



STATE CONSUMER HELPLINE KNOWLEDGE RESOURCE MANAGEMENT PORTAL

Centre for Consumer Studies, Indian Institute of Public Administration, New Delhi
Sponsored by Department of Consumer Affairs, Govt. of India



National Seminar on Consumerism in the Global Economy

In Collaboration with Ethiraj College for Women, Chennai , CCS organized a two days National Seminar on Consumerism in the Global Economy on December 12-13, 2013. Project Manager, State Consumer Helpline Knowledge Resource Management Portal attended the same . The seminar was inaugurated by Dr. K.Malaisamy, Member EC, IIPA and Former Member of Parliament. In his Keynote address, Dr. V. Thyagarajan, Professor of Commerce, Pachaiyappa's College for Men spoke about dramatic changes that are taking place in the marketing environment and the advent of the new age consumer.



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Editor-in-Chief

**Prof. Suresh Misra
(Project Director)**

Consultant

Shri Sreekumaran

Editor

**Shri S. K. Virmani
(Project Manager)**

**STATE CONSUMER
HELPLINES**

GUJARAT

**1800-233-0222,
079-27489945 / 46**

**MADHYA PRADESH
155343, 0755-2559778**

ORISSA

**1800-345-6724,
1800-345-6760,
0674-2351990,
0674-2350209**

TAMIL NADU

044-28592828

BIHAR

1800 -345- 6188

RAJASTHAN

1800 -180- 6030

MAHARASHTRA

1800 -22- 22 62

CHHATTISGARH

1800 -233 -3663

HARYANA

1800-180-2087

MIZORAM

1800-231-1792

The Insured is required to immediately inform the Insurance company about the theft of the vehicle. This provision is not directory in nature but is a mandatory as decided by the



Hon'ble Supreme Court in Parvesh Chander Chadha (Supra). On account of delayed intimation, the Insurance Company is deprived of its legitimate right to get an enquiry conducted into the alleged theft of vehicle and make an endeavor to recover the same.

Based on the judgment of the Hon'ble Supreme Court, National Commission in First Appeal No . 141 of 2009 between New India Assurance Co. Ltd and Ram Avtar declined to accept the order of State Commission that the claim was wrongly repudiated in its order dt. 27/11/2008 in complaint No.170/2001 wherein an FIR was lodged with the police on the same date, information in writing was conveyed to the Insurance Company 35 days after the theft of vehicle. State Commission earlier observed that the provision of immediate intimation of theft to the Insurance Company is not mandatory but directory in nature. The relevant part of judgment of the Hon'ble Supreme Court is as follows:

"Admittedly, the respondent had not informed the appellant about the alleged theft of the insured vehicle till he sent letter dated 22.5.1995 to the Branch Manager. In the complaint filed by him, the respondent did not give any explanation for this unusual delay in informing the appellant about the incident which gave rise to cause for claiming compensation. Before the District Forum, the respondent did state that he had given copy of the first information report to Rajender Singh Pawar through whom he had insured the car and untraced report prepared by police on 19.9.1995 was given to the said Shri Rajender Singh Pawar, but his explanation was worthless because in terms of the policy, the respondent was required to inform the appellant about the theft of the insured vehicle. It is difficult, if not impossible, to fathom any reason why the respondent, who is said to have lodged First Information Report on 20.1.1995 about the theft of car did not inform the insurance company about the incident. In terms of the policy issued by the appellant, the respondent was duty bound to inform it about the theft of the vehicle immediately after the incident. On account of delayed intimation, the appellant was deprived of its legitimate right to get an inquiry conducted into the alleged theft of vehicle and make an endeavor to recover the same. Unfortunately, all the consumer forums omitted to consider this grave lapse on the part of the respondent and directed the appellant to settle his claim on non-standard basis. In our view, the appellant cannot be saddled with the liability to pay compensation to the respondent despite the fact that he had not complied with the terms of the policy."

State commission held the Insurance Company guilty of deficiency in service and concluded that the delay in informing the Insurance Company was not a ground for rejecting the claim since this provision in the insurance policy was of a “directory nature” and not a mandatory requirement. The relevant part of the order of the State Commission is reproduced.

“20. The provision of informing the insurance company or lodging the report with the police immediately after the occurrence is of directory nature and not of mandatory nature. What is relevant and material for adjudicating the claim whether the theft had taken place or not and whether the occurrence took place within the subsistence of the insurance policy or not. The grounds raised are confused and immaterial and not to be taken into consideration as the insurance cover is against the theft of the vehicle.

21. Once a criminal offence takes place and a report is lodged with the police, the police is the only statutory authority to investigate the case and no other authority and the final report of the police has to be acted upon. Some delay of few days in intimating about the information and lodging the claim by the insured to the appellant-company cannot form a ground for doubting the theft or burglary. If the insurance company finds that the report lodged by the insured was false it can always approach the police u/s 182 of the Cr.P.C.

22. As regards the objection that the vehicle was being used as a commercial vehicle and not a private vehicle, the facts of each and every case have to be scrutinized and scanned on its own. It was a simple case of theft of vehicle and not a case where the breach of some provisions of Motor Vehicle Act were committed and if at all this was a case, the complainant could have been prosecuted under the Motor Vehicle Act but cannot deny the insurance claim covering the risk of theft.”

“If the Developer has failed to complete the project and not delivered the possession of the allotted flat, the customer has a right to surrender the allotment of the flat and ask the developers to refund the paid amount with interest. Non-refunding of the paid amount as such amounts deficiency in service due to which the complainant has suffered financial losses as well as harassment, pain and mental agony” stated by Delhi (Central) District Consumer Disputes Redressal Forum in a **complaint case No. 135 of 2011 of Mrs. Rekha Singh Vs. M.Tech Developers Ltd & Ors.**

The Consumer Forum issued following directions to the developer i.e. M-Tech Developers Ltd. To comply with

1. To pay to the complainant the paid amount of Rs.4,12,500/- (Rs. Four Lakh Twelve Thousand Five Hundred) with interest @9% per annum from the date of letter of surrender i.e. 23.03.2010 till the realization of the amount.
2. To pay to the complainant a sum of Rs.50,000/- (Rs. Fifty Thousand) as compensation for causing harassment, pain and mental agony.
3. To pay to the complainant a sum of Rs.5000/- (Rs. Five thousand) towards litigation charges.

The payment shall be made within 30 days of the receipt of the copy of the order. Otherwise; the complainant can get the amount by invoking the provisions of Section 25 and 27 of the Consumer Protection Act.”



Consumer Advisories:

Shopping through Debit Card now only after authentication of PIN.



Effective 1st December 2013, RBI has mandated use of PIN for transactions through Debit Cards at PoS Terminals. While the merchants will swipe the cards at a PIN enabled PoS Terminal and punch in the transaction amount, customers would be required to enter PIN to complete the transaction.

The customers are advised to remember PIN and not to keep the record in physical form.

CONTACT US:

Room No-7 Indian Institute of Public Administration , I.P. Estate , Ring Road , New Delhi- 110002

Phone - (011) 23705055 , 23705054 , FAX - (011) 23705054

Email - schkrmp.iipa@gmail.com , Website - www.consumereducation.in, www.consumeradvice.in