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EFFECTIVENESS OF MEDIATION IN RESOLVING THE CONSUMER DISPUTES IN INDIA.

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**ABSTRACT:** 

With the growth of technology and the advancement of industries, we are evidently viewing the increase in the complexity of the disputes relating to the sale and purchase of goods and services. This study aims to touch the grassroots of the growth trends in the redressal mechanisms used to resolve these disputes and in particular works its way to find the role of mediation as an efficient consumer dispute resolver in a fast-growing country like India. This paper also exhibits the critical analysis of the contemporary issues in using mediation to resolve consumer disputes and strives to make a comparison of the state of Indian mediation with the rest of the world. While deciding if mediation is the boon or bane in consumer disputes, the paper furthermore renders suggestions to improve the consumer dispute redressal mechanism in India.

**KEYWORDS:** Consumer, Disputes, Mediation, India

I. INTRODUCTION:

In India, 2019 and 2020 were huge years for mediation; we saw the country's greatest case (the Ayodhya dispute) move to a mediation panel, and many people prefer online mediation to litigation. Despite the failure of the Ayodhya mediation, there was a general increase in public understanding of the concept of mediation. Mediation is viewed as a simplified method of negotiating. Mediation is a win-win situation for the parties, as opposed to the win-lose position that exists in litigation. There are four basic components to mediation: Autonomy of the party, a voluntary process that can be ended at the parties' discretion; Confidential; Enforcement in a court of law.

The activity of protecting buyers of products and services from unfair market practices is known as consumer protection. It refers to the measures taken to safeguard customers from dishonest and unscrupulous acts by merchants, manufacturers, service providers, and others, as well as to provide remedies in the event that their consumer rights are violated.

The Consumer Protection Act, of 2019, governs the protection of consumer rights in India. To replace the Consumer Protection Act of 1986, the Consumer Protection Act of 2019 was introduced. The new Act includes a number of provisions that address the issues that modern, technology-dependent consumers face. The Act also includes a number of clauses aimed at protecting and promoting consumer rights.

The Indian legislature passed the Consumer Protection Act, of 2019 to address issues such as consumer rights violations, unfair trade practices, deceptive ads, and other situations that are harmful to consumers' rights. The purpose of enacting the Act was to include measures for e-consumers, as the number of people purchasing and selling products and services online has expanded dramatically in recent years due to technological advancements. The Act aims to better safeguard consumers' rights and interests by establishing Consumer Protection Councils to resolve disputes and offer adequate compensation to consumers whose rights have been violated. It also ensures that customer concerns are handled quickly and effectively via alternative dispute resolution processes. The Act also encourages consumer education in order to inform consumers about their rights, duties, and options for resolving complaints.

## II. **DEFINITION**:

#### II.1. ADR

According to the Law Commission of India's 222nd Report, the Constitution guarantees equal access to justice for all citizens, primarily through Article 39A, which states that everyone must have an equal opportunity to obtain justice, which must not be denied to any citizen due to economic or other

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<sup>&</sup>lt;sup>1</sup> The Consumer Protection Act of 2019

types of disabilities. Alternative dispute resolution or ADR refers to a "procedure for settling a dispute by means other than litigation, such as arbitration or mediation." Black's Law Dictionary 91 (9th ed. 2009).<sup>2</sup> According to Stephen J. Ware, Alternative Dispute Resolution § 1.5, at 5-6 (2001), "ADR can be defined as encompassing all legally permitted processes of dispute resolution other than litigation. While this definition is widely used, ADR proponents may object to it on the ground that it privileges litigation by giving the impression that litigation is the standard process of dispute resolution, while alternative processes are aberrant or deviant. That impression is false. Litigation is a relatively rarely used process of dispute resolution. Alternative processes, especially negotiation, are used far more frequently. Even disputes involving lawyers are resolved by negotiation far more often than litigation. So ADR is not defined as everything but litigation because litigation is the norm. Litigation is not the norm. ADR is defined as everything-but-litigation because litigation, as a matter of law, is the default process of dispute resolution."3

The paper goes on to say that in India, 'access to justice' for the common people entails access to the courts of law. Even that, however, has been hampered by issues such as poverty, illiteracy, ignorance, social and political backwardness, and so on. Many individuals still live in poverty in emerging countries like India. When their rights are violated, they frequently lack the financial resources to prosecute long legal fights.

