulator for this sector, and there is a dire need to form policies and guidelines so that consumers are protected.

### Grievance Redressal System

**Tier 1:** Consumers have to complain to the Customer Care Centre of the respective company – based on whether it is sellers warranty or manufacturer's warranty – as per the terms and conditions under which the purchase was made.

**Tier 2:** As there is no regulatory body to regulate the functioning of e-commerce companies,

**Tier 3 :** If the complaint does not get redressed at the company's end, the consumer can approach a consumer Forum.



## Banking

This sector is a very regulated sector under the Reserve Bank of India, and has seen tremendous growth in the last few years. Key Development in this sector during the year 2015-16 was

**1.** Under Pradhan Mantri Jan Dhan Yojna (PMJDY), 217 million accounts have been opened and 174.6 million RuPay debit cards have been issued. These new accounts have mustered deposits worth almost Rs 37,000crore.

**2.** To facilitate an easy access to finance by Micro and Small Enterprises (MSEs), the Government/RBI has launched Credit Guarantee Fund Scheme Moreover, Micro Units Development & Refinance Agency (MUDRA) Ltd. was also established to refinance all Micro-finance Institutions (MFIs), which are in the business of lending to micro / small business entities engaged in manufacturing, trading and services activities upto Rs 10 lakh. to provide guarantee cover for collateral free credit facilities extended to MSEs upto Rs 1 Crore.

**3.** Small finance bank called the Capital Small Finance Bank started its operations by launching 10 branch offices in Punjab, and aims to increase the number of branches to 29 in the FY 2016-17.

**4.** The Reserve Bank of India (RBI) has granted in-principle licences to 10 applicants to open small finance banks, to help expand access to financial services in rural and semi-urban areas.

**5.** The RBI has given in-principle approval to 11 applicants to establish payment banks. These banks can accept deposits and remittances, but are not allowed to extend any loans.

**6.** The RBI has allowed third-party white label automated teller machines (ATM) to accept international cards, including international prepaid cards, and the said white label ATMs can now tie up with any commercial bank for cash supply.

**7.** Bandhan Financial Services raised Rs 1,600 crore from two international institutional investors to help convert its microfinance business into a full service bank. Bandhan, one of the two entities to get a banking licence along with IDFC, launched its banking operations in August 2015.

**8.** The Reserve Bank of India (RBI) plans to soon come out with guidelines, such as common risk-based know-your-customer (KYC) norms, to reinforce protection for consumers, especially since a large number of Indians have now been financially included post the government's massive drive to open a bank account for each household.

9. Government of India aims to extend insurance, pension and credit facilities to those excluded from these benefits under the Pradhan Mantri Jan Dhan Yojana (PMJDY).

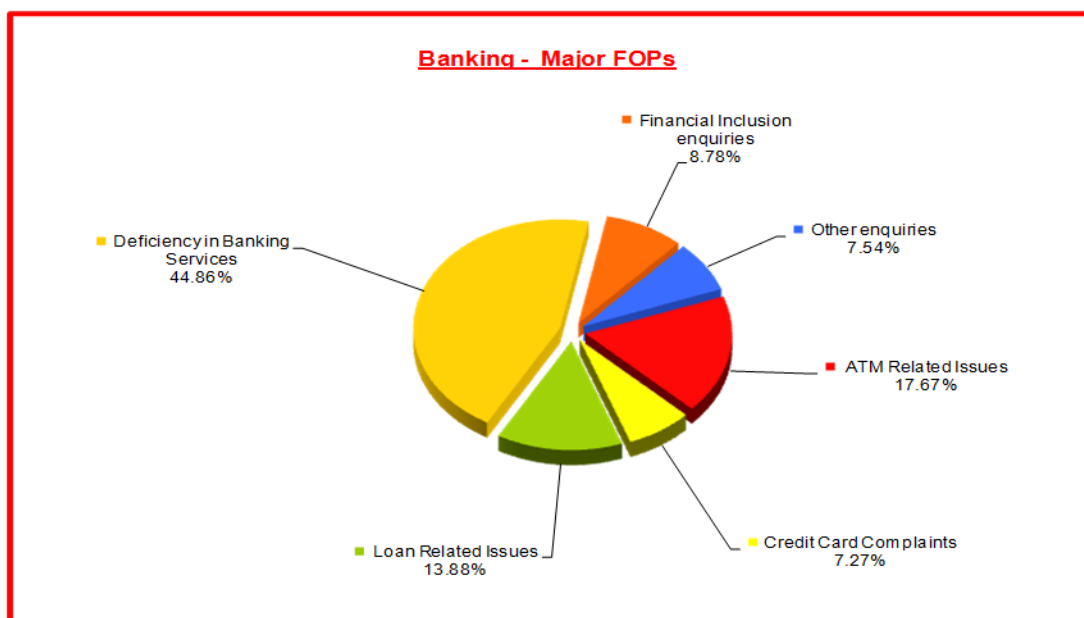
### Grievance Redressal System

NCH provides the names and addresses of not only the nodal officer, Principal Nodal officer but also Bank CEO's /Chairman, as this is proving to be the only effective mechanism which works.

