

Bureau Of Consumer Protection

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Foundations of Consumer Protection and Market Responsibilities

Consumer protection acts are pieces of legislation passed by a country or a nation in order to protect consumers from exploitation by retailers or suppliers. It protects the rights of consumers by ensuring that they are treated well in the markets. Within the outreach of the consumer and commercial law, there are roles distinctly indicated by the groups and individual activists within the marketplace scope whose main aim is to ensure consumers are protected.

These consumer protection acts ensure that the involved parties' rights are legislatively protected and ethical and legal practices are employed in the course of business activity (Howells & Weatherill, 2017). Consumers are the entities or rather individuals who always willingly participate in the commercial marketplace, involving themselves in financial transactions and purchases regarding the goods and services available in the market. Generally, on international grounds, the Consumer Protection Acts always serve as a kind of regulatory measure protecting the rights of consumers.

Suppliers, on the other hand, are the entities or rather individuals in the commercial marketplace whose sole duty is to provide or present goods and services in the presence of consumers for purchase. Even though there are rules and legislation defining the acceptable practices to which suppliers are entitled, there are cases where they still go contrary to these rules and begin consumer exploitation (Howells & Weatherill, 2017). Some of the legislations regarding supplies include fair pricing of goods and services, fair pricing in the market, the illegality of monopolization practices in commerce, and lastly, abstinence from fraudulent or misleading advertisements concerning a given product or service that is product description is always typical.

Federal Consumer Protection Institutions and Legal Authority

In the United States, some of the bodies that are entitled to consumer protection include the Federal Trade Commission and the Consumer Financial Protection Bureau. Both are government branches dealing with consumer protection cases. They administer and regulate commercial affairs in relation to consumer fortification. Federal Trade Commission has been in place for quite a long time and has been responsible for administering rights related to Consumer Protection Acts. The Acts included the Magnuson-Moss Warranty Act (Koopman et al. 2014). The mentioned act clearly delineates the

expectations, legal responsibilities and requirements of the suppliers in the marketplace.

Both the Federal Trade Commission and Consumer Financial Protection Bureau's work is to stop unfair pricing of goods and services and misleading and even fraudulent practices in business. They ensure all this is done by collecting complaints from consumers, conducting investigations on the matters and taking the necessary legal actions against the companies or organizations under scrutiny. To ensure consumers are well conversant with their rights so that they are able to report any misconduct, these occasionally conduct consumer campaign awareness, and through this platform, they are able to make the consumers aware of their legal rights in the marketplace. Once consumers are aware of their rights and responsibilities, they can identify any form of misappropriation by retailers or suppliers and report such cases.

Under the jurisdiction of the law protecting the consumers, well-stated steps have been laid down by these two bodies for proper investigation and suing of individuals or companies breaking the laws. Consumer protection is a collection of laws and groupings designed to ensure that consumer rights, a fair trade environment, competition and, lastly, accurate information concerning goods are offered in the marketplace. These laws culminate not only consumer exploitation but also companies and organizations using unfair methods in competition in the market (Koopman et al. 2014). Companies are supposed to compete on fair ground; hence, through such healthy competition, even the consumers will end up getting quality goods and services.

Complaint Investigation and Evidence Collection

Once a consumer has reported any form of misconduct to either of the two companies, they collect any tangible evidence from the consumer, which will include gathering documents to support the complaint. These documents may include warranties, sale receipt, signed contracts and a times even the work orders from the purchase. In the documents supporting the misconduct, one can also print out the emails and even the activity logs of the contacts he or she might have made with the seller just before cutting a deal. Once that is done, either of these two companies are entitled to the case. It is their responsibility to find the legal grounds upon which the customer or consumer will advocate for justice (Newton, 2015). The Federal Trade Commission and Consumer Financial Protection Bureau have state-given attorneys whose work is to file these kinds of petitions in court and ensure that appropriate action is taken towards these individuals or companies breaking the law.

A typical example of consumer misconduct by companies that may bring to attention the concern of the two bodies is a situation where a consumer falls victim to defraud by buying a good or service that clearly does not measure the amount of money paid for the same. This is the most common kind of consumer misconduct practised by many companies. Giving wrong information in the description of their goods and services even though, in a real sense, these products do not add up to the anticipated pricing put forward by the same company. These may cause the consumer to suffer losses in addition to other incidental expenses. From the perspective of consumer protection agencies, such a large

amount of money lost by the consumer is just a fraction of what it takes them to end that kind of misconduct.

Enforcement Cases, Penalties, and Anti-Competitive Conduct

Some of the cases handled by these two bodies include the case of the Aluminum Company of the United States in 1945. This company was accused by the Federal Trade Commission of putting up mergers to dominate the industry by overriding the competitors. The FTC managed to handle the case, and the Supreme Court ruled in favour of the FTC. They managed to block the mergers. The other case handled by the FTC was the antitrust case of a cell phone company called giant AT&T, which was later in the year 1984. In this case, the Supreme Court made a judgement, breaking the company down into seven different regional operating units called Baby Bells (Newton, 2015).

It went further ahead and restricted AT&T from services over long distances. The other case taken down by these two bodies was the giant case against Microsoft Corporation in 1999. Being the World's leading software manufacturer, the case was a landmark in the history of consumer protection bodies and activists. FTC and the sister organization filed a court case preventing the company from including Web browsers in the operating system of a computer since there was going to be a pure monopoly in the computing arena. The filed petition succeeded, and a breakup of Windows and the web browser companies was initiated. However, an appellate court disapproved the ruling later in the year 2001. The number of cases handled by these two organizations, including the case of Jones v. Wells Fargo Bank, 317. There are so many cases, and these organizations have been able to deal with them correctly and fairly.

Penalties for such cases vary on most occasions, and they range from fines to even worse than that. Appropriation of receivers and monitors is also a penalty that can be given to corporations found guilty. The result can be even as bad as freezing the corporation's assets and financiers if found necessary by the law. However, the court takes into consideration a number of determinants before imposing penalties on the organizations found guilty.

The calculation of the fines to be imposed on companies always depends on the penalty unit, as stated by the Crimes Act of 1914 (Koo, 2015). Anti-competitive practices like Carte conduct and misuse of market power are also punishable by law, as stated by the FTC and CFP. The law prohibits cartels under civil law, which is a criminal offence. Any company or individual found guilty of the offence is liable to civil penalties, and in the case of a corporation, fines or pecuniary fines can be applied. A secondary boycott is also a form of penalty that an organization can suffer in case they are found guilty of an offence (Koo, 2015). Under this form of punishment, the public can be warned against buying goods from a given company, and through this, the company will incur losses, which will change its approach to the market in a more ethical and legal manner, as stated by the law.

Conclusion

In summary, the Federal Trade Commission and Consumer Financial Protection Bureau have played a major role in ensuring consumers in the United States are treated well, and the goods offered to them are to the standards required. The government has been very sensitive in the protection of their citizens against malpractices by the business organizations and individuals, sometimes called the cartels, who want to gain by imposing pain on citizens unknowingly. Several cases have been put forward by these two organizations, and through proper justice, they have been able to curb the misconduct in our country.

References

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