

WELCOME

Dr. V. G. Patel will continue to lead the CERC for three more years as Chairman. Ms Rajyalakshmi Rao and Mr. D. C. Anjaria are joining the CERS Governing Body. Ms Rao is a former member of the National Consumer Disputes Redressal Commission. Mr. Anjaria has been a well-known banking, financial markets and investment expert.

WATCH IT

RBI explores mobile banking on all types of handsets: The RBI has formed a committee to examine the possibility of SMS-based mobile banking on all types of handsets.

Don't write on currency notes: You cannot deposit currency notes in banks with anything written on them from 1 January 2013 according to an RBI rule.

Value added services: The number of complaints against wrong activation of value added services like mobile Internet and caller tunes has declined since July following the Telecom Regulatory Authority of India's directive to operators.

Use of water and drainage to be charged: Your use of both water and drainage may be charged after the water metering project receives funding under the Jawaharlal Nehru Urban Renewal Mission (JNNURM), according to a proposal by the Union Ministry of Urban Development.

COMPLAINTS RESOLVED *Do you have a consumer complaint? Email it to: complaints@cercindia.org*

The CERC's Complaints Handling team attends to every complaint received from the aggrieved consumer and strives to resolve it through mediation between the opposite parties. The following are only two of the many complaints thus resolved recently:

Bill for "Free Service"?



T. Ramachandra Bhat, Mangalore (Karnataka), used the service of Tata Teleservices Ltd. for its Tata Photon connection for the Internet for two years. In October 2012 he cleared all the dues and gave a letter requesting the closure of the account. In response, the company offered him a facility "without any charge" for keeping the connection under suspension for six months, with the option of reviving it, if desired. At the end of the six months, without any communication from either side, the company sent him a bill for Rs. 507 for the "automatically renewed" service! He complained to the CERS, saying: "To add insult to the injury, the company sent a representative to my residence", claiming the amount from a lady member of the family when he was out of Mangalore. The CERS' efforts made the company see reason. It wrote to Bhat, with copy to the CERS, "Based on your request (read complaint), your mobile number has been disconnected and there is no outstanding pending on your account". A wary Bhat wrote to us: "...hope, they (the company) will not raise a bill after a month...May CERS continue its unique service."

Travel Agent Refunds Balance



Milind Bodiwala, of Ahmedabad, booked railway tickets through Niljay Travels, Bhavnagar, paying Rs.15,310. Later, he requested the agency to refund the balance of Rs. 6,733. After a prolonged follow-up, it paid him Rs. 5,500 but, did not explain the short payment of Rs.1,233. He learnt that it had charged a commission of Rs. 200 per ticket against the IRCTC rule, which allows an agency to collect a service charge of Rs. 20 a ticket for AC. Bodiwala approached the CERS, which made the agency transfer the remainder to the his account. He thanked the CERS "for fighting the issue on my behalf and getting the refund...Without your intervention, it is very difficult to keep the erring service providers in check and get your dues. Kudos to the CERS for doing a fantastic job...and resolving consumer problems in a short period".

JUSTICE AT CONSUMER COURTS

It is only when all negotiations and mediations in a consumer dispute fail, does the CERS (the action arm of the CERC) resort to litigation. The following are two of the many cases resolved in consumer courts recently:

Widow Gets Dues from National Insurance

Jayeshkumar K. Dave, Ahmedabad, had obtained a Janata Personal Accident (JPA) Insurance Policy for Rs. 2 lakh from National Insurance Company with wife Kashmira as the nominee. When he died in an accident during the policy term, his widow submitted a claim. But the insurer rejected the claim, stating that it had cancelled the JPA policy three years earlier. The bereaved family approached the CERS which, along with the widow complained to the Consumer Forum. The Forum stated that since an insurance policy is a contract between a policyholder and an insurer, no insurer can unilaterally cancel a policy without a valid reason against the interest of the insured. The Forum directed National Insurance to pay the widow the full policy amount of Rs. 2 lakh with interest, Rs. 5,000 as compensation, and Rs. 2,000 towards cost.

Forum Directs School to Refund Rs. 50,000 and Pay Compensation

Dharmesh R. Shah, Ahmedabad, had admitted his sons, Fenil and Devارش, to Standards IX and I respectively at the local Som Lalit School, paying for each Rs. 25,000 as 'admission' and Rs. 5,500 as 'non-refundable' fees. The school had confirmed that Rs. 50,000 would be refunded in case of cancellation of admissions. But when the father cancelled the admissions for 'personal reasons', the school did not refund the amount. (His sons had not attended school for a single day.) Dharmesh approached the CERS but the school stonewalled all efforts to evoke a response. They complained to the Consumer Forum, which directed the school to refund Rs. 50,000 with interest and pay Rs. 3,000 as compensation for agony and Rs. 1,000 as cost to Dharmesh.

