

Punjab Consumer Protection Act, 2005

2 of 2005

[25 January 2005]

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An Act to provide for protection and promotion of the rights and interests of the consumers. Preamble.- Whereas, it is expedient to provide for protection and promotion of the rights and interests of the consumers, speedy redress of consumer complaints and for matters connected therewith; It is hereby enacted as follows:-

PART 1 PRELIMINARY

1. Short Title, Extent And Commencement :-

- (1) This Act may be called the Punjab Consumer Protection Act 2005.
- (2) It shall extend to the whole of the Province of the Punjab.
- (3) It shall come into force at once.

2. Definitions :-

In this Act, unless there is anything repugnant in the subject or context,-

(a) "Act" means the Punjab Consumer Protection Act 2005;

(b) "Authority" means the District Coordination Officer of the district concerned [2][or any other officer as may be notified by the Government];

(c) "consumer" means a person or entity who-

(i) buys or obtains on lease any product for a consideration and includes any user of such product but does not include a person who obtains any product for resale or for any commercial purpose; or

(ii) hires any services for a consideration and includes any beneficiary of such services;

Explanation:- For the purpose of sub-clause (i), "commercial purpose" does not include use by a consumer of products bought and used by him only for the purpose of his livelihood as a self-employed person.

(d) "damage" means all damage caused by a product or service including damage to the product itself and economic loss arising from a deficiency in or loss of use of the product or service;

(e) "entity" means an organization that has a legal identity apart from its members;

(f) "Government" means the Government of the Punjab;

(g) "laboratory" means a laboratory established or recognized by the Provincial Consumer Protection Council and includes any such laboratory or organization established by or under any law for the time being in force, which is maintained, financed, aided or recognized by the Government for carrying out analysis or test of any goods with a view to determining whether such goods suffer from any defect;

(h) "manufacturer" includes a person or entity who-

(i) is in the business of manufacturing a product for purposes of trade or commerce;

(ii) labels a product as his own or who otherwise presents himself as the manufacturer of the product;

(iii) as a seller exercises control over the design, construction or quality of the product that causes damage;

(iv) assembles a product by incorporating into his product a component or part manufactured by another manufacturer; and

(v) is a seller of a product of a foreign manufacturer and assumes

or administers warranty obligations of the product, or is affiliated with the foreign manufacturer by way of partial or complete ownership or control; or modifies or prepares the product for sale or distribution;

(i) "manufacturing a product" means producing, fabricating, constructing, designing, remanufacturing, reconditioning or refurbishing a product;

(j) "product" has the same meaning as assigned to the word "goods" in the Sale of Goods Act, 1930, and includes products which have been subsequently incorporated into another product or an immovable but does not include animals or plants or natural fruits and other raw products, in their natural state, that are derived from animals or plants;

(k) "services" includes the provision of any kind of facilities or advice or assistance such as provision of medical, legal or engineering services but does not include-

(i) the rendering of any service under a contract of personal service;

(ii) the rendering of non-professional services like astrology or palmistry; or

(iii) a service, the essence of which is to deliver judgment by a court of law or arbitrator;

(l) "reasonably anticipated alteration or modification" means a change in a product that a product manufacturer should reasonably expect to be made by an ordinary person in the same or similar circumstances and a change arising from ordinary wear or tear, but does not include-

(i) changes to or in a product because the product does not receive reasonable care and maintenance; or

(ii) alteration, modification or removal of an otherwise adequate warning; or

(iii) the failure of the seller to provide an adequate warning to the consumer where the same had been provided by the manufacturer and he could do no more; and

(m) "reasonably anticipated use" means a use or handling of a product that the product manufacturer should reasonably expect of an ordinary person in the same or similar circumstances.

3. Act Not In Derogation Of Any Other Law :-

The provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in

force.

PART 2

LIABILITY ARISING FROM DEFECTIVE PRODUCTS

4. Liability For Defective Products :-

(1) The manufacturer of a product shall be liable to a consumer for damages proximately caused by a characteristic of the product that renders the product defective when such damage arose from a reasonably anticipated use of the product by a consumer.

(2) A product shall be defective only if-

(a) it is defective in construction or composition as provided in section 5;

(b) it is defective in design as provided in section 6;

(c) it is defective because an adequate warning has not been given as provided in section 7; and

(d) it is defective because it does not conform to an express warranty of the manufacturer as provided in section 8.

5. Defective In Construction Or Composition :-

A product shall be defective in construction or composition if, at the time the product was manufactured, a material deviation was made from the manufacturers own specifications, whether known to the consumer or not.

