



GOVERNMENT OF PAKISTAN
PAKISTAN TELECOMMUNICATION AUTHORITY
Headquarters F-5/1, Islamabad
Phone: 051-9225344 Fax: 051-2878133

F. No.15-7/17(CA)/PTA/308

13th September, 2017

Subject: Consultation on Avoiding Bill Shock to Cellular Mobile Users through Notification for Reaching Package/ Offer Credit Limit and Application of Default Rate

This is with reference to the captioned subject

2. PTA has prepared "Consultation Paper on Consultation on Avoiding Bill Shock to Cellular Mobile Users through Notification for Reaching Package/ Offer Credit Limit and Application of Default Rate" which is placed at PTA's website on Media as well as Consultation section. Comments / views / feedback on the issues highlighted in the paper may be submitted to PTA (soft as well as hard copy) within fifteen days of issuance of this letter.

Aadil Umar Khalil
Director (Commercial Affairs)

To:

All CMOs

Copy for information to :

1. Chairman, PTA
2. Member (Finance),PTA
3. Member (Compliance & Enforcement),PTA

Consultation on Avoiding Bill Shock to Cellular Mobile Users through Notification for Reaching Package/Offer Credit Limit and Application of Default Rate

The purpose of this consultation is to save cellular mobile users from bill shock that they experience when a subscribed package is exhausted and the current system allows them to continue to use the data service both locally (which should not be the case) and voice and data services while on international roaming. Through this consultation process and with mutual decision of all relevant stakeholders, PTA desires that all Cellular Mobile Operators (CMOs) shall implement a standard system whereby they shall *inform the remaining credit in Rupees or the remaining balance of voice minutes, SMS and MBs after every call, SMS and data usage*. Replies to the questions in this consultation paper shall reach at the following address within one month of publication of this paper:

Director (Commercial Affairs),
PTA HQ F-5/1 Islamabad
Email: billshock@pta.gov.pk

1. Issue: *Cellular Mobile subscribers do not receive prior notification on reaching balance/usage/time limit of subscribed packages/offers for both voice and data and are automatically switched to default rates for the services subscribed, therefore receive bill shocks .*

2. Background and Introduction: Bill shock has become a common problem in local cellular mobile segment, whereby terms like billing discrepancies, wrong billing and overcharging are interchangeably used by subscribers when they suddenly receive a very high bill. A subscriber, who has no track of his package/ offer/ time limit while using services ends up with huge bills as default/ basic rate is automatically applied after the package /offer/time limit is ended. The users, obviously find it very stressful and difficult to pay such high bills, often leading to complaints to CMOs, PTA and other government offices.

In case of international roaming, the subscriber has to pay different charges for making (local and international outgoing) and receiving (local and international incoming) calls. For example, CMOs are charging their subscribers Rs. 110 to Rs. 130 per minute for local outgoing calls in United Arab Emirates while on roaming in United Arab Emirates (UAE) whereas Etisalat (local operators of UAE) is charging Rs. 17.21 per minute for local outgoing calls. For receiving incoming calls while roaming in UAE, CMOs are charging Rs. 83 to Rs. 92 per minute whereas incoming calls are totally free for using local SIM in UAE. Outgoing SMS while on roaming costs around Rs. 63 to Rs. 75 per SMS whereas Etisalat is charging Rs. 5 and Rs. 17 respectively for local and international outgoing SMS. Similarly, roaming rates for data services offered by

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respective CMOs are exorbitantly high and the roamers are generally not aware of these excessive charges.

A large number of complaints on the issue of higher bill are being received at PTA in which subscribers are aggrieved of excessive /wrong billing and abrupt deduction of balance. These complaints are forwarded to CMOs for redressal. However, CMOs claim that billed amount is correct since the package/offer was exhausted and the subscriber went automatically on default/base tariff which is manifold higher as compared to the subscribed package/offer. Furthermore, majority of subscribers are also not aware of the default/basic rates which are levied by the CMOs for data services. In case of international roaming, a subscriber has been billed Rs. 1 million on account of data usage for a short time. Generally, CMOs compensate the aggrieved subscribers in case of excessive use of data because of the inability of subscribers to pay such high bills. However, this practice is difficult to continue and not sustainable for CMOs in the longer period and adds to unsatisfied subscribers.

