



International Consumer Day (15th March)

India Need an Exclusive Consumer Policy For Non-Store Retail

IDSA stresses on stringent regulatory framework

New Delhi, 7th March 2016

The globalization of marketplace has changed the way of shopping for consumers. Today, a lot of consumers rely on non-store retail model where they get an array of products to choose from. Here, rather than the consumer reaching out to the commodities, the sellers reach out to the consumer. E-Commerce, Direct Selling, Door to Door Selling, Tele-Order, Mail Order etc are some of the popular and well known examples of non-store retail. The non-store retail format has gained immense popularity in India, especially because of low entry thresholds. Also, this format covers and caters to the needs of a wider space of audience as compared to individual retail stores. However, there have been cases, where consumers have been duped of their hard earned money by some players passing themselves off as non-store retailers. This happens because there is no specific Regulation or a Regulator for the non-store retail format.

And, to ensure that the Consumers' interested is protected and addressed upon, there is an urgent need for an exclusive and exhaustive Consumer Protection Policy. The Indian Direct Selling Association, on behalf the Direct Selling Industry, advocates for more clarity in policy matters, requesting the government to bring guidelines on Consumer Policy for Non-Store Retail.

On the occasion of International Consumer Day, the Direct Selling Industry in India urges the government to define Consumer Policy for Non-Store Retail. The Industry would want the Government to formulate a stringent regulatory framework which covers all the aspects of Non-Store Retail and consumer protection.

There is no specific legislations or guidelines protecting the buyers and sellers of goods and services in the Non-Store Retail. The major consumer protection issues in Non-Store Retail in India, the Consumer Protection Act 1986 ("CPA") governs the relationship between consumers and service / goods providers. There is no separate consumer protection law that is specific to and regulates transactions taking place in Non-Store Retail. There are several barriers to Non-Store Retail i.e. Distribution Channel Vendor Management, Taxation, collusion and Fraudulent Activities."

Mr. Rajat Banerji, Chairman, IDSA said, “The non-store retail industry has to ensure customer satisfaction in terms of quality of products, value for money and delivery of products. The Industry also has to work harder to constantly develop and improve their services such as replacement of products, which is very vital in non-store retail. This can partially happen through self-regulation. However, there is also a need to stop unfair, deceptive and fraudulent business practices by collecting complaints and conducting investigations, suing companies and people that break the law, developing rules to maintain a fair marketplace. Rajat further said that “it is also very important to educate the consumers about their rights, along with the businesses about their.”

“The Ministry of Consumer Affairs, which is working towards protecting the rights of consumers has been instrumental in addressing the consumer issues. Hence, we request the Consumer Affairs Ministry to work upon formulating a stringent regulatory framework, which covers all aspects of Non-Store Retail and consumer protection,” he added.

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