**Tier 1:** The first tier of redressal advised by NCH to complainants is the nodal officers of the banks concerned or the zonal heads. However, in a number of banks, the internal redressal mechanism of the banks are inadequate.

**Tier 2:** . Banking is one of the few sectors, which have the tier II system in the Banking Ombudsman Scheme covering the entire country.

**Tier 3:** In case the Tier 1 & 2 do not provide respite, the Consumer can approach the Consumer Forum.



## LPG/PNG

LPG market in India is government dominated and the competition level amongst the companies is low as there is no private player in the sector. LPG being an environment friendly and clean fuel has tremendous potential for replacement of traditional fuels such as coal and firewood. LPG as cooking fuel has become an obvious choice for people both in urban and rural areas. For household use, LPG is largely supplied in 14.2 kg cylinder.

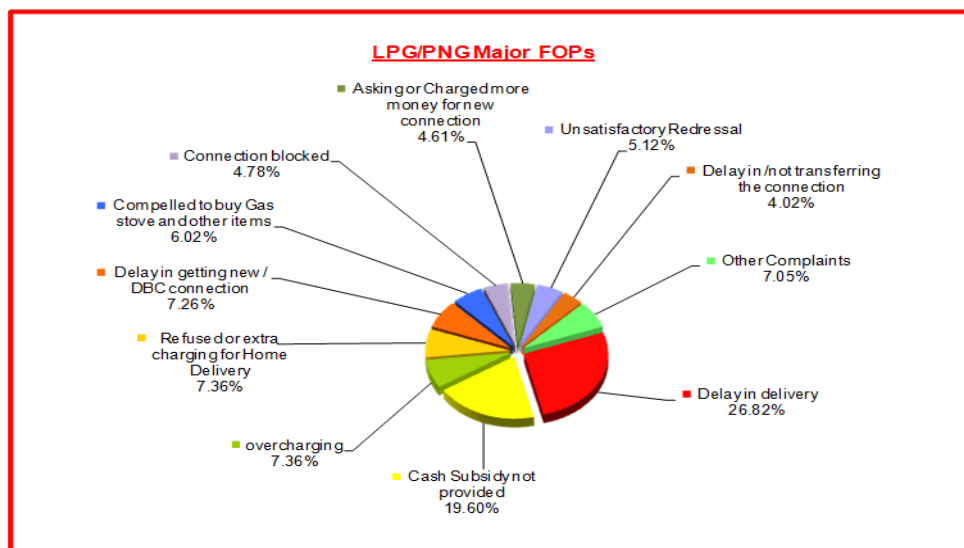
Direct Benefit Transfer (DBT) is an initiative of the central government to develop an electronic payment system for centrally funded social protection schemes, under the framework of UIDAI or Aadhaar. Under the PAHAL (DBTL) scheme from 1<sup>st</sup> January 2015, consumers mandatorily need to have an Aadhaar number for availing LPG Subsidy

## Grievance Redressal System

**I Tier-** PSU Oil Companies have provided their own network system to handle consumer grievances spread throughout the country. Each company has its own IVRS (interactive Voice recording System) which is available in all metro cities. State-wise Regional Customer care centers exist where grievances can be lodged.

**II Tier –** Complaint can be sent to the nodal officer of the Ministry of Petroleum & Natural Gas. The Petroleum and Natural gas Regulatory Board (PNGRB) is the regulator in this Sector and is responsible for making all rules & regulation.

