

Consumer Complaints & Redressal and Market Monitoring Report: 2021-22



Office of Consumer Protection
Ministry of Economic Affairs
July, 2022

Consumer Complaints & Redressal and Market Monitoring Report: 2021-22

1. Background:

Fair and timely redressal of consumer grievances and protection of consumers from unfair trade practices are important tasks outlined in the Consumer Protection Act of Bhutan (CPA), 2012. To seek redressal, affected consumer can approach the Gup at the Gewog, Consumer Advocates at Regional Office of Economic Affairs (ROEA) – located at Thimphu, Phuentsholing, Gelephu, Samdrupjongkhar, Monggar and Trongsa - or may directly contact the Office of Consumer Protection (OCP) at Thimphu.

Apart from that, regular market surveillance is carried out by the OCP in collaboration with the relevant ROEAs to ensure fair trade practices at all times.

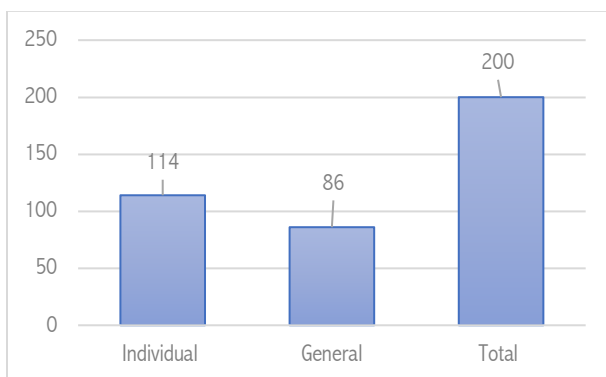
During the Fiscal Year 2021-22, a total of 200 consumer complaints were lodged and a total of 1,902 business entities up and down the country was checked. Business entities found violating fair trading rules were asked to either rectify or were fined.

2. Types of complaints:

Complaints are categorized into two types – (i) general, and (ii) individual. General complaints are those that affect the consumers in general because of a prevailing unfair or unethical trade practice by a business entity; while individual complaints are those unfair trade practices or violations which is brought by an individual or a group seeking financial compensation or other remedies.

During this FY, from a total of 200 complaints, 86 were general and 114 were individual complaints (Fig. 1).

Fig. 1: Number of complaints received – by type



3. Nature of complaints

Complaints are generally classified under these broad rubric - (i) supply/ sale of substandard or faulty products, (ii) delay in delivery of goods and services, (iii) price manipulation, and (iv) use of incorrect weights & measures. Supply of defective goods and delay in the delivery of goods or services are the most common complaints (Tab. 1).

Tab. 1: Number of complaints received by nature

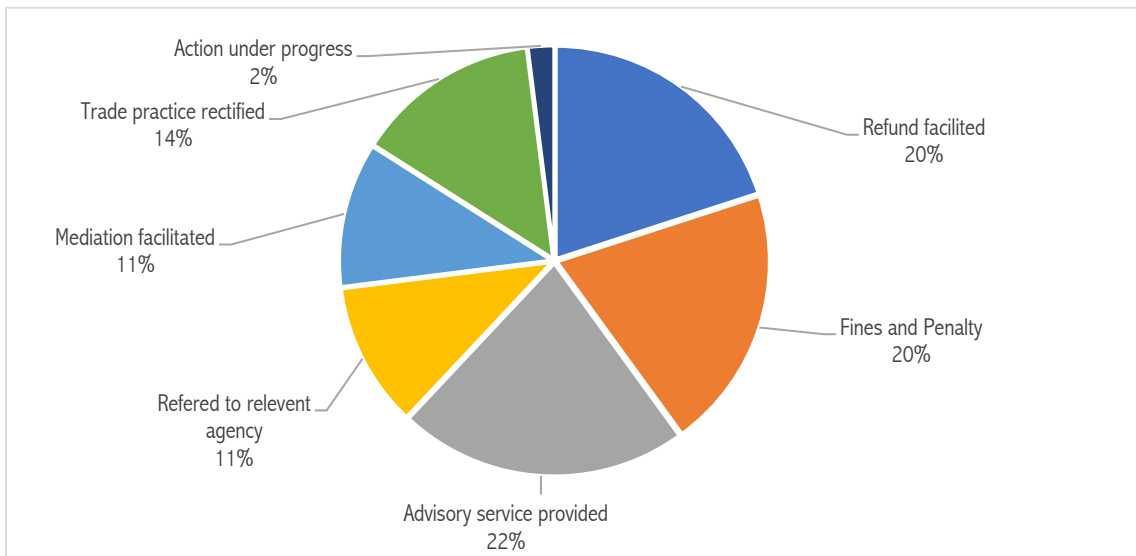
Nature of complaints	Number of complaints received
Price manipulation	8
Delay in delivery of goods or services	24
Use of inaccurate weights or measures	8
Defective products	38
Illegal business	5
Miscellaneous	117

4. Redressal and Remedial Measures:

Following investigation of complaints, various courses of actions are taken by the OCP in line with the CPAB, 2012. Depending on the violation, businesses can be asked to correct their practice within a given time frame and some punitive actions such as levy of fines may be taken (Fig. 2).