6. Defective In Design :-

(1) A product shall be defective in design if, at the time the product left its manufacturers control-

(a) there existed an alternative design for the product that was capable of preventing the damage to a consumer; and

(b) the likelihood and gravity of damage outweighed the burden on the manufacturer of adopting such alternative design and any adverse effect of such alternative design on the utility of the product.

(2) When the manufacturer has used reasonable care to provide adequate warning to the users or handlers of the product, it shall be considered in evaluating the likelihood of damage arising from the design of a product.

7. Defective Because Of Inadequate Warning :-

(1) A product shall be defective if an adequate warning about the

product that it possessed a characteristic that could cause damage, has not been provided at the time the product left its manufacturers control or the manufacturer has failed to use reasonable care to provide an adequate warning of such characteristic and its danger to users and handlers of the product:

Provided that a manufacturer shall not be required to provide an adequate warning about his product when-

(a) the ordinary user or handler of the product could know, with the ordinary knowledge common to the community, that the product has dangerous characteristics which could cause damage; or

(b) the user or handler of the product already knows or should be reasonably expected to know that the product has characteristics which were dangerous and could cause damage.

(2) A manufacturer of a product who, after the product has left his control, acquires knowledge about the dangerous characteristics of the product that could cause damage, or who would have acquired such knowledge had he acted as a reasonably prudent manufacturer, shall be liable for damage caused by his subsequent failure to use reasonable care to provide an adequate warning of such characteristic and its danger to users and handlers of the product.

8. Defective Because Of Non-Conformity To Express Warranty :-

A product shall be defective when it does not conform to an express warranty made at any time by the manufacturer about the product if the express warranty has induced the claimant to use the product and the claimants damage was proximately caused because the express warranty was untrue.

9. Proof Of Manufacturers Knowledge :-

(1) Notwithstanding anything contained in section 6, a manufacturer of a product shall not be liable for damage proximately caused by a characteristic of products design if the manufacturer proves that at the time the product left his control-

(a) he did not know and, in the light of the then existing and reasonably available scientific and technological knowledge, could not have known the design characteristic that caused the damage or the danger of such characteristic; or

(b) he did not know and, in the light of the then existing and

reasonably available scientific and technological knowledge, could not have known of the alternative design identified by the consumer under section 6 (1); or

(c) the alternative design identified by the consumer under section 6 (1) was not feasible in the light of the then existing and reasonably available scientific and technological knowledge or then existing economic practicality.

(2) Notwithstanding anything contained in section 7(1) or 7(2), a manufacturer of a product shall not be liable for damage if the manufacturer proves that, at the time the product left his control, he did not know and, in the light of the then existing and reasonably available scientific and technological knowledge, could not have known of the characteristic that caused the damage or the danger of such characteristic.

10. Restriction On Grant Of Damages :-

Where the consumer has not suffered any damage from the product except the loss of utility, the manufacturer shall not be liable for any damages except a return of the consideration or a part thereof and the costs.

11. Duty Of Disclosure :-

(1) Where the nature of the product is such that the disclosure of its component parts, ingredients, quality, or date of manufacture and expiry is material to the decision of the consumer to enter into a contract for sale, the manufacturer shall disclose the same.

(2) Notwithstanding anything contained in sub-section (1), the Government may, by general or special order, require such disclosure in any particular case.

12. Prohibition On Exclusions From Liability :-

The liability of a person by virtue of this part to a consumer who has suffered damage shall not be limited or excluded by the terms of any contract or by any notice.

PART 3

LIABILITY ARISING OUT OF DEFECTIVE AND FAULTY SERVICES

13. Liability For Faulty Or Defective Services :-

A provider of services shall be liable to a consumer for damages

proximately caused by the provision of services that have caused damage.

14. Standard Of Provision Of Services :-

(1). Where the standard of provision of a service is regulated by a special law, provincial or federal, the standard of services shall be deemed to be the standard laid down by such special law.

(2) Where the standard of a service has not been provided for in any law or by the professional or trade body concerned, the standard shall be that which at the time of the provision of the service, a consumer could reasonably expect to obtain at that time in Pakistan.

15. Restriction On Grant Of Damages :-

Where the consumer has not suffered any damages from the provision of service except lack of benefit, the service provider shall not be liable for any damages except a return of the consideration or a part thereof and the costs.

16. Duty Of Disclosure :-

(1) Where the nature of the service is such that the disclosure of the capabilities or qualifications of the provider of the service or the quality of the products that he intends to use for provision of the service is material to the decision of the consumer to enter into a contract for provision of services, the provider of services shall disclose the same.

