

POLICY ADVISORY No. 23-01
Series of 2023

RE: FIVE (5) CONSUMER RESPONSIBILITIES

This Policy Advisory is issued by the Consumer Protection Group (CPG) of the Department of Trade and Industry (DTI) for the reference and guidance of all relevant parties concerned:

Gaining a comprehensive understanding of the origins of Consumer Responsibilities enables us to recognize the significance of consumer protection and comprehend the interconnectedness and reciprocal nature between consumer rights and consumer responsibilities.

The notion of human beings as consumers first took shape before World War I and became commonplace in America in the 1920s. The concept of Consumer Responsibilities is relatively modern, and it has evolved over time as societies have become more complex, and consumerism has grown.

US President John F. Kennedy's recognition of the need to protect consumers resulted in the establishment of a set of principles called the Consumer Bill of Rights. These principles gained global resonance and were subsequently expanded when the United Nations General Assembly acknowledged their significance and incorporated them into their agenda. This expansion was made possible through the successful promotion and advocacy efforts of Consumers International (CI), a global federation of consumer rights organizations.

Mr. Anwar Fazal, former president of the International Organization of Consumers Unions (IOCU), now known as Consumers International (CI), spearheaded the initiative to introduce a set of Consumer Responsibilities. CI placed significant emphasis on the notion that Consumer Responsibilities are an essential complement to Consumer Rights. The organization believes that consumers have a crucial role to play in shaping the marketplace and influencing business practices. CI maintains that Consumer Responsibilities encompass elements such as being well-informed and educated about the products and services they utilize, making conscientious and sustainable choices, and actively engaging in endeavors that safeguard consumer rights.

Consumer Responsibilities involve researching and comparing options, reading product labels and reviews, and understanding the terms and conditions of purchases. Consumers should also be proactive in seeking redress, participative when resolving

disputes, and deft in providing feedback to improve the quality of goods and services. Today, Consumer Responsibilities are often associated with sustainable consumption practices that aim to reduce environmental impact and promote social justice.

Republic Act No. 7394, or the "Consumer Act of the Philippines", is the first law that provided comprehensive protection to Filipino consumers. It expresses the State Policy to protect consumers and to establish standards of conduct for business and industry in the country. The law outlined the duties of merchants and the rights of customers in the country. It also established the DTI as the primary agency responsible for consumer protection in the country.

Recognizing the importance of providing consumers with complete and accurate guidance regarding their obligations stemming from their rights, the DTI acknowledges the need to clarify the legal bases for the Five (5) Consumer Responsibilities. This ensures that consumers are well-informed about their responsibilities in light of the existing laws and regulations.

The Five (5) Basic Consumer Responsibilities and their legal bases are as follows, to wit:

1. Critical Awareness (Responsibilidad na Mapanuring Kamalayan) – The responsibility to be more alert and questioning about the use and the price and quality of goods and services we use.

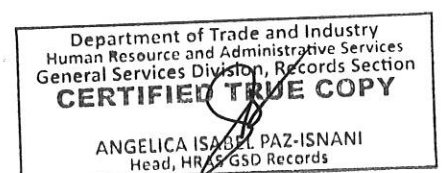
a. Republic Act No. 7394 or the "Consumer Act of the Philippines"

Title III. – Protection Against Deceptive, Unfair, and Unconscionable Sales.

Chapter IV. Labeling and Fair Packaging

Art. 74. Declaration of Policy. – The State shall enforce compulsory labeling and fair packaging to enable the consumer to obtain accurate information as to the nature, quality and quantity of the contents of consumer products and to facilitate his comparison of the value of such products.

Art. 81. Price Tag Requirement. – It shall be unlawful to offer any consumer product for retail sale to the public without an appropriate price tag, label or marking publicly displayed to indicate the price of each article and said products shall not be sold at a price higher than that stated therein and without discrimination to all buyers: Provided, That lumber sold, displayed or offered for sale to the public shall be tagged or labeled by indicating thereon the price and the corresponding official name of the wood: Provided, further, That if consumer products for sale are too small or the nature of which makes it impractical to place a price tag thereon price list placed at the nearest point where the products are displayed indicating the retail price of the same may suffice.



Title V. The National Consumer Affairs Council

Chapter I. Establishment and Composition

Art. 153. Powers and Functions. – The council shall have the following powers and functions:

- e) to undertake a continuing education and information campaign to provide the consumer with, among others;
- 4) general knowledge and awareness necessary for a critical and better judgment on consumption;

Art 154. Consumer Education in Schools. – The Department of Education, Culture and Sports, with the cooperation and advice of the Council, shall develop and adopt a consumer education program which shall be integrated into existing curricula of all public and private schools from primary to secondary level.

