

## Telenor (India) Response to TRAI Consultation Paper on Complaints / Grievance Redressal in the Telecom Sector (No.15/2016 dated 28 July 2016)

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### Preamble

The intent of TRAI vide this consultation is to further strengthen the compliant redressal system by way of introducing Ombudsman for telecom sector similar to banking and insurance sector. However, we are of the view that **the existing two-tier complaint redressal mechanism to resolve the consumer complaints is working well and should be continued.**

TSPs are committed for resolving the complaints within the stipulated time period specified as per TRAI regulation. We believe there is **no requirement to establish Alternative Dispute Resolution mechanism to resolve consumer complaints in the form of Ombudsman** for the telecom sector. However, if TRAI still feels that constitution of Telecom Ombudsman is essential, same should done by considering our response given for Q5 & Q6 of the paper.

### Insurance and Banking Sector are different from Telecom Sector

The structure and business composition of the Insurance and Banking sectors are different from telecom sector. These sectors are handling financial transactions of their consumers of high values in comparison to the telecom sector. The number of Insurance companies and Banks and volume of transactions in money terms handled by them are of much higher value vis-à-vis financial transactions dealt by the telecom companies. For instance, during FY 2012-14<sup>1</sup> there were 89 Banks having offices at over 92000 locations across India handling deposits of Rs 74295324 mn and investments of Rs 26132752 mn. Similarly, at the end of March 2015<sup>2</sup>, there are 53 insurance companies operating in India (8 PSUs and 45 Private companies) having 11033 offices; out of which 24 are in the life insurance business and 28 are in non-life insurance business and recorded a premium income of Rs 3281010 mn from life insurance and Rs 846840 mn with net incurred claims of Rs 552320 mn from non-life insurance segment. Whereas Telecom sector<sup>3</sup> is having gross revenue of Rs 683350<sup>4</sup> mn and ARPU of only Rs 127 as on QE 31 March 2016.

### Intense competition coupled with MNP – consumer is free to move from one operator to another and can choose tariff offers best suited for him.

The Indian telecom market is characterized by intense competition having 6-8 service providers in each telecom service area coupled with the lowest tariffs and availability of MNP facility as an option for customer to switch from one service provider to another service

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<sup>1</sup> Profile of banks – <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/APB30091213F.pdf>

<sup>2</sup> IRDA Annual Report for the period 2014-15 - [https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral\\_Layout.aspx?page=PageNo2733&flag=1](https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo2733&flag=1)

<sup>3</sup> The Indian Telecom Performance Indicators Jan-Mar 2016 [http://tra.gov.in/WriteReadData/PIRReport/Documents/Indicator\\_Report\\_05\\_August\\_2016.pdf](http://tra.gov.in/WriteReadData/PIRReport/Documents/Indicator_Report_05_August_2016.pdf)

<sup>4</sup> The revenue mentioned is for one quarter for the industry. Estimated annual revenue would be INR 250,000 Crs

provider. The telecom service providers (TSPs) are vying for more customers by ensuring regular up gradation of their networks to provide good quality of service at affordable rates. Moreover, comparable tariffs & equivalent services are putting additional pressure on TSPs to maintain QoS to attract new customers as well as retain their existing customers. Further, consumer is free to choose tariff offers available in the market which is best suited to meet his telecom usage requirements at any point of time during his service tenure with the TSP. This clearly depicts that telecom market is driven by market forces and TSPs are sensitive towards their consumer needs due to the fact that any service related issues may lead to loss of consumer to them.

### **Volume of Complaints is much lower in comparison to other sectors**

The total complaints as reported by TRAI in the paper are miniscule to the proportion of total telecom consumers in India - as on QE Dec-2015 and QE March 2016 the complaint received were only 1.25% and 0.97% respectively of the total telecom consumers reported during the same period. Similarly the number of appeals received was only 0.002% and 0.003% respectively. During the year 2014-15, the insurance industry received total 300,476 complaints<sup>5</sup> out of which 278,992 complaints related to life insurance and 21484 complaints related non-life insurers. In Banking sector, total 88438 complaints<sup>6</sup> were received out of which 96% were disposed which includes rejection of 25976 complaints at pan India level having average cost of handling a complaint is Rs 4541 during 2014-15.

It is important to bring to the notice of the Authority that all kinds of consumer complaints related to telecom services cannot be disposed-off effectively by the Ombudsman in a time bound manner. In telecom sector, consumer complaints are generally segregated into various categories and each category of complaints to be handled differently having different turnaround time (TAT) for resolution. Majorly, there are two types of complaints – namely Network related complaints and Billing related complaints. For Telenor India, these two categories together constitute over 70 percent of the total complaints. In billing related complaints, most of the cases are being resolved within the stipulated timeline and accordingly waiver (as applicable) is passed. Another important complaint bucket is fraud related complaints which falls under criminal offence and handled by the local police. Regarding network related complaints, although TSPs are continuously investing in strengthening their networks to serve their consumers better, the TAT for resolving such complaints are being informed to the consumers in a transparent manner.

