



# **OVERVIEW OF ACTIVITIES**

## **(APRIL – JUNE 2015)**

**State Consumer Helpline Knowledge Resource Management Portal**

**Centre for Consumer Studies**

**INDIAN INSTITUTE OF PUBLIC ADMINISTRATION**

**I.P. Estate, Ring Road, New Delhi- 110002**

**Email- [schkrmp.iipa@gmail.com](mailto:schkrmp.iipa@gmail.com)**

**Telefax – 011-23705054**

**Website: [www.consumeradvice.in](http://www.consumeradvice.in), [www.consumereducation.in](http://www.consumereducation.in)**

**(Project Supported by Department of Consumer Affairs, Govt. of India)**

## **Overview of Portal Activities**

### **State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP)**

State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP) is a National Nodal Agency supported by Department of Consumer Affairs. The knowledge Resource Management Portal coordinates and monitors the activities of state consumer helplines, provide solutions and advisory services to these helplines, maintain knowledge database, and build capacity of the SCH's personnel. The purpose of monitoring is to ensure that all activities of the project are implemented, the complaints are handled appropriately.

The IT application and knowledge data bases are hosted on the servers at IIPA. The state consumer helplines are given access to use the IT platform and knowledge data base to register the calls/ complaints being received by them and provide advise, guidance and information to the callers. The State Governments are required to sign licence agreement with IIPA before giving an access to use the software and knowledge data base. The consumer advisors and coordinators are also provided the soft skills through various training programmes being organized at IIPA in addition to hand hold support at their site. The access to the IT application is internet based with 8 MBPS internet leased line. User ids and password also provide the extension of IT platform hosted on IIPA servers to all the state consumer helplines.

### **State Consumer Helpline**

Department of Consumer Affairs has funded setting up and operationalisation of consumer helplines in various States. These State Consumer Helplines have been supported for a period of 5 years thereafter the State Governments are expected to run these helplines on their own. The necessary funds as under the scheme are disbursed to the State Government who are setting up the helplines under various models as per their respective policies of the State Governments. While some of the States have gone into subcontracting to involve NGOs/ VCOs and allowed to function in their own premises, some of the States have set up the helplines in their own premises and running the helplines using manpower hired on contract basis directly or through manpower hiring agencies. The monitoring of the helplines is the responsibilities of the respective State Government.

These consumer helplines are receiving calls from the consumers generally through toll free number. The other mode of communications available to the consumers to reach advisors of consumer helplines is through emails, letters, fax and personal visits. The facility is also made available to consumers to register their complaints directly on the website hosted at IIPA servers. These complaints are directed to the respective states from where the complaints originated.

While consumer helplines are working in 25 States, 14 States are on board with IIPA and using centralized IT platform and knowledge database. During the period April 2015 to June 2015, the states of Telangana, West Bengal have started functioning of consumer helpline in their states.

### **States on Board:**

Bihar	Himachal Pradesh
Haryana	Madhya Pradesh
Maharashtra	Orissa
Mizoram	Rajasthan
Pondicherry	Uttar Pradesh
Tamil Nadu	Telangana
Gujarat	West Bengal

During the quarter April- June 2015, the following 4 States have formally signed Licence Agreement with IIPA to share centralized IT Portal.

- Manipur
- Telangana
- Tripura
- West Bengal

The total number of States having signed Licence Agreement with IIPA to share IT Portal now stands at 19. The complete list as on 30<sup>th</sup> June 2015 of the States who have signed Licence Agreement with IIPA to share the centralized IT Portal is given in the next page:

<b>Sl. No.</b>	<b>State/ UT Name</b>		
1	Andaman & Nicobar	11	Mizoram
2	Arunachal Pradesh	12	Puducherry
3	Bihar	13	Punjab
4	Chhattisgarh	14	Rajasthan
5	Delhi	15	Tamil Nadu
6	Haryana	16	Telangana
7	Himachal Pradesh	17	Tripura
8	Kerala	18	Uttar Pradesh
9	Karnataka	19	West Bengal
10	Manipur		

Even though the helplines are functioning in the States of Gujarat, Maharashtra, Madhya Pradesh and Odisha duly integrated with IT Portal but these States have not signed the agreement formally with IIPA to share IT Portal.