In total, a total of Nu. 243,209.80 were imposed as fines from 40 business entities; while a total of Nu. 1,957,176.00 was refunded to wronged consumers from as many as 39 business entities.

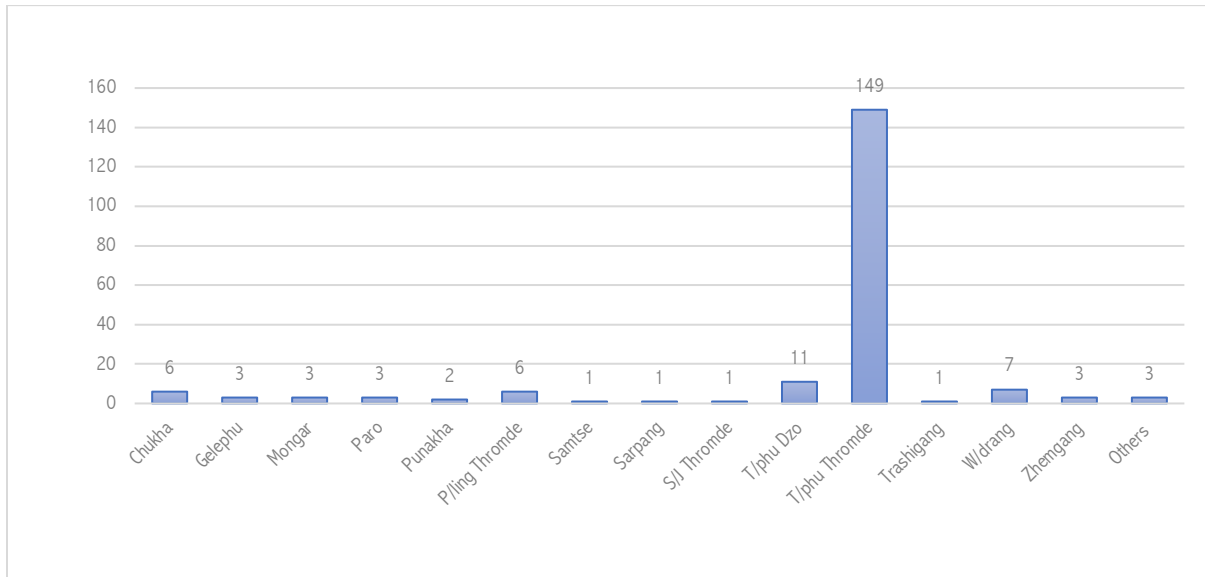
Fig 2: Percentage of redressal and remedial actions taken



5. Complaints by location:

As expected, the highest number of complaints was received from consumers residing in Thimphu Thromde (147 complaints), while there were no major complaints from Bumthang, Dagana, Gasa, Haa, Lhuentse, Pema Gatshel, Trongsa and Tsirang Dzongkhags (Fig. 3).

Fig 3: Complaints received by location (Dzongkhag/ Thromde)

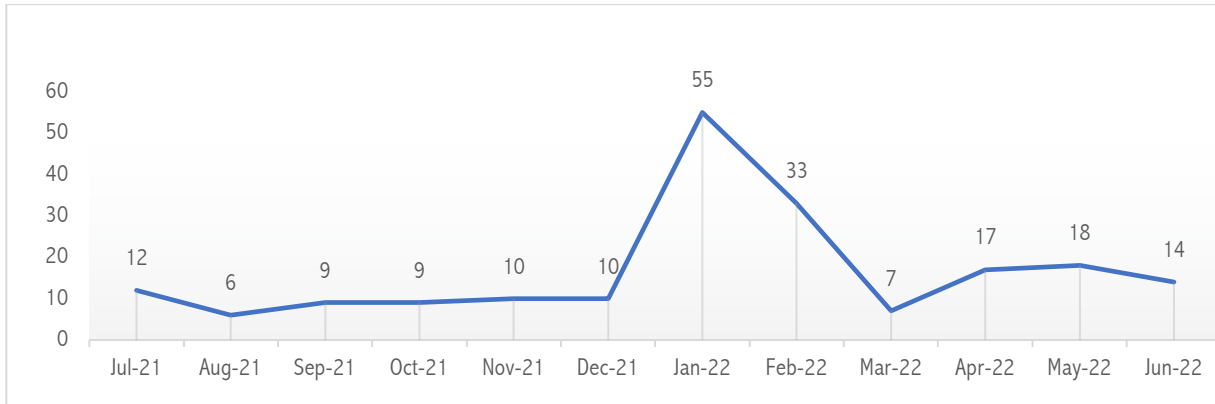


6. Month-wise complaints received:

The highest number of complaints received were during January and February, 2022; which coincided with the pandemic lockdown period; when free trading and marketing was severely disrupted and movement of consumers were also curtailed (Fig. 4). Most of the complaints during that period concerned businesses charging beyond the maximum allowable selling prices of fruits and vegetables fixed by the Ministry of Agriculture & Forests (MOAF) and LPG delivery agents selling LPG cylinders beyond the maximum allowable selling prices fixed by Department of Trade (DOT).