A continuing consumer education program for out-of-school youth and adults shall likewise be developed and undertaken.

The consumer education program shall include information regarding:

- a) the consumer as a responsible member of society and his responsibility to develop:
 - 1) critical awareness which is the responsibility to be alert and questioning about the use of and price and quality of goods he uses;
- b. Republic Act No. 7581 or the "Price Act", as amended

Sec. 5. Illegal Acts of Price Manipulation. – Without prejudice to the provisions of existing laws on goods not covered by this Act, it shall be unlawful for any person habitually engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of goods to engage in the following acts of price manipulation of the price of any basic necessity or prime commodity:

- 1) Hoarding, which is the undue accumulation by a person or combination of persons of any basic commodity beyond his or their normal inventory levels or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of any basic necessity of prime commodity to the general public or the unjustified taking out of any basic necessity or prime commodity from the channels of reproduction, trade, commerce and industry. There shall be prima facie evidence of hoarding when a person has stocks of any basic necessity or prime commodity fifty percent (50%) higher than his usual inventory and

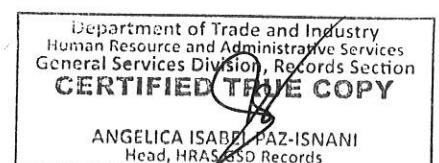
unreasonably limits, refuses or fails to sell the same to the general public at the time of discovery of the excess. The determination of a person's usual inventory shall be reckoned from the third month immediately preceding before the discovery of the stocks in case the person has been engaged in the business for at least three (3) months; otherwise, it shall be reckoned from the time he started his business.

- 2) Profiteering, which is the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth. There shall be prima facie evidence of profiteering whenever a basic necessity or prime commodity being sold: (a) has no price tag; (b) is misrepresented as to its weight or measurement; (c) is adulterated or diluted; or (d) whenever a person raises the price of any basic necessity or prime commodity he sells or offers for sale to the general public by more than ten percent (10%) of its price in the immediately preceding month: Provided, That, in the case of agricultural crops, fresh fish, fresh marine products, and other seasonal products covered by this Act and as determined by the implementing agency, the prima facie provisions shall not apply; and
 - 3) Cartel, which is any combination of or agreement between two (2) or more persons engaged in the production, manufacture, processing, storage, supply, distribution, marketing, sale or disposition of any basic necessity or prime commodity designed to artificially and unreasonably increase or manipulate its price. There shall be prima facie evidence of engaging in a cartel whenever two (2) or more persons or business enterprises competing for the same market and dealing in the same basic necessity or prime commodity, perform uniform or complementary acts among themselves which tend to bring about artificial and unreasonable increase in the price of any basic necessity or prime commodity or when they simultaneously and unreasonably increase prices on their competing products thereby lessening competition among themselves.
- c. Republic Act No. 9711 or the "Food and Drug Administration Act (FDA) of 2009"
 - d. Republic Act No. 10642 or the "Philippine Lemon Law" Implementing Rules and Regulations (IRR)

Rule II, Sec. 2. Responsibilities of the Consumer. The warranty booklet shall clearly state the responsibilities of the consumer as follows

- 2.1. The Consumer shall keep copy of repair records;
- 2.2. The Consumer shall ensure that the odometer reading or the date of vehicle delivery for Final Attempt at the servicing dealer is within the Lemon Law rights period;

- e. Republic Act No. 10909 or the "No Shortchanging Act of 2016" IRR



Rule IV, Sec. 2.1. It shall be the duty of the consumers to ensure exact amount of change is received immediately after every transaction.

2. Action (Responsibilidad sa Pagkilos) – The responsibility to assert ourselves and act to ensure that we get a fair deal. Consumers shall continue to be exploited so long as they remain passive.

a. The 1987 Philippine Constitution

Art. XII, Sec. 19 – The State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint to trade or unfair competition shall be allowed.

b. Republic Act No. 7394 or the “Consumer Act of the Philippines”

Art 154. Consumer Education in Schools. – The Department of Education, Culture and Sports, with the cooperation and advice of the Council, shall develop and adopt a consumer education program which shall be integrated into existing curricula of all public and private schools from primary to secondary level.

A continuing consumer education program for out-of-school youth and adults shall likewise be developed and undertaken.

