

CONSUMER JUSTICE UNLEASHED IN NEPAL: BATTLES AND VERDICTS

FROM COMPLAINT TO COMPENSATION: THE
JOURNEY OF CONSUMER JUSTICE AS OF
14 JULY 2025



OVERVIEW

Following up on our earlier insights on cases in Nepal's First Consumer Court; we now take a deeper look at how the Court has continued to reinforce consumer rights through a series of significant judgments.

These rulings cover a wide range of issues, including medical negligence, faulty cosmetic procedures, misleading warranties, and instances of unfair pricing. Each decision highlights the growing emphasis on accountability, transparency, and ethical business practices in Nepal's evolving consumer protection landscape.

SABITRI KHATRI THAPA VS. SWASTIK SILVER PALACE

DECISION NO.: 3 | CASE NO.: 081-CP-0002

■ Facts:

- On 2081/11/25, the plaintiff purchased a silver idol (13.3 grams) from Swastik Silver Palace, Kathmandu, for **NPR 4,600**.
- As per the Federation of Gold and Silver Dealers' prevailing rate the value of the sold goods was only **NPR 2,263.42**.
- Plaintiff sought a refund within 7 days as per **Section 14(1) of the Consumer Protection Act, 2075 (2019)** ("CPA").
- The shop refunded only **NPR 2,225**, deducting **NPR 2,375** without justification.
- Plaintiff claimed **NPR 35,700** for financial loss, mental distress, and related expenses.

■ Issue:

- Whether the seller's refusal to fully refund the purchase within the statutory 7-day period constitutes a violation of the CPA, entitling the plaintiff to compensation for financial loss and mental suffering?

■ Decision:

- Refund deduction was declared unjustified and such act violated **Section 14(1)** of the CPA. No exceptions under **Section 14(4)** of the CPA applied.
- Seller's conduct deemed **unethical and unlawful** under the Act.
- **NPR 20,000** awarded under **Section 51** of the CPA for financial, mental, and physical hardship.

ADVOCATE BASANTA GAUTAM VS. OM HOSPITAL

DECISION NO.: 4 | CASE NO: 081-CP-0001

- **Facts:**

- 98-year-old Harihar Prasad Gautam suffered a hip fracture. Om Hospital discharged him within hours without proper orthopedic care.
- No specialist consultation or proper treatment was provided despite X-ray evidence.
- Condition worsened; he died on **2081/11/03** almost after a month from the injury.
- Expert testimony linked the death to hospital negligence.
- Plaintiff sought compensation for wrongful death due to medical negligence.

- **Issue:**

- Whether the hospital's failure to provide adequate medical treatment, referral, and proper care amounted to gross medical negligence under the CPA, entitling the plaintiff to compensation?

- **Decision:**

- Hospital and doctors found **negligent**.
- Conduct directly led to deterioration and death.
- **Section 51** of the CPA invoked for physical, emotional, financial harm.
- **NPR 56,81,000** awarded (Om Hospital: **NPR 50,70,000**; 2 Doctors at the rate of: **NPR 3,05,500** each).
- Landmark decision for **medical accountability**.



NANIKAJI KHADKA VS. G.R.S. TWO WHEELERS & MAW

DECISION NO.: 5 | CASE NO: 081-CP-0005

■ Facts:

- Plaintiff purchased a **Yamaha FZ-X BS6 motorcycle** for **NPR 4,45,900** with an 18-months warranty.
- The motorcycle had multiple defects post-sale (battery failure, smoke, etc.).
- The VAT invoice falsely stated 2024 AD as the manufacturing year, while official records confirmed 2022 AD.
- Warranty services were denied; plaintiff bore repair costs.
- Plaintiff filed for compensation for misrepresentation, financial loss, and mental distress.

■ Issue:

- Whether the defendants violated consumer protection laws by selling a misrepresented product and breaching warranty obligations ?

■ Decision:

- Seller misrepresented year of production of the motorcycle and denied rightful warranty.
- Violated **Article 44 of the Constitution** and **Sections 6(d), 11(e), 50, 51, 52** of the CPA.
- Warranty is a legally enforceable obligation.
- **NPR 3,93,000 awarded** for financial loss, hardship, inconvenience, plus **NPR 1,000** court costs.

VARSHA BHANDARI VS. GRANDE HOSPITAL & DR. TRIPATHI

DECISION NO.: 6 | CASE NO: 081-CP-0004

■ Facts:

- Plaintiff underwent **thigh liposuction** by Dr. Sanjiv Tripathi at Grande City Hospital.
- Post-surgery complications caused **permanent deformities and scarring**.
- No informed consent or risk disclosure was documented.
- Plaintiff faced significant **physical, psychological, professional impact**.
- Sought compensation under the CPA.

■ Issue:

- Whether the absence of informed consent, risk disclosure, and failure to meet medical standards in cosmetic surgery constitutes negligence under the CPA?

■ Decision:

- Both doctor and hospital breached medical standards.
- Failure in informed consent violated patient rights.
- **Sections 51 and 52** of the CPA invoked.
- **NPR 57,19,000 awarded:**
 - **Dr. Tripathi: 70% (NPR 40,03,300)**
 - **Grande Hospital: 30% (NPR 17,15,700)**

GAUTAM VS. HIMAL HOSPITAL

DECISION NO.: 7

- **Facts:**

- Plaintiff's **minor child (2 years 4 months)** presented with Lower Respiratory Tract Infections (LRTI) symptoms at Himal Hospital.
- Doctor failed to conduct necessary diagnostics (X-ray).
- Prescribed medicines without confirming diagnosis.
- Delay led to severe oxygen deficiency; child died on **2079/10/26**.
- Plaintiff sought compensation for medical negligence.

- **Issue:**

- Whether the failure to provide timely diagnosis, conduct necessary tests, and ensure medical intervention amounted to medical negligence, justifying compensation under the CPA?

- **Decision:**

- Hospital and doctor breached duty of care.
- **Sections 51 and 52** of the CPA invoked for failure in statutory obligation.
- **NPR 1,45,44,100 awarded:**
 - **Himal Hospital: 70% (NPR 1,00,18,087)**
 - **Dr. Jaydev Yadav: 30% (NPR 43,63,230)**
- **NPR 1,000** court costs.



OBSERVED JUDICIAL TREND

Strict enforcement of refund rights under Section 14 of the CPA.

Medical negligence cases can trigger substantial compensation.

Misrepresentation in sales and warranty breach are consumer rights violations.

Informed consent is mandatory in cosmetic procedures.

Consumer rights are judicially enforceable across all sectors.

KEY CONTACTS

IF YOU HAVE ANY QUESTIONS OR WOULD LIKE TO KNOW PROSPECTS ON THIS, GET IN TOUCH WITH THESE KEY CONTACTS



SHREE JALA PRAJAPATI
ATTORNEY AT LAW
SENIOR ASSOCIATE



RABINA KC
ATTORNEY AT LAW
TRAINEE ASSOCIATE



RELIANCE CORPORATE ADVISORS

C/O Corporate Services Pvt. Ltd.
Milap House, Sanepa Main Road,
Lalitpur, Nepal
+9771 5423316, 5441262 / 3
enquiry@reliancecs.co
www.reliancecs.co