Generally, the number of complaints has increased during the course of the year. The average complains during the pre-lockdown period (July, 2021 to December, 2021) was 9.3 per month, while the average during the post-lockdown phase (March, 2022 to June, 2022) was 14.

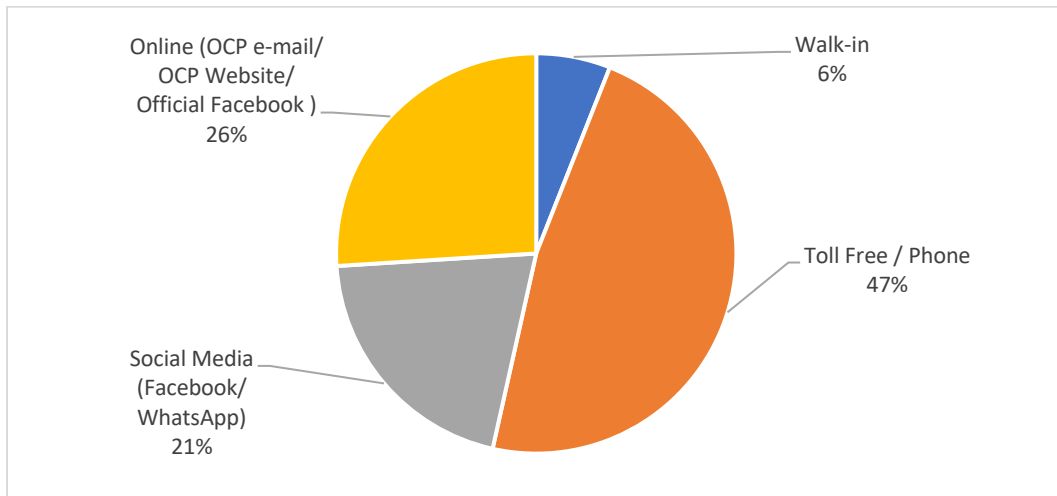
Fig. 4: Complaint received by month



7. Medium of complaint:

The OCP has made it easier for consumers to lodge complaints by increasing the number of channels through which to lodge a complaint. Of the options available, 47 % used the Toll-Free number followed by the on-line complaint management system on the OCP website (27 %) (Fig. 5).

Fig. 5: Medium through complaints received



8. Market Monitoring & Inspection

Instead of just acting on complaints made by consumers, the OCP is actively engaged in proactive market surveillance and monitoring of businesses to see that they practice ethical trade and comply to the minimum market standards. Though, the rate of coverage of surveillance is directly dependent on the available resources - human resource and budget. Nonetheless, instead of arbitrary surveillance, to enhance efficiency, the OCP focusses on business sectors

which consumers most commonly interact with and/ or may be more prone to unethical practices. The OCP has also been able to moderately leverage on the existence of the regional offices.

A total of 1,902 business entities covered included grocery shops, meat shops, Fruit and Vegetable shops, automobiles workshops, Petroleum Retail Outlets, Agricultural Sales and Service Representative (ASSR) and Wood-Based Industry (WBI) (Tab. 2). The surveillance focused on their compliance to the regulatory requirements such as labeling, issuance of receipts, display of price information, correct use of weights and measures. Other parameters such as integrity of packages, product expiration dates and adulteration are also checked. For those businesses such as ASSR which deals in products for which selling prices are fixed by a Competent Authority of the government, price compliance is also checked.

Table 2: Types and numbers of business entities monitored

Dzongkhag	ASSR	WBI	Other Business Entities ***	F&V Vendor	POL Retail Outlet	Roadside Vendor
Bumthang	4	9	11	12	0	0
Chukha	1	0	290	34	2	7
Dagana	2	1	46	0	1	0
Monggar	0	1	12	0	1	0
S/Jongkhar	0	1	50	18	4	0
Samtse	1	2	24	32	0	0
Sarpang	0	0	222	12	0	0
Tsirang	2	1	27	9	1	0
Trongsa	0	0	13	0	0	0
Thimphu	0	7	636	50	3	17
Gasa	0	0	41	0	0	0
Punakha	4	0	38	0	0	0
Wangdue	0	5	51	0	0	0
Pemagatshel	0	0	180	0	0	0
Lhuentse	0	0	17	0	0	0
Total	14	27	1,658	167	12	24

*** Other Business Entities includes other licensed entities (retailers, wholesalers, automobile workshops, restaurants, etc.)

9. Conclusion

While the range and complexity of products and services available in the market are bound to increase in the future, making consumer protection task more daunting, an already increasing challenge is monitoring of growing e-commerce businesses that operate on free social media platform such as Facebook and Instagram. Pyramid schemes capitalizing on the growing internet connectivity and usage is becoming all too common, putting many innocent consumers at risk of fraud. Even during the FY, three pyramid schemes namely Crowd-1, On-Passive and Kangen Water Schemes were investigated and closed down.

While the OCP needs to be more prepared, consumers too need to be more diligent of such promotions and schemes available on social media and report to the OCP at first sign of such fraudulent businesses.