Similarly the States of Arunachal Pradesh, Kerala, Andaman & Nicobar, Chhattisgarh and Karnataka despite having signed the Licence Agreement with IIPA are not reflecting any call registration data suggesting that either the helplines are not functioning in these States or might be using their own software.

The nine States viz. Assam, Dadra Nagar & Haveli, Daman & Diu, Jharkhand, Andhra Pradesh, Lakshadweep, Meghalaya, Nagaland and Sikkim are yet to sign Licence Agreement with IIPA to share IT Portal

## Statistical Report on Complaints/Calls received by State Consumer Helplines:

The State Consumer Helplines are receiving calls from the consumers through telephone normally toll free number as well as other mode of communication like letters, emails, walk in consumers as well as consumers logging their calls directly on the website using online complaint registration. The online complaint registration is also used by the consumers in the States which are not yet networked with IT Portal. The statistical data is given below:

### State Wise Report April-June 2015

Sl. No.	State Name	April	May	June
1	ANDAMAN AND NICOBAR	0	0	0
2	ANDHRA PRADESH	0	0	0
3	ARUNACHAL PRADESH	0	0	1
4	ASSAM	2	0	1
5	BIHAR	42	24	21
6	CHANDIGARH	0	0	0
7	CHATTISGARH	0	2	0
8	DADRA & NAGAR HAVELI	0	0	0
9	DAMAN & DIU	0	0	0
10	GOA	0	0	0
11	GUJARAT	887	613	924
12	HARYANA	257	252	272
13	HIMACHAL PRADESH	4	0	0
14	JAMMU AND KASHMIR	0	0	1
15	JHARKHAND	0	0	0
16	KARNATAKA	1	4	2
17	KERALA	1	0	0
18	LAKSHADWEEP	0	0	0
19	MADHYA PRADESH	1	4	2
20	MAHARASHTRA	1118	938	874
21	MANIPUR	0	0	0
22	MEGHALAYA	0	0	0
23	MIZORAM	42	86	8
24	NAGALAND	0	0	0
25	NCT DELHI	3	2	5
26	ODISHA	387	499	647
27	PUDUCHERRY	155	249	325
28	PUNJAB	0	0	1
29	RAJASTHAN	2483	1069	1006
30	SIKKIM	0	0	0

31	TAMIL NADU	3	1	2
32	TELANGANA	2	2	3
33	TRIPURA	0	0	0
34	UTTAR PRADESH	264	261	109
35	UTTRAKHAND	0	0	0
36	WEST BENGAL	6	1	4
	Total	5658	4007	4208

- The consumer helplines in the States of Bihar, Himachal Pradesh, Madhya Pradesh and Uttar Pradesh have been running their helplines intermittently.
- While the States of Punjab and Himachal Pradesh were extended the hand-holding support to set up the helplines including on-site training, the helpline stopped functioning after initial launch due to their internal reasons.

The sector wise list of calls received during the month of April – June 2015 is given below:

### **Sector Wise Calls Received**

<b>SECTOR WISE NUMBER OF CALLS (1 APRIL 2015 - 30 JUNE 2015)</b>				
<b>SR.NO</b>	<b>NUMBER OF CALLS</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>
1	AADHAAR CARD	13	39	42
2	AUTOMOBILE	40	38	28
3	BANKING	72	70	56
4	DOMESTIC APPLIANCES	103	142	109
5	E COMMERCE	102	71	69
6	EDUCATION	45	29	38
7	ELECTRICITY	74	74	60
8	FOOD AND SUPPLY	48	40	23
9	INSURANCE	38	39	32
10	LEGAL	57	52	44
11	LEGAL METROLOGY	48	74	84
12	NATIONAL FOOD SECURITY ACT	231	311	495
13	PETROLEUM LPG PNG CNG	300	289	190
14	PUBLIC DISTRIBUTION SYSTEM	2852	1198	1443
15	REAL ESTATE	84	70	72
16	TELECOM	258	214	205
17	OTHER	968	998	920