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FROM THE LABORATORY

Food Processor – The Right Choice

We need not tell you what a great kitchen aid the Food Processor is. But surely we can help you tell one from the other, based on laboratory test findings on 12 models of 8 brands of the product. The following are the highlights⁺ of the top four Food Processors along with their ratings and prices:

97% Morphy Richards Smart Chef (Rs.10,995)*: The Smart Chef is operated by a rotary switch with nine speeds and pulse function. It is quiet, easy to manoeuvre, comfortable to grip and very straightforward to use and clean. It is quick, taking just 37 seconds to grind coconut. Also managed to grind a *garammasala* spice blend extremely evenly; juicing and ice-crushing are great bonuses in the heat. **Pros:** Excellent all-round performance; **Cons:** Expensive, no mixing function

95% Morphy Richards Enrico (Rs.9,995)*: It has a rotary switch with eight speeds and a pulse function. The attachments are extremely easy to attach, remove and clean. It is a quiet model, easy to manoeuvre and comfortable to handle. Morphy Richards Enrico chops, grinds, blends, grates and juices brilliantly. **Pros:** Great all-round performance; **Cons:** No grinding of hard spices

90% Morphy Richards Select 600 (Rs.7,995)*: The Morphy Richards model is operated by a rotary switch with three speeds and an inch, and the settings are easy to navigate. It is excellent at grating, chopping, and mixing. **Pros:** Cheap, excellent performance; **Cons:** A bit noisy

90% Philips HL1659 (Rs. 8,995)* Philips has a rotary switch with three speeds and a pulse function. It is extremely easy to use, easy to manoeuvre, easy to clean and with comfortable grip. Philips took just 10 seconds to produce perfectly chopped coriander and it can also mix *dosa* dough. However, the orange juice produced in our tests was not that smooth and contained fibres and sediment. **Pros** Excellent results, lots of functions; **Cons** Juicing only satisfactory.

+Courtesy: Right Choice, June 2013 (website: whichrightchoice.com) *Guide price as of 15 April 2013

ADVOCACY

SEBI Urged to Protect Investors from Brokers and Sub-brokers

The CERC has urged the Securities and Exchange Board of India (SEBI) to focus on the weakest link in the stock market investment process -- the broker and the sub-broker -- and proposed ways to tackle the issue at a recent meeting of investor associations called by SEBI. An estimated 75 per cent of investor complaints involve "unauthorised trading" in their accounts. The common complaints are: trade is executed without order from the investor; trade confirmation is not received or given; stocks are removed or used from the Demat account; funds are taken from the bank account; and trading account details are not given, or given later. The brokers contend in their defence that confirmation is sent by SMS on the registered mobile number or text message through the email or courier at the registered address. They cite call records, email logs, and the proof of delivery (PoD) by courier as evidence.

The CERC has proposed that SEBI make the voice order recording system compulsory at the sub-broker level; provide financial assistance for VRC or give incentives to the brokers who have the VRC; make the broker send to the investor the filled-in KYC forms for his record soon after signing to avoid charges of fraudulent details such as email ID or mobile number. The CERC has also proposed that the broker be made responsible for obtaining relevant call/voice records, email receipt confirmations and SMS records for all complaints and at his expenses or IPFs should pay for the extraction of records; the broker should keep call/documentary records for, say, three years. The CERC has further urged SEBI to assist it and similar organisations in conducting investor education on the stock market investment process and the resolution of the problems.

ENERGY CELL

GERC Withdraws Demand-Based Tariff, Urged to Refund Excess Collection to Consumers

The Gujarat Electricity Regulatory Commission (GERC) had introduced a demand-based tariff for consumers of Torrent Power Ltd. (TPL) in Ahmedabad and Gandhinagar on 1 June 2012. The tariff covered consumers having a connected load of above 15 kW and the monthly fixed charges were increased from Rs.30 to Rs. 850, putting a heavy burden on them. The CERS raised the issue before the GERC, which invited Mr. K. K. Bajaj, Chief General Manager, to a discussion.

Initially, the GERC filed a *suo moto* petition inviting suggestions and comments from all concerned. A public hearing was also held and the GERC put a stay on its order. It also promised to review the demand-based tariff, pending the TPL's filing of a tariff petition for 2013-2014.

Meanwhile, on representation from the CERS and affected consumers, the GERC withdrew the new category of tariff from 1 April 2013. The CERS has since been pressing the GERC to refund the excess collected from September 2012 to March 2013. The issue has been pending before the GERC.

FEEDBACK*

Congratulations...Most members...will love to keep up with the good results of your work...Since the Newsletter can be sent to thousands free, it may be desirable to invite all to register on the CERC website and ask for this Newsletter. -- Ashok Garde

Our thanks also to Ashit Pandit, Amit Kalyani, Jay M. Dave, Dr. S.K. Kulshrestha, K. K. Soni, K. Ramanathan, Abbasali Chinikamwalla, Nandlal T. Shah, Dr. Sanjay Rajguru, Dr (Mrs) Jayashree Gupta, President, Consumers India, Madhusudan Khandwala, Ubaldo D'Souza, Addoor Krishna Rao, Amritlal Saha, Chairman, CCC, Latika Singha, Secretary, Seva Bharati, Dr.Rajesh Gopal and many others for their feedback and encouragement.

TOLL-FREE GUJARAT STATE CONSUMER HELPLINE FOR INFORMATION OR ADVICE : 1800 233 0222 (from BSNL)

Consumer Education and Research Centre

"Suraksha Sankool", S. G. Highway, Thaltej, Ahmedabad – 380 054.

Tel : 079-27489945/46, 27450528, 27438752/3/4 Fax : 079-27489947 Email : cerc@cercindia.org Website : www.cercindia.org

* Please send your feedback to Mr. Debmuni Gupta <enr@cercindia.org>