## Types:

There are four types of alternative dispute resolution mechanisms. They are arbitration, negotiation, conciliation, and mediation.

#### **Arbitration:**

It is a system in which one or more arbitrators are mutually chosen by both parties to the dispute. Their choice is final and irreversible. Arbitration is administered in line with an institution's procedure (tribunal).<sup>4</sup>

## **Negotiation:**

<sup>&</sup>lt;sup>2</sup> https://libguides.okcu.edu/ADR#:~:text=Alternative%20dispute%20resolution%20or%20ADR,2009).

<sup>&</sup>lt;sup>3</sup> https://libguides.okcu.edu/ADR#:~:text=Alternative%20dispute%20resolution%20or%20ADR,2009).

<sup>&</sup>lt;sup>4</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/

Parties with opposing viewpoints communicate directly or indirectly to consider the best course of action for resolving the problem amicably. Before involving a third party, the first step in resolving an existing disagreement is negotiation.

#### **Conciliation:**

Through a written agreement, one party who initiates the dispute resolution communicates the subject matter of the disagreement to the other party. A conciliator is appointed once the opposite party accepts. If both parties agree to this criterion, two or more conciliators can be chosen. The conciliator's advice is not legally binding on the parties.<sup>5</sup>

#### II.2 MEDIATION

Black's Law Dictionary defines mediation as a private informal dispute resolution process in which a neutral third party, the mediator helps disputing parties to reach an agreement — the mediator has no power to impose a decision on the parties. A neutral person known as a "Mediator" assists the parties in attempting to obtain a mutually agreeable resolution of the issue during mediation. The mediator does not decide the problem; instead, he or she assists the parties in communicating so that they can try to resolve it on their own. The parties retain control of the outcome in mediation.

Mediation's Purpose 'Mediation,' according to the Alternative Dispute Resolution and Mediation Rules, 2003, is "the process by which a mediator appointed by the parties or by the court, as the case may be, mediates the dispute between the parties to the suit by applying the provisions of the Mediation Rules in Part II, and in particular, by facilitating discussion between parties directly or through the mediator, by assisting parties in identifying issues, and by assisting parties in communicating with each other through the mediator."

## III.3 CONSUMER —

A consumer is defined as someone who buys goods or services in exchange for money and uses them for personal use, as well as for resale or commercial purposes, according to section 2(7) of the Consumer Protection Act of 2019. The term 'buys any goods' and 'hires or avails any services' has been defined to cover all online transactions conducted through electronic

<sup>&</sup>lt;sup>5</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/

<sup>&</sup>lt;sup>6</sup> https://www.aironline.in/legal-

 $articles/Mediation + \%3A + Promises + and + Challenges \#: \sim : text = 1\%20 Black's \%20 Law\%20 Dictionary\%20 defines, a\%20 decision \%20 on \%20 the \%20 partie$ 

<sup>&</sup>lt;sup>7</sup> http://www.legalservicesindia.com/article/2382/Role-of-Legal-Practitioner-in-Mediation.html

means, as well as direct selling, teleshopping, and multi-level marketing, according to the definition of consumer.<sup>8</sup> A consumer in black's law dictionary is defined as the buyer of a good or service. A user that is not using the product but reselling it. Refer to customer.<sup>9</sup>

#### **III.4 CONSUMER DISPUTE**

A "consumer dispute" occurs when a consumer files a complaint against a person, and the respondent responds by denying the allegations in the complaint. Any flaw in the quality or quantity of any goods is referred to as a "defect." The term "deficiency" refers to a problem with the quality or quantity of service. A Consumer Dispute Redressed Forum is referred to as a "District Forum." The term "goods" refers to items that meet the requirements of the Sale of Goods Act of 1930. A person who makes and manufactures things and parts is referred to as a "manufacturer." Under the Sec.2 (e) "consumer dispute" means a dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint 11

The Act's major goal is to protect consumers' interests while also establishing a stable and strong process for resolving consumer complaints. The Act's goals are to Defend against the promotion of products that endanger people's lives and property, To protect customers from unfair trade practices, provide information on the quality, potency, quantity, standard, purity, and pricing of goods, and to Establish Consumer Protection Councils to safeguard customers' rights and interests, Ensure, whenever feasible, that you have access to a reliable source of items at reasonable costs, Seek remedies if you are a victim of unfair trade practices or consumer exploitation, Define the penalties for violating the Act's provisions, etc.