## Capacity Building of State Consumer Helplines

IIPA has been imparting training to the consumers and coordinators of State Consumer Helpline. It has imparted training to all the States other than the four States namely Dadra Nagar and Haveli, Jammu & Kashmir, Lakshadweep and Meghalaya who have not attended despite inviting for the nominations for the trainings. IIPA has conducted 8 training programmes so far with a total participation of 215 personnel from 31 States/ UTs. In addition to the 8 training programmes conducted so far at IIPA, New Delhi, the Portal has also earlier extended hand-holding support at site to the helplines at:

### Hand-Holding Support

Bihar	Punjab
Delhi	Rajasthan
Haryana	Uttar Pradesh
Himachal Pradesh	

The next training programme has been planned from 24<sup>th</sup> to 26<sup>th</sup> August 2015 at IIPA, New Delhi.

An updated list of the details of the training programmes conducted so far is given in the next page.

Sl. No.	Name of State	1st Training Programme (Training Schedule on 7-11 Feb, 2011)	2nd Training Programme (Training Schedule on 14-18 March, 2011)	3rd Training Programme (Training Schedule on 01-05, Aug, 2011)	4th Training Programme (Training Schedule on 23-27, April, 2012)	5th Training Programme (Training Schedule on 26-28, Feb, 2013)	6th Training Programme (Training Schedule on 04-06, Sep, 2013)	7th Training Programme (Training Schedule on 03-05, Feb, 2014)	8th Training Programme (Training Schedule on 17-19, Dec, 2014)	Hand-Holding Support	Training
1	Andaman Nicobar					✓	✓				2
2	Andhra Pradesh	✓				✓					2
3	Arunachal Pradesh		✓								2
4	Assam				✓						1
5	Bihar	✓	✓							✓	3
6	Chandigarh										0
7	Chattisgarh				✓	✓					2
8	Dadra Nagar Haveli										0
9	Daman & Diu					✓					1
10	Delhi							✓	✓	✓	2
11	Goa					✓					1
12	Gujarat		✓					✓	✓		2
13	Haryana	✓			✓		✓		✓	✓	5
14	Himachal Pradesh			✓	✓			✓	✓	✓	5
15	Jammu & Kashmir										0
16	Jharkhand				✓	✓					2
17	Karnataka		✓		✓	✓		✓	✓		5
18	Kerala								✓		1
19	Lakashadeep										0
20	Madhya Pradesh			✓							1
21	Maharashtra			✓			✓				2
22	Manipur					✓			✓		2



23	Meghalaya										0
24	Mizoram			✓							1
25	Nagaland			✓							1
26	Orissa	✓									1
27	Puducherry				✓		✓		✓		3
28	Punjab		✓			✓		✓	✓	✓	4
29	Rajasthan			✓			✓		✓	✓	4
30	Sikkim	✓	✓					✓	✓		3
31	Tamilnadu				✓				✓		3
32	Telangana				✓				✓		2
33	Tripura				✓						2
34	Uttar Pradesh	✓				✓		✓	✓	✓	4
35	Uttarakhand								✓		1
36	West Bengal	✓					✓				3
	<b>Total No. of Participants</b>	<b>27</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>22</b>	<b>17</b>	<b>18</b>	<b>47</b>	<b>215</b>

## **Online Complaints:**

The IT Portal facilitates the consumers to register their complaints online giving them an access on 24x7 bases. Numbers of consumers have been registering their complaints/queries online at IT Portal. These complaints are directly diverted to the State Consumer Helplines who are using our IT Portal. These State Consumer Helplines take appropriate actions on such dockets. The complaints for those States which are not using IT Portal are downloaded and are regularly transmitted electronically to those States to take appropriate steps. While forwarding those complaints electronically, the States are also being requested to join the IT Portal. The following table provides the number of complaints registered for these States which are yet to use our IT Portal. However, there is no feedback from these States on the complaints forwarded to them for appropriate action.