The issue of higher billing has also been raised at the Government level whereby Senate and National Assembly have also directed PTA to protect consumers from wrong/ excessive billing and ensure international standards of service delivery. PTA is of the view that standardized information/alert/notification system should be followed by all CMOs so that issue of unexpected bills can be curtailed/ controlled. Currently, some CMOs are sending text/ dialogue box/ SMS to the subscribers when they are reaching / exhausting their limit of the package/offer and subsequently charging of default rate thereon which ranges between Rs. 1/MB to Rs. 12/MB (excluding tax) . However, this is not the solution to the problem of huge bills being faced by the subscribers. A better and more logical solution is that the service shall stop automatically when the credit is used up.

3. International Cases:

A number of operators across the globe are providing facility of notifying /alerting their consumers of their remaining credit balance (in dollars or their respective currencies) after every call, SMS and data usage. Following are few examples:

a. Australia

In order to help telecom consumers from bill shock, Australian Communication and Media Authority (ACMA) has mandated telephone or internet service providers to send spend management alerts (also known as usage notifications) so that users can manage their mobile and online spending. Service providers must send these alerts to customers who sign up to mobile include value plans or mobile and fixed internet plans. These alerts apply to national calls, SMS and data use in Australia only. The rules for spend management alerts have been included in the Telecommunications Consumer Protections

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Code. If a consumer is on qualifying plan, he /she will receive alerts when his data use reaches 50%, 85% and 100% of his data limit or included value for voice calls and SMS. Consumers will receive these alerts by either SMS or email.

b. Nigeria

In order to reduce subscriber complaints over billing irregularities, the Nigerian Communications Commission (NCC) mandated all telecom operators to provide free instant Short Message Service to all phone users detailing the cost of each call and available balances to the subscriber at the end of every call. Any operator who fails to commence the service to its subscribers would be liable to a fine of N5m and a further N500,000 per day as long as the contravention persists. The directive mandates the service providers to send messages containing six critical information including: exact duration of the call minutes and seconds; total cost for each call or SMS; customer accounts balance after the last call for prepaid and SMS; customer account balance after a charge or tariff and the reason for the charge or tariff; cumulative call charges up to the last call within the charging period for post-paid customers; and cost of services and credit balance upon request by customer for data service.

c. United Kingdom (Vodafone Alerts & Verizon)

If a subscriber is on a monthly billed plan, Vodafone Alerts sends notifications to let the subscriber know if he / she has used 50%, 85% and 100% of plan's included value or data. Subscriber is provided option to switch Vodafone Alerts off or on. Verizon subscribers automatically receive alerts about their usage through text and/or email as they reach near, meet and exceed their allowance. Subscribers are given an option through their accounts to change who gets alerts, how to get alerts and at what threshold to get alerts.

d. United States of America (AT&T)

AT&T automatically sends a courtesy text message and email alert when a customer reaches 75%, 90%, and 100% of the data included in its plan. This message is sent to each phone affected by the data usage threshold. For individual data plans, this message is sent to a single phone. If a subscriber is on a Mobile Share Advantage or Mobile Share Value plan, each phone in the group will receive the alert.

4. Conclusion: It has been observed that CMOs in Pakistan are not informing their users (prepaid, postpaid) about remaining credit balance in rupees, minutes (talk time), SMS and data (MBs, GBs) either in the form of text message, dialogue box or end of day usage SMS as per international best practices and saving cellular mobile users from experiencing any bill shocks. PTA firmly believes that international roaming of data service should be stopped by the CMOs, and the CMOs shall inform all subscribers that they are encouraged to use a local connection of their destination while travelling which is much cheaper than the international roaming rates. In

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this regard, PTA intends to standardize the practice of informing its users about reaching balance /usage/ time limit for subscribed service. Following question is posed to all the stakeholders so that proposal may be implemented with mutual consent:

Question

What is the current practice/ system being followed by your company in terms of notifying your subscribers about their remaining credit balance and/or the balance of their talk time, data limit and SMS limit? If your company is not notifying your subscribers about their remaining credit balance and /or the balance of their talk time, data limit and SMS limit, what system/ practice is being followed at your company in a situation where your subscribers' credit is exhausted/ used up? Kindly provide your reply to above question for domestic usage (talk time, data limit and SMS) as well as for usage on international roaming.

Considering the aforementioned issue, all cellular mobile users, other stakeholders, interested persons and the general public are requested to submit their reply / comments/input on the issue and the question proposed in this consultation paper within one month of the issuance of this consultation paper.