

Your rights in Rasrang: Banquet halls cannot arbitrarily confiscate the entire booking amount

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The wedding season is here and banquet halls have already been booked in advance for wedding ceremonies in many places. The relationship between consumers and banquet halls is governed by the Consumer Protection Act, 2019. While it is expected that everything will go well at wedding ceremonies, sometimes there may be some glitches, such as booking cancellation, poor services or unhygienic food. Let us understand what rights consumers have under the Consumer Law. **If a customer cancels the booking, the banquet hall owner cannot arbitrarily forfeit the entire booking amount.** For this, the case of Prem Singh vs. Resort Rio can be seen. The Goa State Commission categorically held that advance payments cannot be forfeited unless there is a clear agreement in this regard. The terms of forfeiture must be clearly communicated at the time of booking and it is also mandatory for both parties to agree on them. In case a booking is cancelled due to an emergency medical condition, consumer forums have in many cases directed to refund the interest on the booking amount for the hall. **Proportionate Refund Structure:** Consumer Fora has developed a balanced approach to refunds. In the case of Ram Mangal Sanskriti Bhawan v. Anand Koli (2024), the National Commission laid down important principles. For services such as decoration that are performed closer to the date of the event, halls can keep up to 25 per cent of that specific component. However, in case the booking of that hall is cancelled and another booking of the hall on that particular date is not possible, the hall operator can keep a higher share of the booking amount. The principle is only to compensate for the actual loss. Under Section 2(11) of the **Consumer Protection Act, 2019**, any deficiency in the quality of service can be challenged. In the case of Tarun Ray vs Peerless Inn (2017), when guests fell ill after eating contaminated food at a wedding reception, the National Consumer Commission ordered compensation to be paid. Significantly, the commission clarified that all guests need not fall sick to prove that the food in banquet halls was contaminated. If some guests also fall ill it becomes a case of deficiency in service. Section 2(9) of **the Act gives** consumers the right to be informed of all terms and conditions. Banquet halls should provide written documentation about all booking conditions, especially cancellation and refund policies. The terms

printed on receipts may not be binding unless they have been specifically agreed in writing. **Unforeseen circumstances** The Covid-19 pandemic brought attention to unforeseen circumstances in banquet bookings. If any kind of government restrictions prevent an event, banquet halls should offer alternative dates or refunds.

Relief to consumers: Consumers can approach consumer commissions for quick redressal. The complaint must be filed within two years from the date on which the cause of action arises. Generally, the Commissions have given a variety of reliefs in various cases. These include the refund of the booking amount along with interest. Interest is usually charged at the rate of 9 per cent per annum between the actual payment and the cancellation date. Mental agony compensation has also been provided in cases of willful deficiency in service. In Prem Singh's case, the compensation amount was Rs 25,000, while in cases where the hall acted arbitrarily, compensation was given up to Rs 50,000. Successful complainants are also given litigation costs. However, keeping proper documents, including booking receipts, written communication with the hall operator and proof of any deficiency in service, such as photographs, videos or medical records of a case of food poisoning, succeeds in strengthening the case.

(The writer is also Secretary, CASC))

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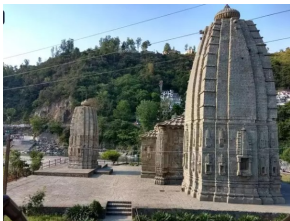


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