S.no	State Name	Complaint Received
1	ANDHRA PRADESH	0
2	ASSAM	3
3	CHATTISGARH	2
4	JHARKHAND	0
5	KARNATAKA	7
6	KERALA	1
7	NCT DELHI	10
8	PUNJAB	1
9	UTTRAKHAND	0
10	WEST BENGAL	11
	<b>TOTAL</b>	<b>35</b>

## **Opinion Poll:**

The opinion has been sought from the consumers through our online IT Portal. A list of the issues uploaded on the Portal is given below. Some of the responses as received were analysed and used for our advocacy papers.

<b>Opinion Poll from 01-04-2015 to 30-06-2015</b>					
Sl.No.	Poll Question	Expiry Date	Yes	No	Can't say
1	Are you being charged service charges in restaurant and still paying tip to waiters	30-06-15	8	8	0

## **Advocacy with other Institutions**

### **Unethical Business Practices by Hotels and Restaurants**

The hotels and restaurants have started charging “service charges” in their bills. These service charges are presumed to be in lieu of “tips” which is normally paid by the diners in the restaurants. The tip is normally paid as optional and is purely on the wish of the diners. The charging of service charges which normally ranges from 5% to 20% is compulsorily charges in the bills. Most of the diners consider such service charges as Government taxes and end up paying again tip despite the service charges being charged by the restaurants. Whereas the tip was based on the quality of services, the service charge is a fixed amount irrespective of whether the services are good or not. An incident was also reported where the restaurants added service charge of 15% in the head “Vat” and charged 28.13% under the head VAT. While the case was referred to Haryana Trade Tax department for necessary audit, the matter titled **Unethical charging of VAT, Service Charge and Service Tax by the Restaurants** was also referred to Department of Consumer Affairs vide letter No. IIPA/SCHKRMP/Rest./2015 dtd. 01/06/2015 and 02/06/2015.

The restaurant industry is also charging VAT on 100% value of the bill whereas service tax is being charged on 40% of the value of bills. The High Court of Uttarakhand has already adjudicated the matter and passed an order to charge VAT only on 60% of the value of the bill. However such practices of charging VAT on 100% value still continues.

Department of Consumer Affairs vide their letter No. 24/9/2014-CPU dtd. 15<sup>th</sup> April 2015 invited comments of IIPA on the collection of service charges by Hotels and Restaurants. It was based on the comments sought by Competition Commission of India. The Portal submitted its comments vide letter No.IIPA/SCHKRMP/2015 dtd. 17/04/2015

### **Unethical Banking Practices in violation of RBI notification and directives of Ministry of Finance**

The banks both is PSU as well as private sectors are charging for SMS on fixed rates per quarter except UCO Bank. Such charges are ranging from Rs. 15/- to Rs. 25/- per quarter irrespective of whether there has been any transaction done or not. As per regulations of Reserve Bank of India, the consumers are supposed to be charged on actual SMS usage basis. Based on an advocacy paper raised by Portal with Reserve

Bank of India and Department of Consumer Affairs, Ministry of Finance issued directives to the banks to follow the regulations of Reserve Bank of India vide letter No. 7/72/2014-BOA dtd. 14<sup>th</sup> August 2014. However, such unethical business practice still continues.

Project Manager, SCHKRMP initiated seeking information under RTI Act 2005 and it was reasonably accessed that State Bank of India alone had generated an amount of more than Rs. 400 crore per annum only on such account. The matter was again referred to Department of Consumer Affairs vide letter No. IIPA/SCHKRMP/Banking SMS/2015 dtd. 19/06/2015 for appropriate intervention in stopping such unethical business practices.