**III Tier**–As a last step, consumer can approach the Consumer Forum.



## Automobiles

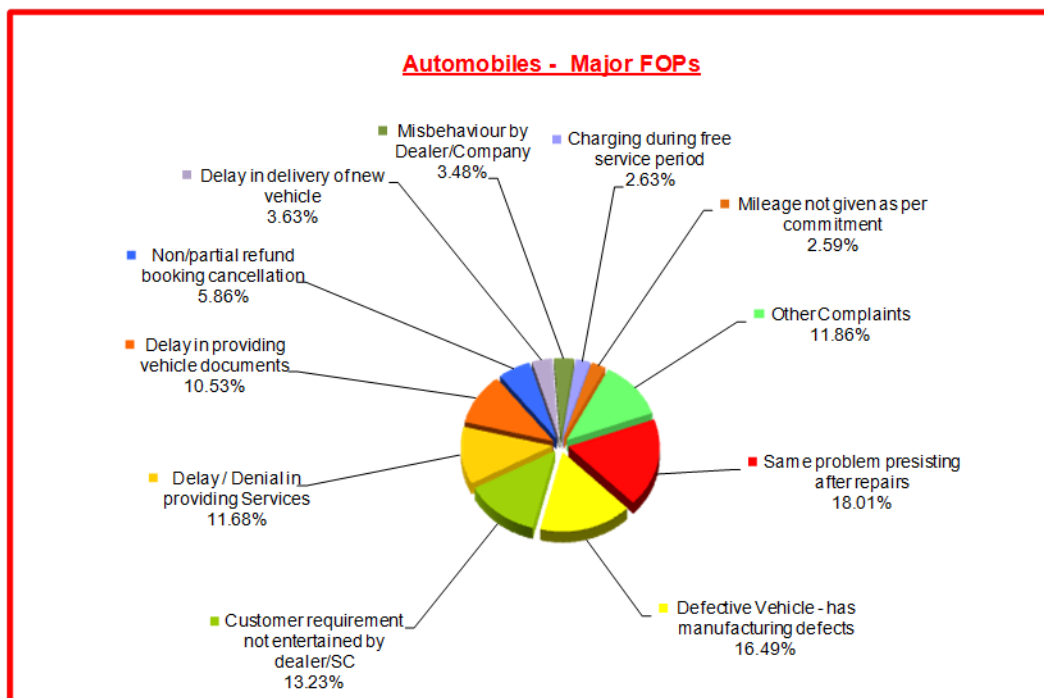
This industry in India produced a total of 23,960,940 vehicles which includes passenger vehicles, commercial vehicles, three wheelers, and two wheelers in the period April 2015 - March 2016 as against 23,358,047 in the Financial Year April 2014 - March 2015, registering a marginal growth of 2.58 percent over the same period last year.

NCH receives around 250–300 complaints per month. Complaint ratio between two-wheeler and four-wheelers is 60:40.

## Grievance Redressal Channel –

**I Tier:** Complaint should be filed with the Authorized Dealer from where the purchase of the vehicle has been made. If it fails, complainant should directly take it up with the Company's Regional Customer Relation Centre with a copy to the Head office of the company.

**II Tier:** There is no regulator in this sector, or any Authority to which an appeal can be made. Consumers have no other alternative but to approach the consumer courts.



## Insurance

The Government of India has taken a number of initiatives to boost the insurance industry. Major developments in the Insurance sector in India during the last few years have been as under:

- Service tax on service of life insurance business provided by way of annuity under the National Pension System being exempted, with effect from April 01, 2016. The NPS is regulated by Pension Fund Regulatory and Development Authority (PFRDA)
- The Insurance Regulatory and Development Authority (IRDA) of India has formed two committees to explore and suggest ways to promote e-commerce in the sector in order to increase insurance penetration and bring in financial inclusion.
- The insurance Regulator - IRDAI has formulated a draft regulation, IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015, in pursuance of the

amendments brought about under section 32 B of the Insurance Laws (Amendment) Act, 2015. These regulations impose obligations on insurers towards providing insurance cover to the rural and economically weaker sections of the population.

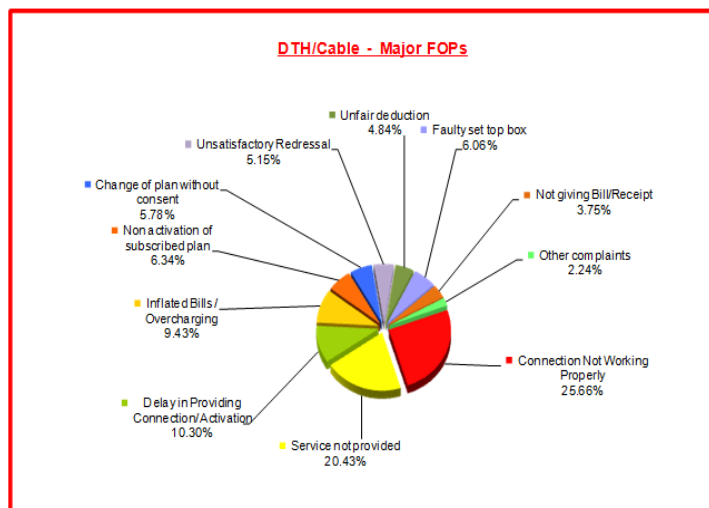
## Grievance Redressal System

NCH provides the names, addresses and email ids of the nodal officer ( Multi Service Operator (MSO) in case of cable services. )

**Tier 1:** The first tier of redressal advised by NCH to complainants is the nodal officer of the DTH Services provider at the regional level. Complaint has to be sent to the concerned MSO if the complaint pertains to Cable services.