In the event of an issue or a conflict, listen and guarantee that the welfare of consumers is taken into account in suitable venues, Assist consumers with consumer education so that they are informed of their rights, Alternate dispute resolution processes should be used to handle consumer complaints quickly and effectively.

#### **TYPES**

#### **III.1 MEDIATION**

<sup>&</sup>lt;sup>8</sup> The consumer Protection Act, 2019

<sup>&</sup>lt;sup>9</sup> https://thelawdictionary.org/consumer/

<sup>&</sup>lt;sup>10</sup>https://www.tutorialspoint.com/business\_law/business\_law\_consumer\_protection\_act.htm#:~:text=Definition %205%20%E2%88%92%20%E2%80%9CConsumer%20dispute%E2%80%9D,allegations%20contained%20in %20the%20complaint.

<sup>11</sup> https://indiankanoon.org/doc/334666/

• Facilitative Mediation: A professional mediator strives to assist in negotiation between the parties in conflict through facilitative mediation or traditional mediation <sup>12</sup>. Rather than providing recommendations or enforcing a judgment, the mediator encourages disputants to work out a solution on their own by looking into each other's fundamental interests. Mediators in facilitative mediation tend to keep their own perspectives on the conflict disguised. <sup>13</sup>

#### Court-Mandated Mediation :

Although mediation is often thought of as a wholly voluntary process, it might be ordered by a court in order to promote a quick and cost-effective resolution. When parties and their counsel refuse to participate in mediation, their chances of reaching an agreement through court-ordered mediation are slim, as they may simply be going through the motions. However, settlement rates are substantially greater when both parties recognize the benefits of participating in the process.<sup>14</sup>

#### • Evaluative Mediation :

Evaluative mediation, in contrast to facilitative mediation, is a style of mediation in which the mediators are more likely to give recommendations and ideas, as well as voice their opinions. Rather than focusing solely on the parties' underlying interests, evaluative mediators may be more likely to assist parties in assessing the legal merits of their arguments and making fair judgments. Evaluative mediation is most commonly utilized in court-ordered mediation, and evaluative mediators are frequently attorneys with legal competence in the dispute's subject matter. <sup>15</sup>

#### • Transformative Mediation:

Mediators who practice transformative mediation focus on empowering disputants to overcome their disagreements and encouraging them to realize each other's needs and interests. Transformative mediation is based on the facilitative mediation tradition, as articulated by Robert A. Baruch Bush and Joseph P. Folger in their 1994 book The Promise of Mediation. At its most ambitious, the process tries to improve the parties

<sup>12</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

<sup>13</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

<sup>&</sup>lt;sup>14</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

<sup>15</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

and their relationship by teaching them the skills they need to make positive changes.<sup>16</sup>

## • Med-Arb:

In med- Arb, a mediation-arbitration hybrid, the parties first agree on the procedure's terms. They usually agree in writing, unlike in most mediations, that the outcome of the procedure will be binding. Then, with the assistance of a mediator, they seek to negotiate a resolution to their conflict. The procedure isn't over if the mediation concludes in a deadlock or if issues remain unresolved. The parties can now proceed to arbitration. If the mediator is qualified, he or she can act as an arbitrator and deliver a binding ruling based on her judgments, either on the case as a whole or on the unresolved issues.<sup>17</sup>

#### • Arb-Med :

A trained, neutral third party hears disputants' evidence and testimony in an arbitration; writes an award but keeps it hidden from the parties; attempts to mediate the parties' dispute; and unseals and issues her previously determined binding award if the parties fail to reach an agreement, writes Richard Fullerton in an article in the Dispute Resolution Journal.