The attention of Department of Consumer Affairs was also drawn towards charging of replacement fee by Banks for replacing defective ATM cards despite annual maintenance fee being charged for ATM cards.

### **Misleading advertisement of Sensodyne Toothpaste**

Sensodyne has been advertising about their tooth paste in print and electronic media claiming 9 out of 10 doctors endorsing their product and Doctors shown on electronic media endorsing the use of their tooth paste. Endorsing of any product by Doctors is in violation of code of ethics for medical professionals. The advertisement by Sensodyne has been banned in Europe on the similar ground. ASCI have not taken the corrective action against the advertisement on the ground that the medical professionals are practising in UK. There are two issues viz. taking action against the medical professional and ban the advertisement. The 2<sup>nd</sup> part could have been taken immediately. However, the advertisements still continued to be aired on electronic media and also print media. The company has failed to produce the documents to substantiate their claims despite our reminders. The attention of Department of Consumer Affairs was again drawn for appropriate intervention vide last letter No. IIPA/ SCHKRMP/ Medical/ 2015-16 dtd. 06/05/2015. .

A list summarizing advocacy issues raised by Portal till June 2015 is given on next page.

## SCHKRMP- ADVOCACY

Sl. No.	Letter no. & Date	Complaint/Issue forwarded to	Subject reference
			<b>Banking</b>
1	IIPA/SCHKRMP/ATM/2014-15, 4/6/2014	<b>DCA (JS)</b>	Proposed move of IBA for withdrawal of free non-home bank ATM transactions- An anti-consumer policy
2	IIPA/SCHKRMP/ATM/2014-15, 27-06-2014	<b>DCA (JS)</b>	Charging of replacement fee for defective ATM/Debit Cards by PSU/Pvt. Banks. Banks are charging annual maintenance fee for ATM and still charging fee for replacement of the defective cards which is an anti-consumer policy.
3	IIPA/SCHKRMP/2014-15, 27/08/2014	<b>DCA (JS)</b>	RBI's anti-consumer move regarding usage of ATMs - Rationalisation of numbers of free transactions at own bank as well as other bank ATMs. Use of IT reduces the cost of manpower engaged in banking operation. Limitation of the transactions using IT is an anti-consumer move.
4	IIPA/SCHKRMP/2014-15 dtd. 23/05/2014, dtd. 26/08/2014, 30/09/2014, IIPA/SCHKRMP/Banking SMS/2015, 19/06/2015	<b>Addl. Sec., DCA</b>	Alleged unethical banking practices in violation of RBI notification and directives of Ministry of Finance for irrational charging of SMS Alert Fee. RBI stipulated to charge SMS fee on actual usage basis but the banks are charging on a fixed charge basis irrespective of whether any transaction taking place or not.
			<b>Telecom</b>
5	IIPA/SCHKRMP/Telecom/2014-15, 9/9/2014	<b>DCA (Director of Consumer Affairs)</b>	Value Added Services - Alleged unethical trade practices of activation and renewal without seeking subscriber's consent - Anti-consumer practices by the Telecom Service Providers