**Tier 2:** In case complainant is not satisfied with the resolution at Tier 1, the complaint can be sent to the **Public Grievance cell of the Ministry of Information and Broadcasting**. If, a consumer has a complaint with respect to the content being telecast, he can complain to the **Broadcasting Content Council of India**

**Tier 3:** In case Tier 1 & 2 do not provide satisfactory redressal, the Consumer can approach a Consumer Forum



## DTH/Cable

Direct-to-Home (DTH) television is a method of receiving satellite television by means of signals transmitted from direct-broadcast satellites. The Government of India permitted the reception and distribution of satellite television signals in November 2000. The first DTH service in the country was launched by Dish TV on 2nd October 2003. The DD Free Dish, the first free DTH service in India, was launched by public broadcaster Prasar Bharati in December, 2004.

An ordinance has been passed by the Govt. of India on the mandatory digitization of the Cable Services. According to this amendment made in the section 9 of the Cable Television Networks (Regulation) Amendment Ordinance, 1995, the I&B ministry has made Digital Addressable System mandatory. This measure will empower consumers to an increased number of channels and high quality viewing. The concept of a prime band will be passed after introduction of digitization. Viewers will be able to access digital services only through a set top box (STB).

It is mandatory for every Household in India to have a Digital Set Top Box by 31<sup>st</sup> December 2016 to be able to watch Satellite TV

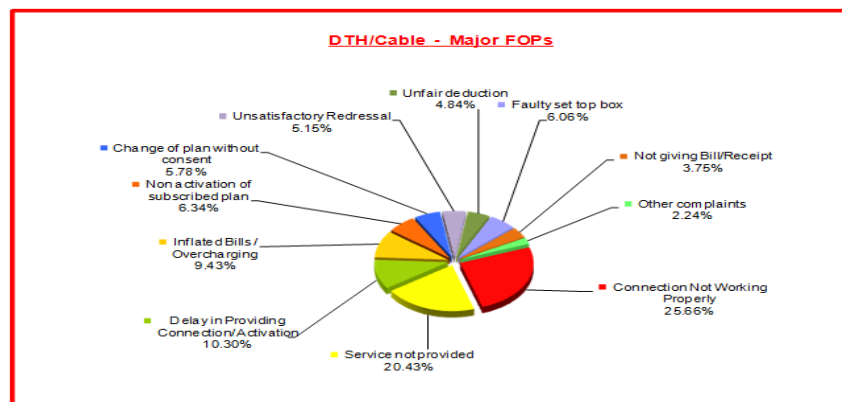
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## Real Estate

The Real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture. India's real estate market is expected to reach US\$ 180 billion by 2020 from US\$ 93.8 billion in 2014. Emergence of nuclear families, rapid urbanization and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail.

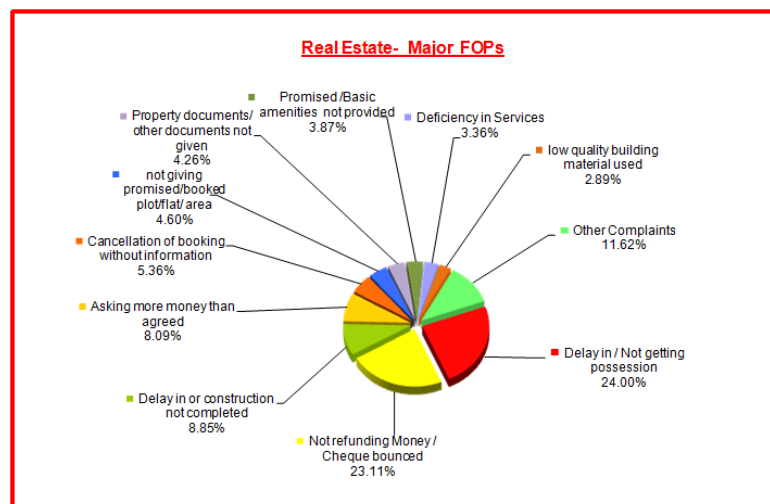
Real estate is currently the fourth-largest sector in the country in terms of Foreign Direct Investment (FDI) inflows (Source: ibef.org)

The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space, as well as urban and semi-urban accommodations.