According to Fullerton, the approach eliminates the fear of sensitive information being misused in med-arb while keeping the pressure on the parties to achieve an agreement. The arbitrator/mediator, on the other hand, cannot amend her previous decision based on new information learned during the mediation.<sup>18</sup>

#### • E-Mediation :

Jennifer Parlamis, Noam Ebner, and Lorianne Mitchell write in a chapter in the book Advancing Workplace Mediation Through Integration of Theory and Practice that an e-mediator provides mediation services to parties who are separated from one another or whose conflict is so intense that they can't stand being in the same room. E-mediation can be a fully automated online conflict resolution system that does not require any involvement from a third party. However, the authors of the chapter argue that e-mediation is more likely to resemble traditional facilitative mediation given over the internet. Parties can now converse in real-time with one another using video

<sup>&</sup>lt;sup>16</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

<sup>&</sup>lt;sup>17</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

<sup>&</sup>lt;sup>18</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

conferencing services such as Skype and Google Hangouts, while also benefiting from visual and verbal clues. Early study suggests that technology-assisted meditation is just as successful as traditional meditation practices. Furthermore, parties frequently report that it is a low-stress process that promotes trust and happy emotions. <sup>19</sup>

#### • Private Mediation:

A skilled mediator is appointed by the parties on a fixed-fee basis in private mediation. Both parties get together to reach an amicable solution to the problem. Anyone can designate a mediator to resolve conflicts through private mediation, and they can be of any designation. It is a time-saving tool that allows parties to choose from a variety of creative alternatives. The mediator's decision is not final and thus not binding on the parties.<sup>20</sup>

## III.2 CONSUMER DISPUTES<sup>21</sup>

- Products and services of high quality
- Claims based on a failure to supply or finish services
- Failure to pay bills
- Deposits are either returned or kept.
- Interpretation of contracts
- Partnership dissolution
- Claims for injury, loss, or damage
- Observance of warranties

The above-mentioned consumer disputes are noted in the consumer handbook published by the department of consumer affairs, Government of India.<sup>22</sup>

## CRITICAL ANALYSIS

## **IV.**1 ADVANTAGES OF MEDIATION:

## • Time and Cost efficiency:

When compared to judicial procedures, the expense of mediation is negligible. The use of legal counsel is not required in mediation, which saves a lot of money. There are no mandatory procedures, as there are in traditional courtrooms, resulting in lower procedural

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<sup>&</sup>lt;sup>19</sup> https://www.pon.harvard.edu/daily/mediation/types-mediation-choose-type-best-suited-conflict/

<sup>&</sup>lt;sup>20</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/#Private\_mediation

<sup>&</sup>lt;sup>21</sup> https://communitydispute.org/mediation/types-of-mediation/consumer-commercial-disputes

<sup>&</sup>lt;sup>22</sup> https://consumerhelpline.gov.in/Consumer\_Handbook.pdf

costs. Because there are less legal formalities and procedural flexibility, the dispute settlement procedure is shorter. A mediator is free to explore whatever topics are important to the parties in order to reach an agreement; time-consuming evidence is often disregarded, saving time and resources.

## • Solutions that are adaptable and innovative

Since there is no established protocol, for mediation, parties can expect a wide range of outcomes. Varied mediators have different styles, which are frequently modified to meet the needs of the particular situation.<sup>23</sup> Mediation can occasionally accomplish results that aren't possible through arbitration or judicial proceedings. Both sides collaborate to address their differences and are free to develop customized solutions that meet their specific needs.

## • Confidentiality and privacy are important to us.

Outside parties do not have access to the mediation processes since all information and evidence offered during mediation is kept confidential. The information provided to the mediator can't be used for anything other than assisting the mediator in reaching a suitable resolution. In fact, there is unique confidentiality between one side and the mediator, which means that if one party discloses information to the mediator, it can be kept hidden from the other party if certain circumstances are met.<sup>24</sup> Another key advantage of mediation in India is that it is fully confidential, which helps to safeguard the parties' public image. During the process, only the arguing parties and the selected mediator are present, making it personal and private.