The consumer education program shall include information regarding:

- a) the consumer as a responsible member of society and his responsibility to develop:
- 2) assertiveness which is the responsibility to assert himself and act so he is assured of a fair deal, aware that for as long as he remains to be a passive consumer he will continue to be exploited;

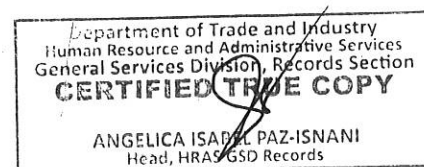
f. Republic Act No. 7581 or the “Price Act”, as amended

Sec. 5 – Illegal Acts of Price Manipulation

c. Republic Act No. 7925 or the “Public Telecommunications Policy Act of the Philippines”

Sec. 20. Rights of End-Users. – The user of telecommunications service shall have the following basic rights:

- d) Thorough and prompt investigation of, and action upon complaints. The utility shall endeavor to allow complaints to be received over the telephone and shall keep a record of all written or phoned-in complaints.



- d. Republic Act No. 8293 or "The Intellectual Property Code", as amended
- e. DTI Department Administrative Order No. 08, Series of 2002, or "Prohibiting Chain Distribution Plans or Pyramid Sales Schemes in the Sale of Consumer Products"
- g. Republic Act No. 10642 or the "Philippine Lemon Law" IRR

Rule II, Sec. 2, 2.3. The Consumer shall, in writing and in the form prescribed in the Warranty Booklet (the Notice of Availment form), notify the manufacturer, distributor, authorized dealer or retailer of the unresolved complaint after four (4) separate repair attempts.

- f. Republic Act No. 10667 or the "Philippine Competition Act"

Sec. 2. Declaration of Policy. – The efficiency of market competition as a mechanism for allocating goods and services is a generally accepted precept. The State recognizes that past measures undertaken to liberalize key sectors in the economy need to be reinforced by measures that safeguard competitive conditions. The State also recognizes that the provision of equal opportunities to all promotes entrepreneurial spirit, encourages private investments, facilitates technology development and transfer and enhances resource productivity. Unencumbered market competition also serves the interest of consumers by allowing them to exercise their right of choice over goods and services offered in the market.

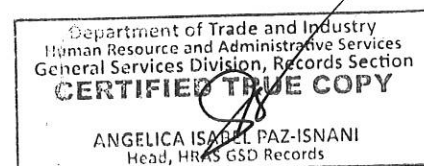
Pursuant to the constitutional goals for the national economy to attain a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged and the constitutional mandate that the State shall regulate or prohibit monopolies when the public interest so requires and that no combinations in restraint of trade or unfair competition shall be allowed x x x x.

- g. Republic Act No. 10909 or "No Shortchanging Act of 2016" IRR

Rule IV, Sec. 2.2. The consumer may report to the business establishment's consumer welfare desk all instances of shortchanging for immediate action/remedy or write and submit a letter of complaint to the DTI not later than ten (10) working days after a violation has been committed.

- h. Republic Act No. 8749 or the "Philippine Clean Air Act of 1999"

Sec. 41. Citizen Suits. – For purposes of enforcing the provisions of this Act or its implementing rules and regulations, any citizen may file an appropriate civil, criminal or administrative action in the proper courts against:



- a) Any person who violates or fails to comply with the provisions of this Act or its implementing rules and regulations; or
- b) The Department or other implementing agencies with respect to orders, rules, and regulations issued inconsistent with this Act; and/or
- c) Any public officer who willfully or grossly neglects the performance of an act specifically enjoined as a duty by this Act or its implementing rules and regulations; or abuses his authority in the performance of his duty; or, in any manner, improperly performs his duties under this Act or its implementing rules and regulations: Provided, however, That no suit can be filed until thirty-day (30) notice has been taken thereon.

3. Social Concern (Responsibilidad sa Pagmamalasakit na Panlipunan) – The responsibility to be aware of the impact of our consumption on other citizens, especially the poor, exploited, disadvantaged, or powerless sector, whether in the local, national or international community.

a. Republic Act No. 7394 or the “Consumer Act of the Philippines”

Art. 154. Consumer Education in Schools. – The Department of Education, Culture and Sports, with the cooperation and advice of the Council, shall develop and adopt a consumer education program which shall be integrated into existing curricula of all public and private schools from primary to secondary level.

A continuing consumer education program for out-of-school youth and adults shall likewise be developed and undertaken.

