Pension delayed? File a consumer complaint

CONSUMER PROTECTION

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Qazi Muhammad Ateeq was an employee of the Union Bank of India. He was compulsorily retired on May 16, 2011, but his pension benefit was inordinately delayed. Finally, an amount of ₹15,40,000 was paid on September 10, 2014.

Ateeq filed a consumer complaint before the Gorakhpur District Forum in which he claimed interest from May 2011 to September 2014 due to the delay in making the payment. The bank contested the complaint on the ground that disputes regarding pension, gratuity, etc. cannot be filed before a consumer forum as there is no consideration paid by an employee for availing such benefits.

The National Commission observed the dispute was for pension benefit for which consideration in the form of contribution had been paid, so the complaint was maintainable

The District Forum upheld the bank's contention and dismissed the complaint through its order dated May 6, 2022. Ateeq challenged this order in an appeal filed before the Uttar Pradesh State Commission. The appeal was dismissed by an order dated February 26, 2022.

Ateeq then approached the National Commission, questioning the correctness of the decisions against him. The bank relied on the judgement of the Supreme Court in *Jagmittar Sain Bhagat & Ors. v Director, Health Services, Haryana & Ors., (2013)*, where it had been held that government servants did not fall within the definition of a consumer, and disputes relating to retirement benefits as well as service matters were not covered under the Consumer Protection Act. It argued that the judgement dismissing the complaint was correct as a complaint for pensionary benefits was an employer-employee dispute for which no consideration had been paid.

Ateeq relied on the judgement of the Supreme Court in *Regional Provident Fund Commissioner v Shiv Kumar Joshi, 2000*, where it had been held that an employee becomes a member of the Employee's Pension Scheme by making a contribution, which would make him acquire the status of a "consumer", and so he would be entitled to file a complaint under the Consumer Protection Act.

It was also noted that in another matter, in the case of *State Bank of Mysore v S.K. Vidya & Anr.*, decided on August 27, 2012, the National Commission had observed that the features of the pension scheme clearly indicate that there is an element of contribution payable by the employee, which would be construed as the requisite consideration for falling within the definition of a consumer. Hence any action of the administering authority, whether it is a separately designated authority or the employer itself, can be challenged by filing a consumer complaint for deficiency in service or unfair trade practice.

Hence, the National Commission observed that the dispute did not relate to any retirement benefit but was for a pensionary benefit for which consideration in the form of contribution had been paid. So, it concluded that even though the complaint was maintainable, it had been wrongly dismissed.

On merits, the National Commission observed that Ateeq had been compulsorily retired on May 16, 2011, but the pensionary benefit was paid much later on September 10, 2014. This delay was held to be a deficiency in service.

Accordingly, by its order of September 27, 2024, delivered by Binoy Kumar, the National Commission set aside the orders of the District Forum as well as the State Commission and allowed the complaint. It ordered the bank to pay interest at the rate of 9 per cent per annum for the period of delay. It granted eight weeks' time for compliance, after which the interest rate would stand hiked to 12 per cent for the entire period of delay from May 16, 2011, to September 10, 2014.

The writer is a consumer activist

Use prepaid forex card abroad to avoid currency fluctuations

Pay in local currency instead of Indian rupees to circumvent dynamic currency conversion

HIMALI PATEL

Recently, during a trip to Europe, Amit Arora (name changed on request), a businessman from Gurugram, made a small yet costly mistake. He chose to pay for goods in rupees instead of euros, even though both options were available. This seemingly minor decision increased his final bill by nearly 7 per cent. This is one among several errors Indian travellers commit when handling payments abroad.

Use prepaid forex card

One smart option is a multi-currency prepaid travel card loaded with the local currency. "These cards allow payments at points of sale, facilitate online purchases, and enable cash withdrawals from ATMs," says TC Guruprasad, managing director, EbixCash World Money. He adds that these cards also offer the security of PIN protection for each transaction.