#### • Relationship restoration

In traditional judicial proceedings, one of the parties is held responsible, which is often destructive to the parties relationship. The court's final ruling is binding on both parties, which can be unfavorable because one party always loses. In mediation, on the other hand, parties are solely responsible for their own decisions and might refuse to accept the final settlement reached through this process. This aids the parties in reaching a calm and amicable agreement. Even if the connection between the parties has been harmed by existing issues, mediation can help restore it because it protects both parties interests.<sup>25</sup>

## • Dominance and control

<sup>&</sup>lt;sup>23</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/

<sup>&</sup>lt;sup>24</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/

<sup>&</sup>lt;sup>25</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/

The parties have a great deal of control over the time, place, and duration of the proceedings. Courts have their own schedule that everyone must follow, so it is not as handy. In contrast to the legal system, parties in mediation are not adversaries but collaborators seeking a mutually agreeable outcome. One of the most significant advantages of mediation is that neither party loses and both parties interests are protected. The parties have complete control over the mediation's outcome, and each party has the option of ending the mediation at any time without giving a reason.

Mediation is becoming more popular in India since it is a low-cost, party-centric, and neutral process. There is a need for a special law to be developed to legitimise the mediation process. Parties might hire legal specialists who are properly trained in ADR to represent them and describe the case to the mediator in a professional manner to gain a better knowledge of their rights. Because of these advantages, mediation will become the most popular technique of dispute resolution in the future, particularly in corporate and family matters.<sup>26</sup>

## IV.2 DISADVANTAGES OF MEDIATION

A settlement agreement does not always result from mediation. Parties may invest time and money in mediation only to discover that their dispute must be resolved by a court. As a result, choosing mediation is a bit of a gamble. Furthermore, if mediation fails, much of a party's "ammunition" may have been exposed to the opposing party, making the next trial far less beneficial. The federal and state courts provide procedural and constitutional protections to mediation.

- The federal and state courts provide procedural and constitutional protections to mediation. As previously said, the lack of formality in mediation can be a plus or a disadvantage. Mediation between parties with varying levels of intelligence and influence, as well as varying levels of accessible resources, may result in an inequitable resolution because the less-well-positioned party is overwhelmed and unprotected.
- In mediation, no legal precedent can be established. Many discrimination cases, for example, are filed with the goal of not just resolving the matter for the named plaintiff, but also of setting a new legal precedent with larger social implications. These lawsuits are only considered "successful" if a high court (typically the US

<sup>&</sup>lt;sup>26</sup> https://blog.ipleaders.in/advantages-of-choosing-mediation-as-a-method-of-dispute-resolution-in-india/

Supreme Court) rules in their favour on the primary question. As a result, mediation is ineffective in such situations.

There is no formal discovery procedure in mediation. There is no method to compel
disclosure of information if one of the parties to a dispute cannot completely handle
the case without first getting information from the other. The party seeking disclosure
must instead rely on the good faith of the opposing party, which may or may not be
sufficient.

# CONTEMPORARY ISSUES IN USING MEDIATION TO RESOLVE CONSUMER DISPUTES

Outline of the provisions:

Chapter 5 Sec. 74 to 81 deals with using mediation in resolving consumer disputes

Sec. 74 – Establishment of Consumer Mediation Cell

Sec. 75 – Empanelment of mediators

Sec. 76 – Nomination of mediators from panel (Refer to Se. 75)

Sec. 77 – Duty of mediator to disclose certain facts

Sec. 78 – Replacement of Mediator

Sec.79 – Procedure for mediation

Sec. 80 – Settlement for mediation

Sec. 81 – Recording settlement and passing of an order

## • New India Assurance Company Limited V. Abhilash Jewelry

The complainant/respondent, who had purchased a jeweler's block policy, filed a claim for the loss of gold ornaments with the opposite party's insurer. The insurer denied the claim since the loss happened while the gold was in the possession of an apprentice who was not an employee (the policy required that the property insured must be "in the custody of the insured, his partner, or his employee" for indemnification of the loss). The National Commission upheld the case, ruling that an apprentice constituted an "employee" because section 2(6) of the Kerala Shops and Commercial Establishments Act (among other statutes) defined "employee" to include "apprentice." <sup>27</sup>

<sup>&</sup>lt;sup>27</sup> https://indiankanoon.org/doc/938531/

## Karnataka Power Transmission Corporation V. Ashok Iron Works Private Limited

The respondent's complaint was not maintainable, according to the appellant corporation, because I a company is not a 'person' under section 2(1)(m) of the Consumer Protection Act, 1986 (CPA); (ii) the complainant is not a 'consumer' under section 2(1)(d) of the said Act because it purchased electricity for commercial production; and (iii) disputes relating to the sale and supply of electricity were not covered under section 2(1)(o) The appellant's argument that a corporation was excluded from the definition of "person" was rejected by the Supreme Court. An enactment's environment, context, and object may provide enough information for interpretation.