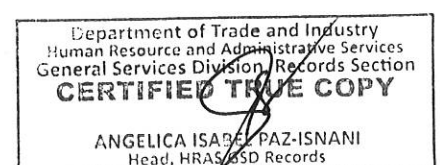
The consumer education program shall include information regarding:

- a) the consumer as a responsible member of society and his responsibility to develop:
- 3) social concern which is the responsibility to be aware of the impact of his consumption on other citizens, especially the disadvantaged;

b. Republic Act No. 7581 or the “Price Act”, as amended

c. Republic Act No. 10642 or the “Philippine Lemon Law”

Sec. 8 (c)(2)(ii) In case the consumer decides to purchase another vehicle with a higher value and specifications from the same manufacturer, distributor, authorized dealer, or retailer, the consumer shall pay the difference in cost.



- d. Republic Act No. 11900 or the "Vaporized Nicotine and Non-Nicotine Products Regulation Act Implementing Rules and Regulations" (IRR)

Rule XV – Roles and Responsibilities of Consumers
Sec. 2. Consumers

- a. To exercise consumer rights and perform consumer responsibilities. Buy Vaporized Nicotine and Non-Nicotine products and Novel Tobacco Products only from reputable and legitimate sellers that sell duly registered Vaporized Nicotine and Non-Nicotine Products or Novel Tobacco Products;
- b. To always present any valid government-issued ID exhibiting the consumer's photograph and age or date of birth when required upon purchase of Vaporized Nicotine and Non-Nicotine Products, their devices, or Novel Tobacco Products for proper age verification;
- c. To only use Vaporized Nicotine and Non-Nicotine Products according to the manufacturer's instructions and, where applicable, only in Designated Vaping Areas (DVAs);
- d. To store Vaporized Nicotine and Non-Nicotine Products properly away from minors; and
- e. To report sellers who are in violation of any of the provisions of Republic Act No. 11900 or this IRR.

4. Environmental Awareness (Responsibilidad sa Kamalayan sa Kapaligiran) –
The responsibility to understand the environmental consequences of our consumption. We should recognize our individual and social responsibility to conserve natural resources and protect the earth for future generations.

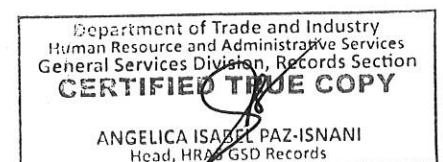
- a. The 1987 Philippine Constitution

Art. II, Sec. 16. The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.

- b. Republic Act No. 7394 or the "Consumer Act of the Philippines"

Art. 154. Consumer Education in Schools. – The Department of Education, Culture and Sports, with the cooperation and advice of the Council, shall develop and adopt a consumer education program which shall be integrated into existing curricula of all public and private schools from primary to secondary level.

A continuing consumer education program for out-of-school youth and adults shall likewise be developed and undertaken.



The consumer education program shall include information regarding:

- a) the consumer as a responsible member of society and his responsibility to develop:
 - 4) environmental awareness which is the responsibility to understand the environmental consequences of his consumption, recognizing his individual and social responsibility to conserve natural resources for future generations;
- c. Republic Act No. 8749 or the "Philippine Clean Air Act of 1999"

Sec. 28. Misfueling. – In order to prevent the disabling of any emission control device by lead contamination, no person shall introduce or cause or allow the introduction of leaded gasoline into any motor vehicle equipped with a gasoline tank filler inlet and labeled "unleaded gasoline only". This prohibition shall also apply to any person who knows or should know that such vehicle is designed solely for the use of unleaded gasoline.

Sec. 46. Violation of Standards for Motor Vehicles. - No motor vehicle shall be registered with the Department of Transportation and Communication (DOTC) unless it meets the emission standards set by the Department as provided in Sec. 21 hereof.

- d. Republic Act No. 9211 or the "Tobacco Regulation Act of 2003"

Sec. 3. Purpose. – It is the main thrust of this Act to:

- a) Promote a healthful environment;

Sec. 5. Smoking Ban in Public Places

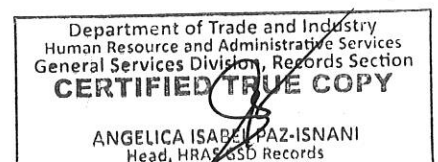
Sec. 6. Designated Smoking and Non-smoking Areas

Sec. 9. Minimum Age Sales

- b) For any person to purchase cigarettes or tobacco products from a minor;
- c) For a minor to sell or buy cigarettes or any tobacco product; and
- d) For a minor to smoke cigarettes or any other tobacco products.

