

Competition and Consumer Affairs Authority (CCAA)

**GRIEVANCE REDRESSAL AND
MARKET SURVEILLANCE REPORT**

Fiscal Year 2025–2026

Analysis of Complaint Management,
Enforcement Outcomes, and Nationwide Market Compliance



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Section I: Grievance Redressal

1. Overview of Regulatory Mandate

The Consumer Protection, Competition & Enforcement Division (CPCED) serves as the strategic vanguard for market integrity under the Consumer Protection Act (CPA) 2012. As the primary enforcement arm of the Competition and Consumer Affairs Authority (CCAA), the division's mandate is essential for mitigating anti-competitive behaviours and ensuring that trade in Bhutan remains fair and transparent. By balancing the reactive necessity of grievance redressal with proactive, nationwide market surveillance, the CPCED maintains the equilibrium required for both consumer confidence and healthy economic competition.

The division's core objectives are synthesised through a dual-pronged approach; facilitating robust mediation and restitution for aggrieved parties while simultaneously enforcing technical compliance through rigorous field inspections. This strategic alignment ensures that regulatory activities - ranging from amicable dispute settlement to the imposition of punitive fines - directly contribute to the overarching goal of fostering a disciplined market environment. The following analysis provides a quantitative and qualitative evaluation of the division's performance metrics and the resulting impact on the national trade landscape.

2. Statistical Analysis of Complaint Management

The volume and nature of consumer grievances during the fiscal year provide a vital barometer for market health and the efficacy of the current regulatory framework. High reporting levels indicate a consumer base that is increasingly aware of its rights and possesses significant trust in the CCAA's ability to provide timely recourse.

During the 2025–2026 fiscal year, the CPCED received a total of 338 complaints through the Consumer Complaint Management System (CCMS), walk-ins, Toll-Free, and email. The segmentation of these grievances highlights a heavy reliance on individual advocacy, as summarised in Table 1. A temporal analysis indicates that October 2025 represented the peak period of regulatory demand, accounting for 74 individual cases - nearly 22% of the annual total.

Table 1: Segmentation of Complaints Received (FY 2025–2026)

Category	Number of Cases	Share of Total
Individual Grievances	260	76.9%
General Grievances	78	23.1%
Total Complaints Received & Redressed	338	

2.1 Thematic Breakdown of Grievances

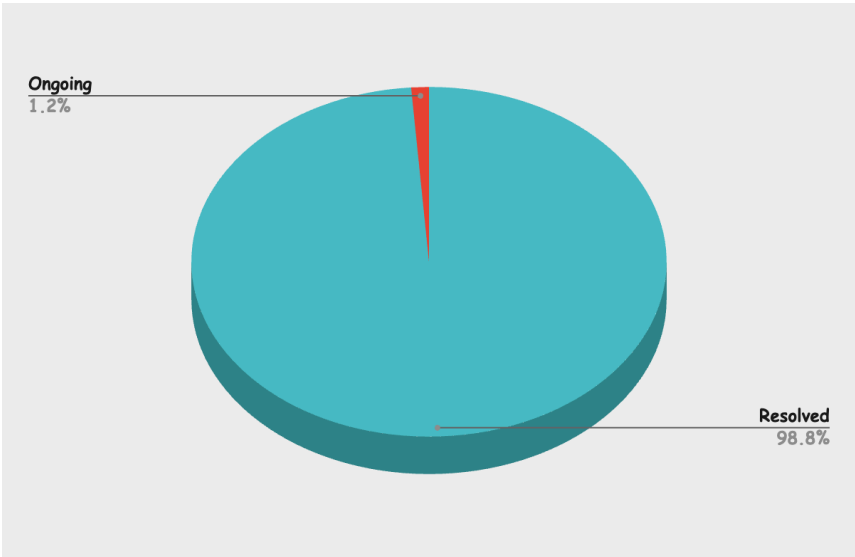
The nature of the complaints reveals specific "friction points" in the consumer experience, with transactional and fulfillment failures dominating the landscape.

Denial of refund emerged as the most prevalent market failure with 114 cases, followed by non-delivery of goods with 65 cases. Secondary issues - including pricing disputes, defective goods, misleading claims, and warranty non-compliance - were also recorded, though not individually quantified. Conversely, issues related to inaccurate weights and measures were minimal. This outcome suggests that the CCAA's sustained focus on calibration as one of the primary inspection parameters has successfully deterred systemic fraud in the measurement of trade goods.

2.2 Resolution Metric

The CPCED maintained a high operational velocity throughout the period. Of the 338 complaints received, 334 cases (98.8%) were successfully resolved. Only 4 cases (1.2%) remained under active investigation at the close of the fiscal year, signalling a near-total resolution rate that reinforces the division's administrative efficiency.