The Court also referred to section 3(42) of the General Clauses Act, which defines a 'person' to include a company, etc., and went on to say that, of the four categories listed in section 2(1)(m) of the CPA, the third, a co-operative society, was corporate, indicating that the Legislature intended to include both corporate and non-corporate bodies. As a result, the term "person" was defined in a way that was both inclusive and exhaustive. 'Any individual' included in the definition of 'customer' in section 2(1)(d) would include a firm if understood in this way. In response to the appellant's third claim, the Court determined that the corporation's supply of energy to a consumer did not constitute a sale of goods within the meaning of section 2(1)(d) of the CPA. For this, the Court cited its decision in Southern Petrochemical Industries Co. Ltd. v. Electricity Inspector & ETIO & Others [(2007) 5 SCC 447], in which the Court held that "supply" of electricity did not mean "sale," and that a case of a supply of electricity was covered under section 2(1)(d)(ii) (i.e., hiring or availing of any service) because "service" under section 2(1)(o) meant "service of any description," As a result, a service deficiency would be covered under section 2(1)(g).<sup>28</sup>

## Malka Tarannum V. Dr.C.P.Gupta

The District Forum upheld the complainant's claim that there was negligence in the application of (the first) plaster cast on the complainant's daughter's fractured hand, necessitating the necessity for a second application. The complaint was dismissed by the State Commission, which also determined that

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<sup>&</sup>lt;sup>28</sup> https://indiankanoon.org/doc/171150858/

the plaintiff was not a consumer because he was not charged a cost for the therapy. The National Commission reversed the decision, holding that the second application of the plaster did not imply medical negligence on the first occasion because the use of a POP slab (also known as a temporary cast) was a standard procedure used in the first instance whenever there was swelling at the injury site.<sup>29</sup>

## • Narinder Kumar Suneja V. R.K.Goel

The respondent had executed the power of attorney/vakalatnama and given over some papers to the petitioner in connection with a prospective case to be filed, therefore the petitioner, who was a lawyer, claimed that he was entitled to keep the fee that he collected from the respondent. When the respondent met and sought professional guidance, he said he wasted significant time. The National Commission referred to the State Commission's order, which in turn referred to the District Forum's order holding that the opposing party (petitioner) was not entitled to retain the fee when he did not perform the duty for which the fee was intended and that a complaint made by the complainant to the Bar Council related only to misconduct on the part of its member (i.e., petitioner), whereas the Consumer Fora were required to determine whether proper servitude had been provided. The Commission based its decision on D.K. Gandhi v M. Mathias [III (2007) CPJ 337 (NC)], which held that lawyers' inadequacy in service was covered by the CPA.<sup>30</sup>

## • Rajasthan Financial Corporation V.M.K.Bhoot & Another

The petitioner held an auction for moveable and immovable properties, and the complainant/respondent took part in it. The complaint put down the required amount/earnest money while submitting his offer, which was subsequently accepted. The sum/earnest money was forfeited due to non-payment of 25% of the bid value. The case for a return of the earnest money was dismissed by the District Forum, but the State Commission upheld the

<sup>&</sup>lt;sup>29</sup> https://indiankanoon.org/doc/63718060/

<sup>&</sup>lt;sup>30</sup> https://www.lawyerservices.in/Narinder-Kumar-Suneja-Versus-RK-Goel-2009-05-14

appeal. The National Commission granted the petition, ruling that no consumer dispute could arise under the CPA as a result of a relationship between a seller and a buyer in an auction because there was no agreement to hire services for consideration. The Commission based its decision on a three-member bench decision in Panjim Planning and Development Authority v Mrs. Rashmi A. Sisat and Others [R.P. No. 258/1992 decided on 10.1.1994 (1986-95 Consumer Vol. 1 pp 8-9)] and a four-member bench decision in Tamil Nadu Housing Board v R. Sivasubramaniyan [1989 Consumer 3587 (NS)], both of which involved the sale/allot<sup>31</sup>