(2) Notwithstanding anything contained in sub-section (1), the Government may, by general or special order, require such disclosure in any case.

17. Prohibition On Exclusions From Liability :-

The liability of a person by virtue of this Part to a person who has suffered damage shall not be limited or excluded by the terms of any contract or by any notice.

PART 4

OBLIGATIONS OF MANUFACTURERS

18. Prices To Be Exhibited At The Business Place :-

Unless a price catalogue is available for issue to customer, the

manufacturer or trader shall display prominently in his shop or display-centre a notice specifying the retail or wholesale price, as the case may be, of every goods available for sale in that shop or display-centre.

19. Receipt To Be Issued To The Purchaser :-

Every manufacturer or trader who sells any goods shall issue to the purchaser a receipt showing -

- (a) the date of sale;
- (b) description of goods sold;
- (c) the quantity and price of the goods; and
- (d) the name and address of the seller.

20. Return And Refund Policy :-

Return and refund policy of a seller shall be disclosed to the buyer clearly before the transaction is completed by means of a sign at the point of purchase.

PART 5

UNFAIR PRACTICES

21. False, Deceptive Or Misleading Representation :-

No person shall make a false, deceptive or misleading representation that-

- (a) the products are of a particular kind, standard, quality, grade, quantity, composition, style or model;
- (b) the products have particular history or particular previous use;
- (c) the services are of a particular kind, standard or quality;
- (d) the services are provided by a person having a requisite skill or qualification or experience;
- (e) the products were manufactured, produced, processed or reconditioned at a particular time;
- (f) the products or services have any sponsorship, approval, endorsement, performance, characteristics, accessories, uses or benefits;
- (g) the products are new or reconditioned or have been in use for a particular period of time only;
- (h) the seller or producer of products or provider of services has any sponsorship, approval, endorsement or affiliation;
- (i) the products or services are necessary for somebodys well being;

- (j) concerns the existence, exclusion or effect of any condition, guarantee, right or remedy; and
- (k) concerns the place of origin of products.

22. Prohibition On Bait Advertisement :-

- (1) No person shall, in trade, advertise or supply at a specified price products or services which that person-
 - (a) does not intend to offer for supply; or
 - (b) does not have reasonable grounds for believing that they can be supplied at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement.
- (2) Any person who has advertised products or services for supply at a specified price shall offer such products or services for supply at that price for a period that is, and in quantities that are reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement.

PART 6

THE POWERS OF THE AUTHORITY

23. Powers Of Authority :-

- (1) Any person may file a complaint for violation of the provisions of sections 11, 16, 18 and 19 before the Authority who, on being satisfied that such is the case, fine the violator that may extend to fifty thousand rupees and which may be recovered as arrears of land revenue.
- (2) The Authority may file a claim for declaring a product defective under sections 4, 5, 6, 7 or 8 or a service as faulty or defective under section 13 without proof of any damage actually suffered by a consumer but likely to be suffered keeping in view the general standard of that service.
- (3) The Authority may file a claim before the Consumer Court for declaring any act on the part of any person as being in contravention to Part IV of this Act without proof of any damage actually suffered but likely to be suffered due to the said contravention.
- (4) The Authority on receipt of a complaint or a reference from the Consumer Protection Council or on his own motion, may hold an inquiry as to defects in products or services or practices which contravene any of the provisions of this Act. No prior notice shall be required to be given to a manufacturer or provider of services for

the purposes of holding an inquiry.

(5) The Authority, while holding an inquiry, may direct the police or any other officer or authority of the Government to gather such evidence as it deems necessary or to perform function in accordance with law which have an impact on the inquiry.

(6) The Authority may delegate his powers under this Act through a notification to any officer of the Government with its prior approval.

(7) Any person aggrieved by the order passed under sub-section (1) may file an appeal before the Government within thirty days of such order.

23A. Powers Of Government :-

(1) The Government may, by general or special order and subject to such conditions as may be prescribed, exercise all or any of the powers conferred upon the Authority under this Act except the power of imposition of fine under section 23(1).

(2) The Government may, from time to time, issue directions to the Authority with regard to the performance of the functions of the Authority under this Act.

(3) The Government may, at any stage, modify or set aside any order or action of the Authority subject to such condition or conditions as it may deem fit.]

PART 7

CONSUMER PROTECTION COUNCIL

24. Consumer Protection Council :-

(1) The Government shall set up a Consumer Protection Council in the Province.

(2) The Government may set up Consumer Protection Councils in one or more districts which shall report to the Provincial Consumer Protection Council.