The Government of India has been supportive to the real estate sector. In August 2015, the Union Cabinet approved the 100 Smart City Projects in India. The Government has also raised FDI limits for townships and settlements development projects to 100 per cent.

The proposed Real Estate (Regulation and Development) Bill, 2016, after it is passed by the Parliament will put in place institutional infrastructure to protect the interests of home buyers in India.

The proposed Act will make it mandatory for all residential and commercial projects to register with the Regulator and will apply to all new and ongoing projects. The Act is designed to protect consumer interest, ensure efficiency in all property-related transactions, improve accountability of developers, boost transparency and attract more investments to the sector.



## NBFC

Non-banking finance companies (NBFCs) form an integral part of the Indian financial system. They play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation. NBFCs' ground-level understanding of their customers' profile and their credit requirements gives them an edge, as does their ability to innovate and customize products as per their clients' needs. This makes them the perfect conduit for delivering credit to MSMEs.

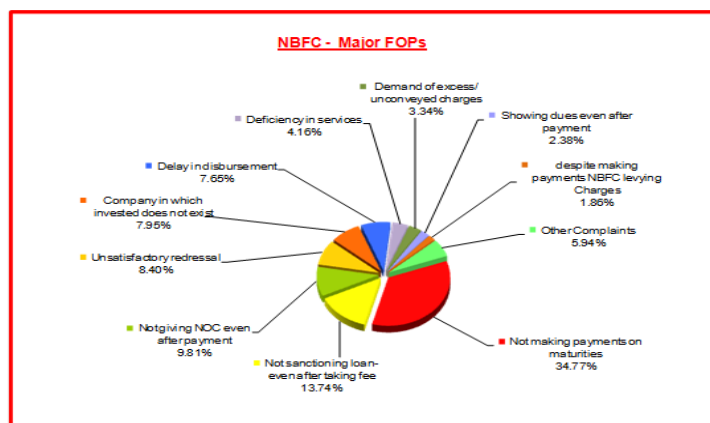
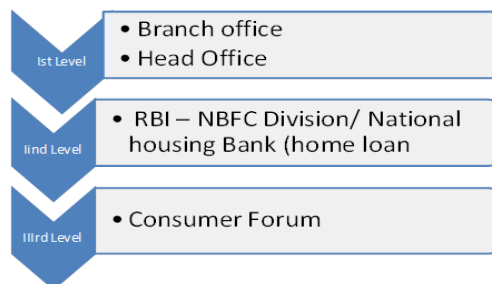
However, NBFCs operate under certain regulatory constraints, which puts them at a disadvantage vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not

enjoy a level playing field. This needs to be addressed to help NBFCs realize their full potential and thereby perform their duties with greater efficiency.

Moreover, with the banking system clearly constrained in terms of expanding their lending activities, the role of NBFCs becomes even more important now, especially when the government has a strong focus on promoting entrepreneurship so that India can emerge as a country of job creators instead of being one of job seekers. Innovation and diversification are the important contributors to achieve the desired objectives.

### Grievance Redressal System

For complaints related to loan taken – (Vehicle / Gold/ consumer loan/ personal loan/ Home loan from housing finance companies)



## Counselling Satisfaction Index

The feedback on the quality of the counselling services provided to a caller is analyzed for effectiveness.

In September 2014, NCH initiated a feedback process to gauge the counselling services being provided. Feedback serves as a guide to assist counselors to know as to how consumers perceive their performance. Feedback also helps in developing inputs for training and operations as it gives the complainant's perceptive.

Consumers who have registered their email id receive a feedback questionnaire asking them to evaluate their experience of NCH services. Following is the count of feedback sent to consumers and responses received during the period April 2015 – March 2016.

Out of those who have replied, consumer satisfaction averages 4.05 out of 5 where 5 stands for very satisfied and 1 stands for extremely dissatisfied. The count of complainants who have said that they would recommend NCH to family and friends is 1270 (72%) out of 1774.

Feedback forms e-mailed to callers	Responses Received
66933	1774

Particulars	Was the NCH counsellor helpful and courteous?	The counselor listened to me effectively & understood my concern	The advise given to me was appropriate	I will /have take action on the advise given	I will/have recommended NCH to a friend or acquaintance who needs help
Yes	1298	1281	1209	1241	1270
No	47	62	128	95	65
Not specified	429	431	437	438	439

## Consumer Observations & Expectations

On compiling and analyzing the feedback received on the counseling services, what comes through are the various expectations and observations that consumers have from NCH. Expectations by consumers are stated only after they are happy with the services already being provided .

