

## Comments from Sanrakshan (CAG)

Dear Sir,

Please find below my comments on '**Consultation Paper on USSD-based Mobile Banking Services for Financial Inclusion**':

### **Issues for Consultation:**

**Q1: Do you agree that USSD is one of the most appropriate modes for mobile banking for financial inclusion? If not, which mode do you think is more appropriate? Please support your viewpoint with reasons.**

Ans1: Yes, since financially weaker section of people are still not well conversant with GPRS/3G technology. However the charges for each USSD session should be bare minimum at par with GPRS services.

**Q2: Do you agree that the Mobile Banking (Quality of Service) Regulations, 2012 should be amended for mandating every TSP, acting as bearer, to facilitate not only the banks but also the agents of banks acting as the aggregation platform providers to use SMS, USSD and IVR to provide banking services to its customers? Please support your viewpoint with reasons.**

Ans2: No, since the matter deals with people's money, utmost care should be given to security. As of now in current environment, to serve the current Banking population, enough Banks are available to educate & sensitize the people towards Mobile Banking.

**Q3: Do you agree that in the case of USSD transactions for mobile banking, TSPs should collect charges from their subscribers as they do in the case of SMS-based and Application (App) based mobile banking? Please support your viewpoint with reasons.**

Ans3: There should be some charges for the facility. However, the charges for each USSD session should be bare minimum at par with GPRS services.

**Q4: Do you agree that records for USSD transactions must be generated by the TSPs to provide an audit trail for amounts deducted from prepaid subscribers and bills raised to postpaid subscribers? Please support your viewpoint with reasons.**

Ans4: Yes, it would educate the customer about the facility's lower charges & would also be helpful in case of any discrepancy. In view of TSPs, it is a must for them to make customer aware of any charges involved for USSD session.

**Q5: Would it be appropriate to fix a ceiling of Rs. 1.50 per USSD session for mobile banking? Please support your viewpoint with reasons.**

Ans5: No, not at all. A similar GPRS session for mobile Banking would cost only Rs 0.20 to Rs. 0.30. The pricing for the customer should be at par with GPRS services. At times USSD sessions are disrupted so cost as high as of RS. 1.50 is not at all appropriate.

**Q6: In case your response to Q5 is in the negative, please suggest an alternative methodology to fix a ceiling tariff for a USSD session for mobile banking. You may also support your viewpoint with a fully developed model with associated assumptions, if any.**

Ans6: As above

**Q7: Is there any other relevant issue which should be considered in the present consultation on the use of USSD as a bearer for mobile banking services?**

Ans7: USSD codes for different Banks should be same & USSD session itself should allow the customer to choose the Bank.

**Note:** Due to BSNL Broadband internet service failure, I was unable to send the above comments in time by 4-Oct-2013.

Regards,  
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