

No. 301-19/2006-Eco.
Dated: 23rd May, 2006

To:

All Telecom Service Providers

Sub: Transparency in the Tariff offers and in Disclosure to Consumers.

Sir,

In the past the Authority had issued several directions to telecom service providers to enhance and ensure transparency in the matter of service provision. The objective of the Authority in issuing these directions has been to provide the consumers with the opportunity to make an informed choice and also to protect them from subscribing to or billed for any service due to lack of proper information or understanding. The important measures mandated by the Authority to improve consumer transparency by way of these directions include:

- a) All publication/Advertisements of tariffs shall be in a specified format and shall provide certain essential information.
- b) The websites of the service providers and the tariff brochures available in the retail outlet shall contain complete details of the tariff plans.
- c) No chargeable value added service shall be provided to a customer without his explicit consent.
- d) The pulse rate/tariff for premium rate service shall be published in all communications/advertisements.
- e) Service providers shall inform customers in writing, within a week of activation of service, the complete details of his tariff plan. The changes in any item/aspect of tariff in the chosen package shall also be intimated to the customers in writing.

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- f) No tariff plan shall be offered, presented, marketed or advertised in a manner that is likely to mislead the subscribers.
- g) All monthly fixed recurring charges which are compulsory for a subscriber under any given plan shall be shown under one head.

2. The Authority has generally forborne the tariffs and provided the service providers a very flexible regime. The reporting requirement has also been considerably relaxed. While providing this liberal and flexible regulatory framework the 'Authority expected added commitment and more proactive role from the service providers' towards protection of consumer interests. The issue of consumer transparency has also become a major area of attention with the rapid growth of subscriber base. The service providers are rolling out their network to areas outside metros and large towns and hence a large proportion of the new subscribers would be from non-urban areas. The socio-economic standing of the population from these areas that form new and potential subscriber base further underline the relevance of the mandates of the Authority.

3. However it is being felt that the service providers are not giving adequate importance to the consumer transparency issues. It has been observed that several underlying information in the tariff plans are not explicitly brought out in the tariff plan offer/promotion/marketing. For example the customer has to pay for incoming usage when he is outside the home network i.e. while Roaming. But this fact is not clearly brought out by the service providers in the material made available to the subscriber. Similarly there are a large number of content-based services offered to the customers via SMS (televoting, quiz, games, ring tones etc) and all these messages attract considerably higher charges compared to the normal person to person text messages. Adequate information/transparency is lacking here also leading to consumer dissatisfaction. The prepaid customers are not being provided the tariff sheet. The complaints on various accounts are on the rise and the credibility of service providers is being questioned.

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4. There is an urgent need to address the issue of consumer satisfaction. The contact with the consumers is mostly through an unorganized supply chain which is not equipped to provide correct and proper information to the consumers. Considering the limited interface the service providers are currently having, vis-à-vis the number of subscriber base, there is an immediate need to improve and educate this retail outlet chain to cater to the requirements of the growing customer base. The Authority expects the service providers to understand their responsibility towards consumers and to take suitable steps in this regard. It is also expected that consumer interest measures mandated by the Authority are implemented in letter and spirit.

5. To enhance the consumer awareness, the service providers shall provide printed material in English and Vernacular Language to customers at the time of enrollment inter-alia containing:

- a) Full and complete tariff information sheet
- b) The features of the service offered with special emphasis on roaming, premium rate services and other optional and value added services
- b) The Terms and Conditions including the exceptions attached to the service in unambiguous terms.
- d) The rights of the consumers emanating from the various decisions of the TRAI (as at Annexure-I) and
- e) The common charter of service agreed upon by the service providers (as at Annexure-II).

6. The Authority seeks cooperation of service providers in unqualified compliance of this communication.

Yours faithfully,

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TELECOM REGULATORY AUTHORITY OF INDIA (TRAI)
DEAR SUBSCRIBER – ARE YOU AWARE?

The salient measures taken by TRAI to protect the interest of consumers are as follows:

Tariff related issues:

- * Tariff plans with misleading titles are not permitted.
- * The service provider should inform the customer within a week of activation of service the complete tariff plan and should also convey any changes to any item of tariff.
- * The service provider cannot increase tariff on any item within 6 months of enrolment in a tariff plan.
- * The customer is free to move from one tariff plan to another without paying any fee for migration.
- * Tariff plans with life time validity to be available during the current licence period and also during the renewed licence period.
- * In all types of lifetime tariff plans, the service provider must inform the subscriber the month and year of expiry of the current licence.
- * Hike in any tariff item is prohibited in tariff plans with prescribed period of validity of more than 6 months including lifetime validity or unlimited validity involving upfront payment.
- * Service Provider's websites must contain comparison of tariff plans in terms of estimated monthly bill.
- * Even if the talk time value has exhausted, the pre-paid customers should get all services, which do not affect "talk time value", like incoming calls/SMS etc during the entire validity period.
- * Prepaid customer's unused balance are to be carried forward if recharged during the grace period specified for the purpose.
- * The service provider shall intimate a postpaid customer (1) in advance about his credit limit and (2) whenever he reaches 80% of the credit limit. Services shall not be disconnected as long as the amount due is below the amount of his security deposit or specified credit limit whichever is higher.
- * Postpaid customers should be given, on request, detailed bill for STD/ISD calls free of charge.
- * Fixed line customers should be given rental rebate for faults pending beyond 3 days.