This helps NCH in understanding the value addition that can be provided along with counseling.

Providing good service is all about meeting consumer expectations.

Complaint no.	Expectation / Observation of Callers ( Reproduced as received)
584715	I have got connected after 40 rings, and my complaint not forwarded to related persons like Distt magistrate and Basic shiksha officer and C B S E
592343	A further help in terms of recommending lawyers and advocates relevant for the case under discussion and area of jurisdiction and a comprehensive database of contact numbers and area of expertise of pan India lawyers/ advocates/ law enterprises would be beneficial too. Some case studies/ Court Rulings/ Judgment on similar cases can be helpful in giving a ready insight.
572984	I request you to kindly send the team of your officer randomly to check the quality of the products which we are eating on the streets, as you know that most of the persons eat street foods. You should send regularly to check because it will be good for consumers/customers and every citizen of Delhi /India. Shop-keeper always thinks about his profit and he never sells the hygienic product. This is the only reason we are getting chronic disease. I again request you please do something and take necessary steps in this matter. Thanks.

## Convergence @ NCH

During its course of work, NCH felt a need of facilitating a consumers in resolving their complaints. Hence, NCH initiated its own system of an alternate grievance Redressal in which complaints are forwarded to Companies, this activity is branded as in Convergence.

NCH does not enforce companies to resolve the complaints but proactively ties up with them for alternate settlement of grievances which reflect their good corporate governance and social responsibility. With over 200 companies, NCH is responsible for facilitating a system in which the complaints are forwarded to the company and resolution provided to the complainant. This system not only helps consumers but also companies in retaining their customer's loyalty.

Convergence provides a platform to companies to resolve their customer complaints in an amicable manner. These complaints are addressed / redressed by these Organizations as per their own internal grievance handling systems and along with informing the complainant, the resolution provided is also intimated to NCH.

Thus NCH acts as a bridge in building symbiotic synergies between consumers and the service providers. NCH aims to facilitate timely resolution of a complaint and also makes an attempt to dissuade such issues from escalating to the consumer forums.



To check the satisfaction level of the complainant after the company has responded to his complaint, NCH does a dipstick feedback – senior counselors of NCH call back consumers randomly, and take their feedback. At times, feedback is also sent by consumers whose problems have been resolved by NCH guidance.

During the period April 2015 to March 2016, NCH has forwarded 53185 complaints; Responses received for Complaints are 43623. 82% of the complaints have been responded to.

## Industry Interactions

As part of its annual industry interaction National Consumer Helpline organized a conference with Industry Associations on 24th February 2016, for increasing the companies under Convergence. Delegates from ASSCOM, FICCI, CII and PHD Chamber of Commerce attended.

The objective of the interaction was to explain the Convergence process of National Consumer Helpline to Industry associations so that they could persuade their members to enroll in the convergence process as convergence partners.



## Consumer Detriment

Consumer Detriment is a concept to identify consumer loss. “Detriment” is termed as “loss sustained by or damage done to a person or thing” and “consumer” as “a user of an article or commodity, a buyer of goods and services.”

“Consumer detriment”, is the loss in consumer surplus that consumers experience due to the presence of imperfect information. That is, the consumer detriment is taken as the difference in consumer surplus between a situation where consumers are fully informed and a situation where consumers' information is imperfect.” Consumer detriment falls into two broad categories, which we label “personal detriment” and “structural detriment”.

At NCH, we calculate the direct financial loss incurred by a consumer. We consider only the direct, measurable financial loss in specific sectors for fresh complaints. Only Personal Detriment is considered not the non-financial aspects of Personal Detriment.

As National Consumer Helpline deals with Consumer Complaints on a daily basis, Consumer Detriment is a closely related concept. Consumers who approach us are mostly aggrieved consumers who have experienced detriment and therefore, using the data derived from the callers, we estimate the detriment experienced by them. NCH started this study in January 2012. The following table shows the consumer detriment for the financial year