Further, the multi pronged audit mechanisms (both internal and external) are in place ensuring timely resolution of the complaints. In case of any billing and configuration related errors, same is corrected and refund is being processed to all impacted consumers in a time bound manner.

It is also noteworthy to highlight that from the consumer perspective, the most important type of complaints are billing related complaints where some financial stakes are involved. In such cases, post investigation of the complaints, necessary waiver is posted in the consumer account. While doing analysis of waivers posted across all our six operational

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<sup>5</sup> source – [www.irda.gov.in](http://www.irda.gov.in)

<sup>6</sup> Source – [www.rbi.org](http://www.rbi.org)

circles during Jan-Jun 2016 period, it is found that over 42 percent of waivers posted in consumer accounts are upto Rs 10 and another 29 percent of waivers are under Rs 20. This indicates that for consumers reaching to telecom ombudsman for majority of the waivers credited in their accounts are of small value. Therefore, it may not be economically viable for majority of consumers to approach the Ombudsman for such complaints in terms of efforts and time required which are appropriately resolved by the TSP.

### **Legal remedy is available for consumers if not satisfied with the resolution.**

The resolution provided by complaint centre and / or decision given by the Appellate Authority is not binding on the consumer and he has rights to go for legal remedy under Consumer Protection Act. The consumer can approach District Consumer Dispute Redressal Forum established under Consumer Protection Act to get the resolution of his / her complaint. It indicates that the multiple layers for resolution of the complaints already exists and are working well. Introducing another layer may be burdensome and prove to be counterproductive; it may also lead to delay in appropriate resolution of the complaint.

### **Summary**

- Existing consumer grievance redressal mechanism is working well and same should be continued.
- The need for the establishment of Ombudsman is necessary in sectors where number of service providers is more in number and involved financial stakes are high.
- In case of telecom sector, majority of the complaints where financial stakes of consumers are of very small values, reaching to telecom ombudsman may not be economically viable.
- The complaint resolution mechanism is undergoing Digital transformation, the advent of social media and on-line chatting has also brought about societal checks. This ensures quick response and resolution in a transparent manner.

### **Question wise Response**

Q1. Is the complaint redressal mechanism, as presently existing, adequate or is there a need to strengthen it?

Q2. Are there any specific changes that can be made to the existing system to improve it?

#### **Response:**

- Telenor India provides multiple touch points to its customers for registering their complaints in case of any concern - like Call Center/ Stores/ Website/ SMS/ Social media etc. In case the customer is not satisfied with the resolution provided by call centre or

any other channel; there is a well-defined two tier process of filing an appeal to Appellate Authority which can be approached by the consumer within the specified period.

- The present two tier consumer grievance redressal mechanism is working efficiently and adequate to dispose-off the consumer complaints in a time bound manner. Moreover it is extremely customer-focused in terms of ensuring resolutions quickly and efficiently.
- The TRAI - CAG Customer Out Reach Programs' organized in the presence of advisory group members have also not highlighted any major concern areas in complaint resolution process or highlighted any need to further strengthen it.
- Hence, we would like to continue with the current process of addressing complaints.
- Regarding further strengthening the current grievance redressal mechanism, we would like to suggest that more digital / social media channels – TSPs own APP, Facebook page, Twitter handle etc should be made available/ promoted extensively among the consumers enabling them to get their complaints resolved in a quick & efficient manner. In this regard, we have enhanced various contact modes for our consumers to contact us easily and through his/ her preferred mode.
  - ✓ Introduction of chat facility at Telenor website: Customers can directly chat with Telenor representatives for any support/info requirement all 7 days a week, during defined hours.
  - ✓ Availability on Social Media platforms: Telenor has Facebook and Twitter accounts wherein customer can directly reach us and post his queries / issues – these are addressed and the resolution communicated back to the customer. We have twitter handle by the name of Telenor social care which is dedicated for queries / complaints, where we respond to users in real time. On these social media platforms, we also do activities covering achievements or actions taken by Telenor under CSR. On Twitter, we conduct contests every week to identify & engage our audience and response to this activity has been good.
  - ✓ Self help Channels: Telenor has introduced 'Telenor App' which provides service info to the customer. In addition, a USSD based Self help tool-\*121# is also available to the customers for quick and easy availability of information as well as updates.
  - ✓ Our IVR has also been enhanced to provide information to the customer in quick and simplified format, in customer's preferred language. \*121# as well as IVR provides detailed information ranging from customer balance and account status to last few transactions, GPRS settings availability, option to activate/deactivate services, status check for complaints etc.
  - ✓ Enhanced reach via physical stores: We have added approx.1000 new stores during last 1 year across our six circles. These again provide quick and easy access for customer to approach Telenor at any point of time for any support.

