

## TRAI Consultation Paper on Deactivation of SIMs due to Non-Usage

The mobile industry in India has witnessed tremendous growth in the last few years which has seen phenomenal growth in subscriber base. In order to cater to this growth, there has been increased need for the number series by the mobile operators.

DoT has revised the eligibility criteria for qualification of additional number series from the HLR subscriber base criteria to the VLR subscriber base criteria. The new criteria is far more stringent and aimed at bringing about efficiencies given the scarce number resources available. There has been an imminent shortage of available number series for allotment to service providers after DoT had revised the eligibility criteria for qualification of additional number series resulting into non allocation of additional number series especially for high growth service areas. Further, it is also pertinent to highlight that inactive users increase proportionately with the growth of subscriber base. Therefore, higher the subscriber base there will be higher percentage of inactive customers and those will not get reflected in the VLR. This has put increased pressure on the operations of all service providers as stocks are depleting whereas required numbers are not available for acquisitions.

In view of above background and to overcome the problem of number shortage for new acquisition, Service Providers have analyzed their customer usage behavior and it has been observed that many of the SIMs that are purchased by customers go into zero usage beyond a certain period after which these numbers never get active again. This has also happened due to multi SIM behavior due to which most of the subscribers don't latch on the network regularly.

We are of the view that since service providers are not allowed to report the numbers which are "not active" for number series allocation it is only justified that these numbers be allowed to be deleted so that resources are freed for efficient utilization.

### Issues for Consultation:

**Q1: What period of continuous non-usage of a SIM should be kept as criteria for deactivation by the telecom service provider?**

- (i) 60 days**
- (ii) 90 days**
- (iii) 120 days**
- (iv) 150 days**
- (v) 180 days**
- (vi) Any other**

**Bharti Airtel's Response:**

Airtel follows a 60 days non-usage criteria for deactivation of the SIM from our network. Basis Customer usage behavior, it has been observed that 60 days is long enough period to determine whether or not the SIM would be in use thereafter or would be lying idle and can be safely disconnected. The view that SIMs are not used while roaming in India due to higher tariff is incorrect since roaming tariffs are marginally higher as compared to home network tariffs which facilitates customers to use their SIMs while roaming in other parts of India. Accordingly, we would recommend that 60 days be the period of continuous non-usage to be identified for the purpose of deactivation.

**Q2: Which (one or more) amongst the following should be included in the scope of activity with regard to the criteria for deactivation of SIMs upon non-usage?**

- (i) Outgoing voice call**
- (ii) Incoming voice call**
- (iii) Outgoing video call**
- (iv) Incoming video call**
- (v) Outgoing SMS**
- (vi) Incoming SMS**
- (vii) Data transfer**
- (viii) Activation of a voucher**
- (ix) Switching the connection 'ON' by powering on the handset and SIM**
- (x) Any other**

**Bharti Airtel's Response:**

Any SIM would be considered as active / in-use if it is under the conditions mentioned under S. Nos. (i), (ii), (iii), (iv), (v) & (vii) above, i.e. outgoing voice call, incoming voice call, outgoing video call, incoming video call, outgoing SMS and data transfer during the specified period and will not be included for deactivation due to non-usage.

For point no (vi), incoming SMS does not constitute usage since these maybe received from Telemarketers who are carrying out promotions soliciting commercial transaction. Further, no usage is done by the customer in receiving an SMS. For point no (viii), i.e. activation of a voucher also does not constitute usage and should not be considered as an activity. For point no (ix), merely by inserting the SIM into the handset and keeping it VLR registered is not meeting the criteria of usage.

**Q3: Which method(s) should be used for communicating the criteria of deactivation of SIMs to the subscribers in a transparent manner?**

**Bharti Airtel's Response:**

We agree that transparency needs to be maintained and customers should be informed the criteria for deactivation of SIMs. In accordance with this, Airtel is communicating the said criteria to new customers through the SIM Card Packaging (Start-up Kit) so that the customer is fully aware of the criteria regarding deactivation due to non-usage. The same are also being communicated through the Terms & Conditions on the reverse of the CAF (Customer Acquisition Form) which customer is declaring to have read, understood and agreed to at the time of applying for the SIM. For educating the existing customers, service providers can do SMS communication periodically to all customers incl NCPR registered customers. In addition to the aforesaid methods, service providers may also publish this condition on their website so that it is accessible by all on a 24x7 basis.