(3) The Consumer Protection Councils shall have such other functions as may be assigned to them by the Government by notification in the official Gazette.

(4) The Provincial Consumer Protection Council shall gather such information and data as may be necessary in order to remove unreasonably dangerous products and faulty and defective services from trade or commerce.

(5) Each Consumer Protection Council shall have an adequate representation of consumers and associations of trade, industry and services, as the case may be, duly registered under the law for the time being in force; provided that the representation of consumers on the Council, other than any ex-officio members, shall not be less than fifty per cent of its total membership.

25. Filing Of Claims :-

A claim for damages arising out of contravention of any provisions of this Act shall be filed before a Consumer Court set up under this Act.

26. Establishment Of Consumer Courts :-

(1) The Government shall, by notification, establish one or more separate Consumer Courts [4][for an area, comprising one or more districts] to exercise jurisdiction and powers under this Act.

(2) A Consumer Court shall consist of a District Judge [5][or an Additional District Judge] to be appointed by the Government in consultation with the Lahore High Court.

(3) The terms and conditions of service of [6][the District Judge or the Additional District Judge] appointed under sub-section (2) shall be such as may be prescribed.

27. Jurisdiction Of Consumer Courts :-

Subject to the provisions of this Act, the Consumer Court shall have jurisdiction to entertain complaints within the local limits of whose jurisdiction-

(a) the defendant or each of the defendants, where there are more than one, at the time of filing of the claim, actually and voluntarily resides or carries on business or personally works for gain; or

(b) any of the defendants where there are more than one, at the time of the filing of the claim, actually and voluntarily resides, or carries on business, or personally works for gain; provided that in such a case the permission is granted by the Consumer Court or the defendants who do not reside, or carry on business, or personally work for gain, as the case may be, acquiesce in such institution; or

(c) the cause of action wholly or in part arises.

28. Settlement Of Claims :-

(1) A consumer who has suffered damage, or Authority in other cases, shall, by written notice, call upon a manufacturer or provider of services that a product or service is defective or faulty, or the conduct of the manufacturer or service provider is in contravention of the provisions of this Act and he should remedy the defects or

give damages where the consumer has suffered damage, or cease to contravene the provisions of this Act.

(2) The manufacturer or service provider shall, within fifteen days of the receipt of the notice, reply thereto.

(3) No claim shall be entertained by a Consumer Court unless the consumer or the Authority has given notice under sub-section (1) and provides proof that the notice was duly delivered but the manufacturer or service provider has not responded thereto.

(4) A claim by the consumer or the Authority shall be filed within thirty days of the arising of the cause of action:

Provided that the Consumer Court, having jurisdiction to hear the claim, may allow a claim to be filed after thirty days within such time as it may allow if it is satisfied that there was sufficient cause for not filing the complaint within the specified period:

Provided further that such extension shall not be allowed beyond a period of sixty days from the expiry of the warranty or guarantee period specified by the manufacturer or service provider and if no period is specified one year from the date of purchase of the products or providing of services.

29. Settlement At Pretrial Stage :-

Any party to the dispute may, at the pretrial stage, make a firm written offer of settlement stating the amount offered for settlement and if the offer is accepted by the opposing party, the Consumer Court shall pass an order in terms of the settlement:

Provided that notwithstanding anything contained in any other law for the time being in force, the party refusing the offer of settlement shall pay actual costs of litigation, including lawyers fees, in case the final order of the Consumer Court is passed against that party:

Provided further that the courts approval regarding settlement shall be required in the following matters-

- (i) claims of a minor;
- (ii) claims of a legally incapacitated person; and
- (iii) claims involving collective rights.

30. Procedure On Receipt Of Complaint :-

(1) The Consumer Court shall, on receipt of a claim if it relates to any products,-

(a) forward a copy of the claim to the defendant mentioned in the claim directing him to file his written statement within a period of

fifteen days or such extended period not exceeding fifteen days;

(b) where the defendant, on receipt of claim referred to him under clause (a), denies or disputes the allegations contained in the claim, or omits or fails to present his case within the time specified, as the case may be, the Consumer Court shall proceed to settle the consumer dispute in the manner specified hereafter;

(c) where the claim alleges that products are defective and do not conform to the accepted industry standards, the Consumer Court may decide the dispute on the basis of the evidence relating to the accepted industry standards and by inviting expert evidence in this regard;

(d) where the dispute cannot be determined without proper analysis or test of products, the Consumer Court shall obtain sample of the products from the complainant, seal it and authenticate it in the manner prescribed and refer the sample to a laboratory along with a direction to make analysis or test, whichever may be necessary, with a view to finding out if such products suffer from any defect and to report its findings to the Consumer Court within a period of thirty days of the receipt of the reference or within such period as may be extended, not exceeding fifteen days by the Consumer Court; and

(e) the Consumer Court may require the claimant to deposit to the credit of the Consumer Court such fees as may be specified, for payment to the laboratory for carrying out the necessary analysis or test and the fee so deposited by the claimant shall be payable by the defendant if the test or analysis support the version of the claimant.