A forex card is loaded with a specific currency at a predetermined exchange rate. "This helps avoid the risk of exchange-rate fluctuations," says Swapnil Bhaskar, chief strategy officer, Niyo.

A prepaid travel card can be a useful tool for budgeting. "It helps you stay within your budget while travelling," says Vishal Dhawan, founder and chief executive officer (CEO), Plan Ahead Wealth Advisors.

However, there are a few drawbacks. According to Bhaskar, a forex card may lack additional benefits like airport lounge access, or rewards and discounts on travel-related bookings.

Dhawan advises travellers to fully understand how to reload the card in case the balance runs out during the trip. He also suggests carrying two cards as a precaution, in case one is lost or damaged.

Credit and debit cards: Largely avoid using

Using credit or debit cards abroad can prove costly. "Most travellers use bank-issued credit or debit cards to pay at their destination. But these can come with high fees, such as foreign transaction fees on every payment or ATM withdrawal. Additionally, they charge a margin on the exchange rate, which is a hidden cost," says Shrawan Saraogi, APAC head of expansion, Wise.

International debit cards typically charge a forex markup of 3-5 per cent. "You can avoid this by using a zero-forex-markup international debit card," says Bhaskar. Debit cards use funds from the customer's savings account, which eliminates the need to reload the card.

Credit cards generally come with a similar 3-5 per cent markup. If you must use one abroad, again opt for a zero-forex-markup credit card. "Credit cards can offer valuable rewards and discounts on travel expenses such as flights and hotel bookings," says Bhaskar.

In emergencies, an international credit card can be a saviour. "In such situations, accessing funds quickly is more important than the costs involved," says Dhawan. He recommends ensuring before departure that your international card is active. Also, set a reasonable usage limit using your bank's net banking portal.

One important detail to note: there is no tax collected at source (TCS) on credit cards. However, on debit cards and forex cards, TCS of 20 per cent applies on spending above ₹7 lakh.

HOW TO CHOOSE A PREPAID FOREX CARD

- Understand fully all the expenses involved
- Choose a specialised multi-currency provider with expertise in international transactions
- Consider how quickly you can reload, block, and unblock the card
- Check if the card provider offers refunds on unspent currency and whether any refund charges apply
- Look for exclusive benefits such as access to international lounges, Uber vouchers, or protection against loss

How to use an ATM abroad

When withdrawing money abroad, try to use ATMs that offer free withdrawals. "Some ATMs charge an additional fee, which can be expensive," says Bhaskar.

Saraogi advises withdrawing cash at a local ATM, rather than at the airport. He also recommends checking the fees involved for your specific card, as different travel cards have varying pricing structures for cash withdrawals. Bhaskar warns against using credit cards for cash withdrawals, as this is a costly option. "A debit or forex card is better for this purpose," he says.

Carry some cash

Carrying some cash is essential for small payments, such as to local merchants or taxi drivers. "Carry the equivalent of $300-400, or approximately 10-15 per cent of your total budget, in cash," says Guruprasad.

Dhawan suggests carrying a small cash buffer as a large one can lead to overspending. He recommends carrying the local currency in smaller denominations for situations where electronic payments may not be accepted. He also advises distributing the currency among family members, so that all the cash is not lost in the event of pickpocketing.

A few dos and don'ts

Before travelling, carefully review the schedule of charges for the cards you plan to carry, and avoid those with high markups. Keep your cards in an NFC (near field communication)-protected cover to enhance security. Avoid exchanging money at airports as the rates there tend to be unfavourable.

Travellers also need to be aware of the concept of dynamic currency conversion (DCC). Abroad whenever you are offered the option to pay in Indian rupees, avoid it, even if it seems more convenient. Always choose the local currency. "When merchants offer to charge you in your home currency instead of the local one, it gives them control over the exchange rate. This limits your visibility and control over what you are being charged," says Saraogi. Lastly, don't believe you must spend all the money loaded on your forex card. "You can return any unused funds to your bank account once you are back home," says Dhawan.

The writer is a Mumbai-based independent journalist