- e. Republic Act No. 9211 or the "Tobacco Regulation Act of 2003" IRR (2008)

Rule V. Filing of Complaints



Proceedings by Inter-Agency Committee–Tobacco (IAC–Tobacco) Member Agencies/Organizations relative to violations of R.A. 9211 and its IRR shall be initiated upon:

- b) Complaint/s filed by any person with any IAC–Tobacco Member Agency/Organization under Item V.2 of these guidelines.
- f. Republic Act No. 9003 or the “Ecological Solid Waste Management Act of 2000”

Sec. 21. Mandatory Segregation of Solid Wastes. – The Local Government Units (LGUs) shall evaluate alternative roles for the public and private sectors in providing collection services, type of collection system, or combination of systems, that best meet their needs: Provided, That segregation of wastes shall primarily be conducted at the source, to include household, institutional, industrial, commercial and agricultural sources: Provided, further, That wastes shall be segregated into the categories provided in Sec. 22 of this Act.

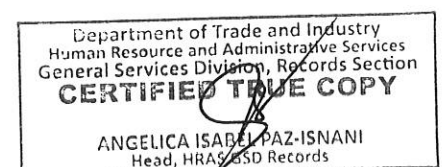
For premises containing six (6) or more residential units, the LGU shall promulgate regulations requiring the owner or person in charge of such premises to:

- a) provide for the residents a designated area and containers in which to accumulate source separated recyclable materials to be collected by the municipality or private center; and
- b) notify the occupants of such buildings of the requirements of this Act and the regulations promulgated pursuant thereto.

Sec. 22. Requirements for the Segregation and Storage of Solid Waste. – The following shall be the minimum standards and requirements for segregation and storage of solid waste pending collection:

- a) There shall be a separate container for each type of waste from all sources: Provided, that in the case of bulky waste, it will suffice that the same be collected and placed in a separate and designated area; and
- b) The solid waste container depending on its use shall be properly marked or identified for on-site collection as “compostable”, “non-recyclable”, “recyclable” or “special waste”, or any other classification as may be determined by the Commission.

5. **Solidarity (Responsibilidad sa Pagkakaisa)** – The responsibility to organize together as consumers to develop the strength and influence to promote and protect our interests.



a. The 1987 Philippine Constitution

Art. II, Sec. 23. The State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation.

Art. III, Sec. 8. The right of the people, including those employed in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law shall not be abridged.

b. Republic Act No. 6938 or the "Cooperative Code of 1990"

Sec. 23. Types and Categories of Cooperatives. – (1) "Types of Cooperatives": Cooperatives may fall under any of the following types:

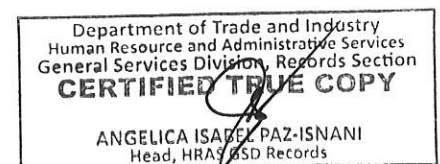
- a) "Credit Cooperative" is one which promotes thrift among its members and creates funds in order to grant loan for productive and provident purposes;
- b) "Consumers Cooperative" is one the primary purpose of which is to procure and distribute commodities to members and non-members;
- c) "Producers Cooperative" is one that undertakes joint products whether agricultural or industrial;
- d) "Marketing Cooperative" is one which engages in the supply of production inputs to members and markets their products;
- e) "Service Cooperative" is one which engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication and other services; and
- f) "Multipurpose Cooperative" is one which combines (2) or more of the business activities of these different types of cooperatives.

c. Republic Act No. 7394 or the "Consumer Act of the Philippines"

Art.2. Declaration of Basic Policy.

- e) involvement of consumer representatives in the formulation of social and economic policies.

Art. 154. Consumer Education in Schools. – The Department of Education, Culture and Sports, with the cooperation and advice of the Council, shall develop and adopt a consumer education program which shall be integrated into existing curricula of all public and private schools from primary to secondary levels.



A continuing consumer education program for out-of-school youth and adults shall likewise be developed and undertaken.

The consumer education program shall include information regarding:

- a) The consumer as a responsible member of society.

Art. 156. Consumer Participation. – The Departments shall establish procedures for meaningful participation by consumers or consumer organizations in the development and review of department rules, policies, and programs.

The laws provided herein for the promotion of Consumer Responsibilities are not exclusive. Other laws, rules and regulations, and issuances may also be sources of Consumer Responsibilities.

As far as practicable, the Five (5) Consumer Responsibilities should be referred to or invoked in all matters related to consumer protection, including but not limited to settlements, decisions, resolutions in mediation or adjudication of consumer complaints.

Issued this 13th day of July 2023, Makati City.

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