**Q4: Should the condition of deactivation due to non-usage apply in all cases, or should it apply only in those cases where such a condition formed part of the contract at the time of enrolment?**

**Bharti Airtel's Response:**

There has been an imminent shortage of available number series for allotment to service providers after DoT had revised the eligibility criteria for qualification of additional number series which is now on a VLR subscriber base criteria. This stringent criterion put increased pressure on the service providers as stocks were depleting whereas numbers were not available for acquisitions.

Accordingly, it is recommended that disconnection criteria due to non usage should be made applicable to all the customers irrespective of the communication about the same in the Terms & Conditions at the time of enrolment. However, in order to maintain transparency and protect customer interest, we propose to communicate the disconnection due to non-usage criteria condition to all customers within 15 days of the direction and ensure this is printed on the CAF / SIM jacket for all new acquisitions within one month of issuance of directions - the industry and TRAI may also place a Public Notice jointly in leading newspapers. This will enable uniformity in process for deactivation and there will not be any confusion in the minds of customers as to what conditions would be applicable for deactivation of SIM due to non-usage.

We believe that this proposed process would be fair from a customer standpoint and should be allowed so that business continuity is maintained and there are no impediments to the growth of mobile services.

**Q5: Whether there is a requirement of a connection retention scheme for the wireless subscribers who wish to retain their mobile connections active/ live even after long continuous periods of non-usage? If yes, what should be the terms, conditions and charges under such a scheme?**

**Bharti Airtel's Response:**

As has been mentioned in the Consultation Paper, some customers may be desirous of retaining their number even though they may not be using it for longer periods. Accordingly, customers can opt for special recharge by which number will be kept in safe custody for the customer for the said duration. We already have the "Number Locker" schemes available for prepaid customers - for Rs 150 with 6 months validity, for Rs 300 with 12 months validity and for Rs 600 with 24 months validity. During the currency of safe custody, customer can start using the SIM whenever he / she desires which will automatically terminate the safe custody. This is customer friendly and extremely useful mechanism to retain the number if they are not going to use for long periods which would otherwise have been deactivated basis the non-usage criteria. Accordingly, the terms and conditions could be:

- (a) Nominal charges for retaining the number - options for different duration to be made available enabling customer choice for best suited option as per customer's need.
- (b) Simple mechanism to activate the safe custody through special recharge voucher.
- (c) Automated deactivation of safe custody once customer starts using the SIM during the safe custody period.
- (d) No refunds if safe custody is deactivated prior to expiry of the safe custody period.

**Q6: Whether the monetary value remaining on a pre-paid SIM should be forfeited upon deactivation of the SIM due to non-usage or it should be refunded/ returned back to the subscriber?**

**Bharti Airtel's Response:**

Service provider has communicated to the subscriber that the SIM will be disconnected if there is a continuous non-usage period alongwith what constitutes zero usage. Service provider has also communicated that no refunds will be entertained on account of disconnection due to non-usage. Thus the customer has been informed the conditions regarding non-usage and consequent disconnection without any refunds payable. It is only after this that the customer has agreed to subscribe to the services of the service provider and abide by the terms and

conditions. As a result there is a contract the customer has agreed to enter into with service provider. In the light of these conditions being clearly communicated, customer is free to use the SIM as per his choice. Knowing this condition, customers will not keep balance of large amount on SIM which is not going to be used. As can be seen from the data collated by TRAI from all service providers that an approximate average amount of Rs 6/- has been forfeited which is a very small amount.

It is further submitted that subscriber buys Airtime or talktime by purchasing voucher of desired denomination and the purchased Airtime has to be only consumed by 'usage' and it cannot be refunded in the form of money to the customer on deactivation. Forfeiture is the accepted practice followed across geographies in the prepaid market. Historically the practice of no refund is being followed in many industries like Airlines, Railways, Movie halls, where customer has reserved his right to use the service but in the event of not using the same, there is no refund given.

**Q7: Whether there is a requirement for specifying a period, within which a wireless subscriber should be allowed to reactivate his SIM, that was deactivated due to continuous non-usage? If yes, what should be such reactivation period and other terms & conditions thereof?**

**Bharti Airtel's Response:**

In view of the conditions being clearly communicated to the customer at the time of subscription of the service, there is no need to mandatorily have a number retention period should a customer's SIM get deactivated due to non-usage and should the customer desire to reactivate the same. In any case, if at all any complaint is received from a customer whose number is deactivated due to non-usage and the number has not been recycled to another customer, service providers are extending their necessary help to reactivate the SIM in order to win over the lost customer. However, this is not a matter of customer right and cannot be demanded by the customer since this has already been agreed to the terms and conditions at the time of applying for the SIM.