Sr. No	Sector /Category	Total Detriment Value
1	Real Estate	2790338432
2	Automobiles	326913972
3	Products	141633807
4	Banking	70337706
5	E-Commerce	57364388
6	Motor Vehicle Insurance	43974234
7	Medical Negligence	35196170
8	Legal	32514554
9	Education	30865983
10	Life Insurance	18900555
11	Travel & Tours	16749647
12	Health Insurance	15443776
13	Placement Services	13841659
14	others-Service	13171261
15	Packers & Movers	7301702
16	Telecom	5488717
17	Electricity	5357651
18	Airlines	2826385
19	Postal	2713380
20	LPG/PNG	2530400
21	DTH / Cable	1249440
22	Railways	1060020
23	Courier /Cargo	903576
24	General Insurance	475047
25	Food	188806
26	Weights & Measures	169542
27	Drugs & Cosmetics	31558
Total		3637542366

## Socio Economic Profile of Callers

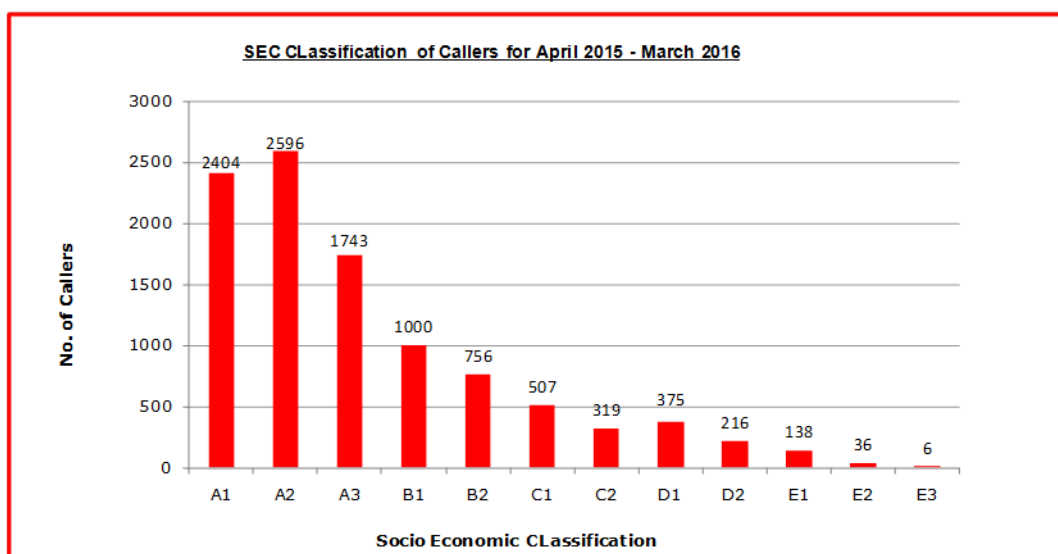
April 2015 to March 2016 (Sector wise)

The SEC Classification (Socio-Economic Classification) is a classification of households used by surveyors, market researchers, media and marketing companies in India to categorize consumer behavior. The Media Research Users' Council (MRUC) and the Market Research Society of India (MRSI) unveiled a new Socio-Economic Classification (SEC) system in May 2011, under which all Indian households are classified. The system classifies Indian households by using two parameters—Educational Qualifications of the chief wage earner in the household; and the Number of Assets Owned (out of a pre-specified list of 11 assets). Based on these two parameters, each household is classified in one of the twelve SEC groups—A1, A2, A3, B1, B2, C1, C2, D1, D2, E1, E2 and E3.

These 12 groups are applicable to both urban and rural India. With the growth of the economy and of small towns and villages, it has become imperative to look at a single SEC classification system for both urban and rural India.

For assessing the Social Economic Class of Callers to NCH, a short questionnaire (the same used by MRSI and MRUC) is administered and the details of callers, who give their details voluntarily, are recorded. The details are used to obtain the SEC class to which each caller belongs.

The SEC Classification was done for 10096 Callers for the financial year 2015-16. The following graph shows the details.



## Jagriti- Consumer Education

Jagriti is a program for creating consumer awareness and imparting information on how NCH guides and assists aggrieved consumers.

Initially, in the past few years NCH visited various Educational/ Management Institutes, in Delhi / NCR and presentations were made on the Consumer Protection Act, Role and Responsibilities of Consumers. Consumer awareness literature like bookmark, leaflets, handouts, etc. were handed over to the students and faculty members. Displays were arranged in their libraries for mass communication with students.

NCH had also made a beginning with community radios to spread consumer awareness by having programmes on **Radio Jamia** and Delhi University Community Radio- **DUCR** to create awareness and empower consumers. This year, **Apna Radio** of the Indian Institute of Mass Communication recorded and broadcasted programmes on consumer awareness.

NCH was invited by Apna Radio, Indian Institute of Mass Communication to speak on various consumer related issues and the role of NCH on Consumer Rights & Responsibilities. Mr. Sanjeev Talwar and Ms Seema Mishra from NCH discussed consumer Rights and Responsibilities on the complaints and issues faced by complainants and the precautions and tips for consumers that should be observed while purchasing products/Services—prepurchase advise.



