

[consumer protection act, 1986, Section 2\(7\)](#) - Subsequent purchaser - [builder](#) - Non delivery of flat - Subsequent purchaser not only stepped into the shoes of the original allottee but also became entitled to receive possession of the flat - Purchaser fulfils the description of the complainant/ consumer and is entitled to move any forum under the Consumer Protection Act for any deficiency in [service](#).

Held, an individual such as the original allottee, enters into an [agreement](#) to purchase the flat in an on-going project where delivery is promised. The terms of the agreement as well as the assurance by the builder are that the flat would be made available within a timeframe. It is commonplace that in a large number of such transactions, allottees are not able to finance the flat but seek advances and funds from banks or financial institutions, to which they [mortgage](#) the property. The mortgage pay-outs start initially after an agreed period, commencing in a span of about 15 to 24 months after the agreement. This would mean that in most cases, allottees start repaying the bank or financial institutions with instalments (mostly equated monthly instalments) towards the principal and the [interest](#) spread over a period of time, *even before the flats are ready*. If these facts are taken into consideration, prolongation of the project would involve serious economic repercussions upon such original allottees who are on the one hand compelled to pay instalments and, in addition, quite often -if she or he is in want of a house -also pay monthly rents. Such burdens become almost intolerable. It is at this point that an indefinite wait is impossible and allottees prefer to find purchasers who might step into their shoes. That such purchasers take over the obligations of the original allottee - either to pay the balance instalments or to wait for sometime, would not *per se* exclude them from the description of a consumer. All that then happens is that the consumer forum or commission - or even courts have to examine the relative equities having regard to the time frame in each case.

(2021-3) Punjab Law Reporter 335 (SC) (SN)

Tags: [Builder](#), [CPC S. 2\(7\)](#), [Non delivery of flat](#), [Subsequent purchaser](#)