6	IIPA/SCHKRMP/Telecom/2014-15, 30/09/2014-07/10/2014	<b>Director, DCA</b>	Value Added Services - Alleged unethical trade practices of activation and renewal without seeking subscriber's consent - Anti-consumer practices by the Telecom Service Providers
			<b>MRP Advocacy</b>
7	IIPA/SCHKRMP/2013-14, 17/04/2014	<b>Department of Consumer Affairs</b>	Charging of VAT on discounted prices offering discounts on MRP - Unethical Trade Practices and Misleading advertisements.
			<b>Airport - Drinking Water</b>
8	IIPA/SCHKRMP/2014-15, 27-05-2014	<b>Department of Consumer Affairs (JS)</b>	Inadequate user friendly drinking water facility at Terminal 3 Airport, Delhi
			<b>100 Best Buy</b>
9	IIPA/SCHKRMP/2014-15, 23/09/2014	<b>DCA (JS)</b>	Unethical and suspected fraudulent business practices by 100bestbuy.com. The issue was also taken up through Govt. of Karnataka.
			<b>Advocacy on Restaurants</b>
10	IIPA/SCHKRMP/2015,DT 17/04/2015	<b>Department of Consumer Affairs (DS)</b>	Comments on collection of "service charge" by the hotels and restaurants
11	IIPA/SCHKRMP/Rest./2015, 01/06/2015,	<b>JS, DCA</b>	Unethical charging of VAT, Service Charge and Services Taxes by the Restaurants. High Court of Uttarakhand has already adjudicated charging of VAT on 60% of the food bill. charging of VAT. The restaurant are charging VAT on 100% of the food bill. Govt of Haryana has also taken up issue with DCA vide letter No. SCH-HRY-2015 dtd. 09/06/2015 wherein a restaurant has clubbed Service Charge with VAT to mislead the diner that the service charge is a statutory taxes.
12	IIPA/SCHKRMP/Rest./2015, 02/06/2015	<b>Addl. Sec., DCA</b>	Unethical charging of VAT, Service Charge and Services Taxes by the Restaurants

13	SCHKRMP/IIPA/TVC/2014-15, 19/08/2014	apnatax@harayanatax.com	Charging of unethical VAT and unethical business practices by restaurants Le- Chef , Faridabad
			<b>EMI Free Car</b>
14	IIPA/SCHKRMP/2014-15, 29/07/2014	Department of Consumer Affairs (JS)	EMI Free Car Pvt. Ltd. The company has been advertising misleading advertisement as the name suggest, the car is not emi free. Not only the misleading advertisement, the advertisement is also in violation of Motor Vehicle Act wherein the display of the advt is not allowed on the body of the personal vehicles.
15	IIPA/SCHKRMP/2014-15, 21/08/2014	Department of Consumer Affairs (JS)	Do
16	IIPA/SCHKRMP/2014-15, 28/08/2014	Department of Consumer Affairs (JS)/ Department of Information Technology/ Department of Telecom	EMI Free Car Pvt. Ltd. Requesting to block the website of the company as the company could not desist from the advertisement despite ASCI advise.
			<b>Sensodyne Toothpaste</b>
17	IIPA/SCHKRMP/Medical/2014-15, 08/10/2014	DCA (JS)	No product can be endorsed by medical professional as laid down under Code of Ethics for medical professional by Medical Council of India
18	IIPA/SCHKRMP/Medical/2015-16, 06/05/2015	DCA	Sensodyne Toothpaste
			<b>Others</b>
19	IIPA/SCHKRMP/2013-15 22/04/2014	Aapka Roozgaar Services Pvt. Ltd.	Escalation of complaint received from Mr. Rajen Chowdhury pertaining to unethical business practices and refund of his money. FIR not registered despite DCA intervention.
20	SCHKRMP/IIPA/TVC/2014-15, 19/08/2014	Department of Consumer Affairs (JS)	Misleading advertisement by TVC Sky Shop for product "Shri Laxmi Kuber Dhan Varsha Yantra"

## **Knowledge Creation:**

The IT Portal is being continuously updated with uploading of knowledge based database. Some of the recent updates have been on:

1. Acts and regulations of various services.
  2. Sector wise FAQs
  3. Consumer advisories- Online shopping, standard performance benchmark for supply of electricity in various states,
  4. Quarterly Newsletter "Consumer Connect"
  5. Monthly "Consumer Bulletin"
  6. FOPs and the benchmark of services wherever specified
  7. Contact details of service providers
  8. Newspaper Reports (78 NOs) on consumer issues.
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