Fig.1: Complaint Resolution



3. Evaluative Assessment of Redressal Methodologies

A sophisticated regulatory environment necessitates a multi-modal approach to dispute resolution. The CCAA utilises a tiered strategy - dispute resolution, mediation, enforcement, refund facilitation, replacement, repair, and referral to other relevant agencies, where required - to ensure that outcomes are proportionate to the nature of the grievance.

3.1 Impact of Mediation vs. Enforcement

The strategic prioritisation of mediation allows the CCAA to preserve business-consumer relationships, which is critical for long-term market stability and reducing the burden on the formal judicial system. However, where mediation is insufficient, direct interventions such as mandated replacements or repairs provide immediate corrective relief, ensuring that the consumer is "made whole" without the delays inherent in litigation.

3.2 Analysis of Unresolved Cases and Policy Friction

The 1.2% of pending cases (4 complaints) were attributed to "friction points" such as incomplete consumer information, non-response from parties when requesting additional documents and evidence.

4. Financial Impact and Enforcement Outcomes

Financial redressal and punitive enforcement serve as both corrective mechanisms for consumers and vital deterrents against unethical trade practices. The most significant indicator of the CPCED's success in restoring value to the public is the total refund facilitation amount of Nu 2,789,544.

This figure represents a direct restoration of consumer wealth. When contrasted with the Nu 70,100 in penalties imposed for unethical practices, it becomes clear that the division's strategic focus is on consumer restitution and rectification of non-compliant business practices rather than the punitive actions. This "restitution-first" approach ensures that the primary goal of the CPA 2012 - protecting the individual consumer - is met, while penalties serve as a secondary deterrent for recidivism.

4.1 Deterrence and Market Discipline

The imposition of fines, while smaller in aggregate value, signals to the business community that non-compliance carries tangible financial and reputational consequences. This creates a deterrent effect that encourages voluntary compliance

with consumer protection laws, particularly in sectors where the denial of refunds has become a habitual business practice.

5. Complaint Referred to Dispute Settlement Committee

The Dispute Settlement Committee (DSC) is an independent quasi-judicial body established under the Consumer Protection Act, 2012 to resolve consumer disputes that cannot be settled through mediation. The Committee hears cases, examines evidence submitted by both parties and issues fair, impartial and legally binding decisions to safeguard consumer rights while ensuring equitable treatment of businesses.

During this reporting period, the two complaints were referred to DSC. In the first case, M/s Bhutan Hyundai Motors was directed to carry out a one-time repainting of affected white Hyundai i20 vehicles within 14 days after the DSC recognized the recurring paint peeling as an inherent manufacturing defect.

In the second case, M/s Bhutan Isuzu Motors was directed to replace a defective PM sensor, cover the servicing costs, and provide the applicable warranty within 14 days after the DSC determined that the issue was covered under the vehicle's extended warranty.

Section II: Market Surveillance

1. Market Surveillance and Systematic Compliance Trends

The CPCED undertook nationwide market surveillance activities during the fiscal year 2025–2026 in line with the mandate to safeguard consumer interests and ensure compliance with the Consumer Protection Act, 2012 and Consumer Protection Rules and Regulation, 2015.

The market surveillance was conducted under three broad categories of inspection activities:

- Fuel Retail Outlets (FROs)
- Weight accuracy verification of packed cement bags
- Compliance monitoring of general business establishments against four key parameters

2. Geographic and Sectoral Coverage

A total of 3,377 business entities were inspected across all twenty (20) Dzongkhags during the reporting period. The Dzongkhag-wise and sector-wise distribution of inspections is summarised in Table 2 & 3.