- * Security deposits are to be refunded after adjustment of dues within 60 days, failing which interest has to be paid @10% per annum for the delay.
- * Pre-paid customers can be charged for roaming, only if one chooses to make or receive a call while roaming and customers should be informed about this through SMS whenever one roams into another service area.

Value Added Services:

- * No chargeable value added service shall be provided to a customer without his explicit consent.
- * All communication/advertisements relating to premium rate services e.g. ring tones, wallpaper, astrology, quiz etc. should have the pulse rate/tariff for the service.

Complaint Redressal Mechanism:

- * Service Providers have appointed Nodal Officers in different service areas to deal with complaints. Individual consumers can approach Consumer Redressal Forum for redressal of their grievances.
- * Group of consumers can approach Telecom Disputes Settlement Appellate Tribunal (TDSAT) for adjudication of any disputes with the Service Providers.

Updated as on 23rd May 2006.

COMMON CHARTER OF TELECOM SERVICES, 2005

1. All Service Providers acknowledge the rights of citizens to have a free choice in selecting their Service Providers and agree to promote their services in the best spirit of competition and traditions of service to consumers.
2. All Service Providers agree to promote the consumers' right to education, choice, representation and redress;
3. All Service Providers assure that the privacy of their subscribers (not affecting the national security) shall be scrupulously guarded;
4. All Service Providers assure that their subscribers shall be entitled to interact with them, either personally or through their authorized representatives;
5. For information and education of subscribers, all Service Providers agree to inform their subscribers of the broad range of services offered, the individual plans available to them at any given point of time, the tariff rates applicable to each of these, their validity, terms and conditions, payment policies, the billing processes and procedures and the structure within the organization where information and clarification on consumer redress systems for complaints and billing disputes will be available with all their relevant contact numbers;
6. All Service Providers agree to arrange human interface with responsible company executives whose name and identity are made known during the process of disputes resolution in addition to arrangements like Customer Care Service through Call Centres;
7. All service providers agree to inform their subscribers on the reverse of *each** bill, their consumer grievance redress process with respect to fault complaints and billing disputes. They also agree to resolve the disputes as per the guidelines of TRAI issued from time to time;
8. All Service Providers agree to provide an applicant basic telephone connection within 7 days of registration, subject to technical feasibility and the mobile connection immediately subject to compliance of all required formalities by the subscriber;
9. All Service Providers agree to repair the faults within 24 hours of receipt of complaint from a subscriber, wherever technically feasible;
10. All Service Providers agree to ensure shifting of telephone connection within 3 working days within the same exchange, 5 working days for intra city and 30 working days for inter city exchanges and closure (disconnection) of telephone connection within 3 days, on receipt of a letter of request from the subscriber. An authenticated copy of the last telephone bill shall accompany the letter of request;
11. All Service Providers agree to provide in their bills related call and tariff details, payment procedures and list of points at which payments can be made by subscribers;
12. All Service Providers agree to register complaints in all areas of their service immediately, if delivered in person or by e-mail and within 24 hours on receipt of the complaint by post;
13. All service providers shall render service without discrimination to every citizen as per his eligibility defined below and who undertakes to pay all charges and deposits:

“ For the purpose of this clause, a citizen shall be defined as an individual above the age of 18 or an institution, NGO or business/service organization engaged in any activity which is permissible under the laws of the land”.

14. All service providers agree to provide information on Directory Services and book complaints on toll free number for registering complaints;
15. All service providers agree to provide their subscribers satisfactory connectivity to their services and interconnectivity to the extent of their respective legal obligation under the relevant interconnection agreement and to ensure that subscribers do not suffer on account of poor service;
16. All service providers agree to levy reconnection charges as per the TTO or waive the same on their own discretion;
17. All service providers agree to allow emergency services like police, fire and ambulance for a period of 15 days during which incoming facility is allowed, if technically feasible, even after the telephone connection is suspended;
18. The subscribers agree to clear all dues within the specified time;
19. All Service Providers agree to achieve the minimum benchmarks prescribed by TRAI with respect to the quality of service and also commit themselves to improve upon the standards of service at different points of time;
20. Mutual courtesy and respect are the hallmarks of any durable relationship between the Service Providers and subscribers and both agree to abide by these principles.

Though this charter is non-justiceable, service providers agree to strive to adhere all the points contained in this charter and to make every effort to abide by the charter

* Clause 7 amended as agreed in the meeting of the CAGs and service providers held on 24th January 2006 so as to inform the subscribers through “each bill” instead of informing “periodically”.