## STATE OF INDIAN MEDIATION IN COMPARISON TO THE WORLD

While judges in India have been quick to recognize the rising use of mediation as a useful tool for decreasing case backlogs and delays, Indian lawyers have been slow to embrace the practice. Indian lawyers, like American lawyers in the early 1980s, are conservative. They dislike change and are apprehensive about exposing their clients to the unknown hazards of an ADR process. In addition, Indian lawyers properly see mediation as having the potential to deprive them of cash by settling cases early and thus avoiding legal fees that would otherwise be obtained. During the last twenty (20) years, the same has been true for American lawyers as mediation has grown in popularity in the United States. To begin with, lawyers who accepted and used mediation early on became not only the best trained and qualified mediators (incorporating their mediator work into their law practices), but they also became the gatekeepers for mediation, selecting over 80% of the cases that are mediated and selecting the mediators for those cases. Lawyers who oppose the rising use of mediation in India will likely lose credibility with existing or new MNC clients now that major corporate clients have discovered it and are pushing for it. The apprehensions may swiftly vanish once it is clear that mediation is meant to supplement (not replace) the judicial process, that it is very adaptable to varied situations, and that competence in India is already expanding at a rapid pace.

## SUGGESTIONS TO IMPROVE CONSUMER DISPUTE REDRESSAL MECHANISM

When it comes to jurisdiction, all of the redressal forums have different authorities. Among them are the following: Examining, pressing, and calling the witness to testify under oath;

<sup>31</sup> https://indiankanoon.org/doc/33750137/

Receiving evidence on affidavit; discovering and producing any material evidence, Obtaining a report or test analysis from the authorities and laboratories concerned; appointing a panel to investigate the witness; Having any other rights granted by the federal or state governments enforced. When comparing the number of cases involving consumer protection in the past to the number of cases involving consumer protection today, it is apparent that the number of cases involving consumer protection has increased. It shows that individuals are now aware of their different consumer rights. The Act not only protects consumers' rights but also imposes some obligations on them. It has been argued that it is the consumer's responsibility to ask specific questions regarding the characteristics and features of the product that he or she desires to purchase. Certain harmful practices, such as black marketing and selling a good for more than the MRP, are prohibited by the Act. The doctrine of 'caveat venditor' (let the seller beware) has been replaced with 'caveat emptor' (let the buyer beware) so that the buyer is aware of the good's many aspects, merits, and demerits, as well as the protection of their own rights. Due to the rising number of pending cases and the implementation of alternative measures in the field of consumer protection, there is still an emerging demand for much other redressal machinery in this field. The Act could be changed to include some conflict resolution procedures, such as "Alternative Dispute Resolution," as a key duty of the consumer rights redressal organizations. Many firms throughout the world have no idea how to handle disagreements when things don't go as planned. Many times, the two parties become irritated because they have different goals and appear to be unable to speak the same language. These disagreements lead to the parties going to court, which usually does not fix the problem, but rather adds to it.

#### **CONCLUSION:**

Mediation is a safe, informal, and confidential way to resolve issues such as simple and complex contract disputes, payment disputes, miscommunication cases, product satisfaction, and safety issues, service satisfaction issues, employment disputes, insurance disputes, debt disputes, and disputes involving personal injury, civil rights, and small claim matters. Mediation strives to relieve the burden on Indian courts while also bringing the parties to a mutually beneficial agreement. Mediation does not always result in an agreeable outcome. Many cases do not end successfully, but mediation strives to achieve a win-win outcome for all parties. Mediation allows the parties to put their differences behind them and strive to

make peace in the future.<sup>32</sup> It assists the parties in making improvements in their daily lives because it is not legally binding. As a result, it is critical that the Indian courts foster mediation. This would enhance India's judicial system and ensure prompt justice. Mediation and other forms of alternative dispute resolution are urgently needed.

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