(2) The Consumer Court shall, if the claim relates to any services,-

(a) forward a copy of such claim to the defendant directing him to file his written statement within a period of fifteen days or such extended period not exceeding fifteen days as may be granted by the Consumer Court; and

(b) on receipt of the written statement of the defendant, if any, under clause (a), proceed to settle the dispute on the basis of evidence produced by both the parties:

Provided that if the defendant does not deny or dispute the allegations made in the complaint or fails to present his case within the specified period, the dispute shall be settled on the basis of the evidence brought by the claimant.

(3) For the purposes of this section, the Consumer Court shall have the same powers as are vested in civil court under the Code of Civil Procedure, 1908 (Act XX of 1908), while trying a suit, in respect of

the following matters, namely:-

- (a) the summoning and enforcing attendance of any defendant or witness and examining him on oath;
- (b) the discovery and production of any document or other material object which may be produced as evidence;
- (c) the receiving of evidence on affidavits;
- (d) issuing of any commission for the examination of any witness; and
- (e) any other matter which may be prescribed.

(4) Every proceeding before the Consumer Court shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Pakistan Penal Code 1860 (Act XLV of 1860), and section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (Act V of 1898):

Provided that the personal presence of the claimant before the Consumer Court shall not be required till the defendant has put up appearance before it.

(5) The Consumer Court shall decide the claim within six months after the service of summons on the respondent.

31. Order Of Consumer Court :-

If, after the proceedings conducted under this Act, the Consumer Court is satisfied that the products complained against suffer from any of the defects specified in the claim or that any or all of the allegations contained in the claim about the services provided are true, it shall issue an order to the defendant directing him to take one or more of the following actions, namely:-

- (a) to remove defect from the products in question;
- (b) to replace the products with new products of similar description which shall be free from any defect;
- (c) to return to the claimant the price or, as the case may be, the charges paid by the claimant;
- (d) to do such other things as may be necessary for adequate and proper compliance with the requirements of this Act;
- (e) to pay reasonable compensation to the consumer for any loss suffered by him due to the negligence of the defendant;
- (f) to award damages where appropriate;
- (g) to award actual costs including lawyers fees incurred on the legal proceedings;
- (h) to recall the product from trade or commerce;
- (i) to confiscate or destroy the defective product;

(j) to remedy the defect in such period as may be deemed fit; or
(k) to cease to provide the defective or faulty service until it achieves the required standard.

32. Penalties :-

(1) Where a manufacturer fails to perform or in any way infringes the liabilities provided in sections 4 to 8, 11, 13, 14, 16, 18 to 22, he shall be punished with imprisonment which may extend to two years or with fine which may extend to hundred thousand rupees or with both in addition to damages or compensation as may be determined by the court.

(2) Where a defendant or the claimant fails or omits to comply with any order made by the Consumer Court, such defendant or the claimant shall be punishable with imprisonment for a term not less than one month which may extend to three years, or with fine not less than five thousand rupees which may extend to twenty thousand rupees or with both.

33. Appeal :-

Any person aggrieved by any final order of the Consumer Court may file an appeal in the Lahore High Court within 30 days of such order.

34. Finality Of Order :-

Every order of the Consumer Court, if no appeal has been preferred against such order under the provisions of this Act, shall become final.

35. Dismissal Of Frivolous Or Vexatious Claims :-

Where a claim is found to be frivolous or vexatious, the Consumer Court shall dismiss the claim and impose fine on the claimant up to an amount not exceeding ten thousand rupees for having willfully instituted a false claim and shall award appropriate compensation to the defendant from the amount of fine so realized.

PART 9

MISCELLANEOUS

36. Aid To The Consumer Court :-

All agencies of the Government shall act in aid of the Consumer

Court in the performance of its functions under this Act.

37. Immunity :-

No suit, prosecution or other legal proceedings shall lie against any functionary under this Act, acting under the direction of the Consumer Council or the Government for anything which is in good faith done or intended to be done under this Act.

38. Power To Make Rules :-

The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

39. Power To Remove Difficulties :-

If any difficulty arises in giving effect to any of the provisions of this Act, the Government may make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for removing such difficulty.