

Indian Banks Association

Chief Executive

No. RB/Govt/437

7th December 2006

The Secretary
Telecom Regulatory Authority of India
TRAI House
A2/14, Safdarjung Enclave
New Delhi 110 029

Dear Sir,

Reg: Consultation Paper on unsolicited commercial communication.

This has reference to consultation paper No. 15/2006 released by Telecom Regulatory Authority of India dated 20.11.2006.

Indian Banks' Association is a voluntary Association of banks in India. We have almost all banks in the public sector, private sector and foreign sector as our members. Most of the leading co-operative banks in the country are also our members. The Association is governed by a Managing Committee comprising 31 Chief Executive of member banks. The Association provides a platform for banks to come together to deliberate on issues of common interest and benefit from synergy of working together. We interact with regulatory and policy making bodies on important issues affecting banking industry on a regular basis.

On the issue raised in the consultation paper we wish to make the following submission :

1. The Reserve Bank of India had in their guidelines on credit card operations issued in November 2005 advised banks issuing credit cards to introduce a DNCR to enable customers and members of general public to "opt out" of telemarketing services. Many banks engage services of direct selling agents (DSAs) for marketing their loans as well as liability products. Banks' own staff also have to refer to the do not call list before they call up customers for cross-selling of products. Banks are now insisting that their tel3marketers scrub their call list regularly against the list of do not call numbers maintained by the bank. Normally access to DNCR is through the website of the bank. We understand that banks are penalizing their agents by levying a penalty against complaints received from customers who are registered with DNCR. Banks ask their (DSAs) to submit list of telephones used by them for this purpose.
2. While we understand that the DNCR arrangement is getting stabilized in the banking system, it suffers from a major disadvantage from a customer perspective. The customers would be required to register with every bank if they wish to avoid marketing calls from all banks. Some of our members suggested that a common DNCR for the banking industry would be operationally more convenient to banks as well as customers.

3. We examined the feasibility of setting up a do not call registry in collaboration with the India Card Council (ICC) – a user group of Mastercard issuers in India. IBA worked with a sub-group of ICC on this initiative. The group felt that a third party operated business model would be ideal. Keeping this in view, we released a Request for Information (RFI) in June 2006. We received responses from 19 established entities in the IT services industry.
4. After studying the responses we have now prepared a Request for Proposal (RPF) which would be released shortly. The proposed business model is, in a nutshell, as under :

The operator would develop necessary software and set up the registry. The registry will have capability to receive requests for inclusion in DNCR list in letter form, through website or telephonically using IVR. Banks will advise their Direct Selling Agents (DSAs) to register themselves with the DNCR service provider. Before making telemarketing calls they will upload the list of numbers to the server of the service provider where the list will be scrubbed against registered numbers. They would receive the cleaned list based on which telemarketing calls can be made. The DSAs would pay for the service provider at an agreed rate based on the total number of telephone numbers uploaded for scrubbing. Necessary conditionalities would be incorporated in individual banks agreement with DSAs incorporating penal provisions for making calls to individuals whose numbers figure in the DNCR list. Marketing Departments in banks also would have their lists cleared by the DNCR before making telemarketing calls.

5. We expect to receive responses to our RFP by the middle of January 2007 and after due scrutiny select a service provider in the couple of months. It is envisaged that a do not call registry common for all banks in the country would be set up in the next three to six months.
6. The above initiative is voluntary in nature and would be in the form of self-regulatory measure in the banking industry.

Yours faithfully,

H.N. Sinor