**Jago Grahak Jago Program on Apna Radio CR 90.4 FM.**

### **Jagriti- Through Nukkad Natak.**

This year, Consumer awareness was promoted and propagated by NCH through a Nukkad Natak. NCH team member performed a Nukkad Natak to spread awareness by highlighting the various Issues .On the occasion of Independence Day celebrations at IIPA, the NCH team performed a play on the broad theme of ' Jago Grahak Jago'. In the play they focused on the importance of reading all documents before signing on them, not paying more than MRP – the maximum retail price, and the importance of buying hallmarked jewellery.



## Advocacy/ Complaints highlighted in 2015-16

National Consumer Helpline receives a large number of calls every day from across the country pertaining to different consumer sectors. The data is diverse and huge. While taking calls, relevant information is asked from consumers and inputted into the software. The same set of information and data is also asked from the complainant who lodges his /her complaint on the complaint handling module of the NCH website. Once the data is entered in the software and website, all information captured is analysed in a systematic mode, to evaluate outcomes. Based on the analysis of complaints received at NCH, advocacies are made to policy makers, regulators and Government organizations for the interest of consumers for policy inputs.

During the year 2015-16, The following issues were highlighted by NCH:

- **e- Commerce – after sales service of electronic products not provided :** Complaints were received where the manufacturers were not entertaining post sales service warranty for the products bought online. The details were sent to the Department.
- Askmebazaar.com, bookmyoffer.com, Fithoor.com & onlineclues.com – **Company not responding to complaints**, the Department of Consumer Affairs was informed about the same
- Complaints were received for **Levy of service tax** on 'Free' home Delivery by restaurants / hotels / Non AC restaurant. The issue was highlighted before Commissioner, Customs and Excise dept. and the Department of Consumer Affairs
- **Complaints against TV game show – Chehra Pehchano** – which appears to be fraud, which asks viewers to guess the name of the celebrity being displayed on the TV screen and send the reply by calling a mobile number or by sending an sms. After 2-3 days, the Respondent gets a call stating that they have won the first prize which is a 'Tata Safari'/second prize is a Maruti Alto/third prize being a motorcycle. They tell the consumer (prize winner) to pay some amount (varying from Rs. 4000 to Rs.40,000) in a bank account. After successful payment they stop responding
- **Incorrect labelling** – Red mark on milk package of brand Parag – sent to Pradeshik Cooperative Dairy Federation, Lucknow and DCA
- **NCH recommendations** - Report of the Committee to curb mis-selling and rationalizing distribution incentives in Insurance – sent to Dept of Economic Affairs and DCA
- **NCH recommendation to RBI** - Dept. of Non Banking Supervision on Strengthening of the Internal Complaints Resolution of Non Banking Financial Institutions

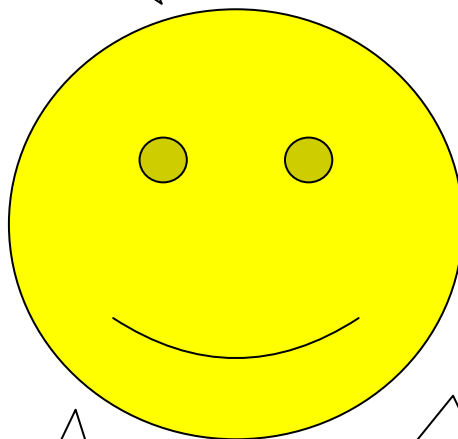
## Words of Appreciations (Reproduced as received)

"Hi NCH Team, It is truly great help from you in guiding to use the great power with the consumers. It was very easy for me to get through my problem with your help otherwise I would have to run pillar and post. Thank you for your help"

**Rajesh Dhade**  
**Andhra Pradesh**

your endeavors to help me truly needs to be lauded. Intex had been toying with me before I approached you all. But because of your efforts I was given a new mobile in place the earlier damaged one. Thanx."

**shiva prasad sharma**  
**Assam**



"Thank you so much for provide me such solution or help I got solution within few days. Your counsellor advice was very helpful for me and I am very satisfied from your department and I will definitely suggest this to everyone. Again thank you so much."

Thanks a lot to NCH team for being so helpful and supportive. Your advice and suggestions works really well and pending amount has been refunded to my bank Account in Just 1 hour. Special Thanks to NCH executive who heard my complaint and respond positively on my queries or issues"

**Sanjeev kumar**