Fig. 2 Dzongkhag-wise Distribution of Inspections

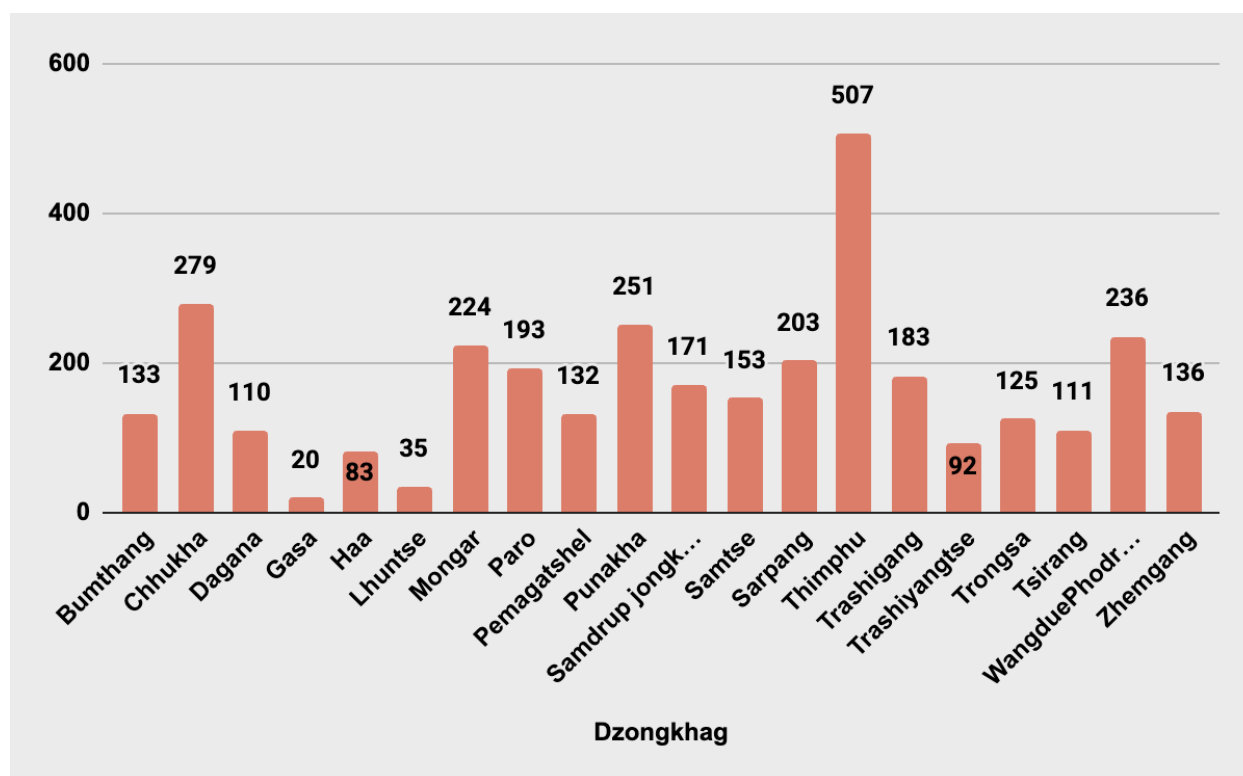


Table II. The sector wise coverage

Sl/NO	Activity	Total
1	FRO	65
2	Cement Agents	17
3	Meat Shop	221
4	Grocery Shop	1510
5	Restaurant	790
6	Vegetable Vendor, Dry fish Vendors and Fruits Vendors	216
7	Bakery	29
8	Beauty Parlour/ Saloon	71
9	Tailoring	58
10	Garment	211
11	Hardware Shop/ Electronic Shop/ Electrical Shop	115
12	Handicraft	74
	Total	3377

2.1 Compliance Gap and Technical Standards

While compliance in price labelling and receipt issuance is strong, a major technical gap exists in the calibration of trade tools. 200 out of 1,335 weighing and measuring instruments required calibration. Furthermore, the surveillance of cement agents revealed weight discrepancies that required immediate intervention. These discrepancies were addressed through justification letters and rectification mandates to ensure compliance with the Bhutan Standards Bureau (BSB) tolerance limits. This is not merely a consumer protection issue; it is a critical safety and quality concern for the national construction sector.

2.2 Corrective Action Framework

The CPCED used a structured Rectification Framework to address these gaps by applying immediate correction to price displays and product labelling, allowing a two-week grace period for the establishment of receipt systems, and issuing formal letters to cement agents and businesses with uncalibrated scales, requiring proof of corrective action to meet BSB standards.

Section III: Conclusions and Recommendations

The Consumer Protection, Competition and Enforcement Division's performance during Fiscal Year 2025-26 reflects a year of exceptional regulatory achievement across all core mandates. With an outstanding complaint resolution rate, ensuring that all received complaints were either fully resolved or are actively progressing through investigation, facilitating consumer refunds, redresses, imposing penalties as a market deterrent, and inspecting business entities across all 20 Dzongkhags, the Division has demonstrated both the breadth and depth of its regulatory effectiveness. The strategic prioritisation of mediation and restitution over punitive enforcement, the successful resolution of complex cases through the Dispute Settlement Committee, and the structured application of a corrective action framework for non-compliant businesses collectively reflect a mature, consumer-centric regulatory approach. These outcomes, achieved within the same resource base, underscore the Division's unwavering commitment to fostering a fair, transparent, and consumer-responsive market environment in Bhutan, directly contributing to the national goal of consumer welfare and market integrity.

Going forward, the Division remains firmly dedicated to building on this momentum, deepening its enforcement reach, and continuously strengthening its regulatory capabilities to meet the evolving demands of Bhutan's market landscape. The Division will continue to leverage technology, inter-agency collaboration, and evidence-based

approaches to enhance consumer protection outcomes, promote fair competition, and ensure that every business operating in Bhutan upholds the standards expected under the Consumer Protection Act, 2012 and its successor legislation. With the forthcoming enactment of the Consumer Protection and Competition Act Bill, the Division stands ready to embrace an expanded mandate with the same dedication, innovation, and public service ethos that has defined its performance this year.