- We continuously measure our customer satisfaction levels via a well established framework of NPS (Net Promoter Score). Required actions are initiated by the organisation based on the inputs received via the measurement matrix. Endeavour is to constantly work upon and reduce customer concern areas
- Recently, DoT under the leadership of Hon'ble Minister of Communication Shri Manoj Sinha has started the Twitter Sewa with the objective to ensure quick redressal to consumer grievances. Consumers placing their complaints on this handle are being forwarded to the concerned TSP in order to provide a faster resolution. A similar application may be thought out by TRAI as well.
- We believe that the consumer complaints and their redressal through digital and social media channels are in public domain and offer quick resolution in a transparent manner. The advantage is that the resolution provided is subject to societal pressure, competition scrutiny and review by licensor / regulator. Thus forming an alternative to this electronic ombudsman in any other form of "independent telecom Ombudsman" is not required.
- Apart from this there is a Public Grievance Redressal Mechanism set up by the Govt. of India, where the PG cell of DoT forwards the customer issues to the TSP and get them resolved in an effective manner.

Q3. Should a separate - independent and appropriately empowered - structure to resolve telecom sector complaints and grievances be established?

Q4. If yes, please comment with regard to the organization; its structure; kinds of complaints to be handled and its powers?

**Response:**

In our opinion there is no requirement for establishing separate entity to resolve consumer complaints which are already being disposed off through existing two tier consumer grievance redressal mechanism -

- This may delay the process of providing resolution to the customers.
- In the current scenario also, many customers approach other channels like DOT/TRAI portals directly without approaching the operator for the first time also. This delays the overall resolution for the customer. Another separate entity may also face similar challenges which can impact service delivery
- We have also not received any such suggestion from customers in the forums conducted by us / under the CAG.
- The composition of the Appellate Authority is such that a neutral CAG representative (registered with TRAI) is in good capacity to give an independent and fair resolution on any appeal raised. We believe that this is equivalent to setting up an ombudsman and working effectively.

- Many consumer surveys are being conducted by the agencies appointed by TRAI to ascertain the Quality of experience.
- The complaints raised with the TSP are scrutinised and audited under the Billing & Metering audit by the TRAI appointed audit agencies throughout the year.

As explained in our response till now, we believe that there is **no requirement to establish Alternative Dispute Resolution to resolve consumer complaints in the form of Ombudsman** for the telecom sector and existing framework is working well. However, if TRAI still feels that constitution of Telecom Ombudsman is essential, same should done basis TRAI earlier recommendations made to DoT in the year 2004 and by considering our response given for Q5 & Q6 of the paper as follows:

Q5. Is establishing an Office of Telecom Ombudsman an option that should be revisited, especially given the experience of the past few years of increasing numbers of complaints?

**Response:**

- An expert body that adds value to the redressal of consumer disputes in line with telecom regulations and technicalities involved shall be welcome move, considering the fact that due to lack of technical knowledge and telecom know-how of consumer forums adjudicate disputes in line with other general issues.
- However any attempt to establish only a parallel mechanism in addition to existing mechanism as detailed under “Telecom Consumer Complaint Redressal Regulation 2012”, without legal authority to adjudicate the dispute and finality of the award which shall be binding and operative on the parties will be futile and may defeat the very purpose of providing cost free and speedy adjudication of consumer disputes. As such the telecom ombudsman should be constituted under a statue with legal authority to adjudicate the dispute, award compensation, finality and binding of its award with provision of appeal within the structure shall be more appropriate than just a conciliation forum without authority of law.
- An ombudsman in line with electricity and Insurance sector having representation from regulatory bodies, industry representatives, technical experts, consumer association should constitute the forum to ensure that interest from service providers, consumer perspective and experts are represented to create a balance forum.
- Most likely telecom ombudsman should act as next level escalation matrix provided failure on part of TSPs to address consumer grievances within existing defined timelines or consumer is not satisfied with resolution status of his or her complaint. At this stage the resolution by an expert body (ombudsman) shall create value and trust among consumer at the same time TSPs shall get benefited by the subject knowledge and know-how by the committee members. **However, customer shall have an option either to approach ombudsman or consumer forum within defined timelines.**

Q6. If yes, how should it be created – the legal framework? What should be its structure? How should it be funded? What types of complaints should it handle? What should be its powers, functions, duties and responsibilities?

**Response:**

In respect to legal framework, structure, powers, functions, duties and responsibilities:-

- The current frame working under banking and insurance sector (including any other industry) should be studied and the best practices with required improvements should be considered for telecom sector.
- All escalation to ombudsman should be addressed in a time bound manner to ensure that there is no lapse of time and prolonged litigation both for consumer and TSPs.
- Claims solely for compensation (mental harassment, agony, implicit loss etc) should be outside the jurisdiction of the Ombudsman.
- There needs to be defined pecuniary and territorial jurisdiction within which the authority is empowered adjudicate.
- Only disputes between individual (registered) consumer and TSPs shall be addressable by the authority.

In respect to types of complaint:-

- Redressal mechanism shall only be relating to quality of service parameters and other regulations relating to consumer protection.

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