

**CONSUMER PROTECTION ASSOCIATION
HIMMATNAGAR
DIST. : SABARKANTHA
GUJARAT**



COMMENTS

ON

Consultation Paper

on

**Review of extant provision for sending the printed bills to
consumers of landline and Post paid Mobile subscribers**

Introduction :

Before implementing e-bill, the most important question to ask is : what kind of adoption rate is ? Companies have been trying to persuade customers to opt for electronic billing and communication worldwide for decades. Yet the rate of adoption has remained relatively stagnant. Even in developed country like America, the total market adoption is even less than 27%. Commonly known e-billing is the group of process of communications service providers that are responsible to collect consumption data, calculate charging and billing information, produce bills to customers, process their payment and manage debt collection. These all expenditure ultimately will be borne by consumers.

Comments on sending printed bill : by – CPA, Himmatnagar

A Consumer is a “ legal entity ” (That can be either an individual or a company) that takes the products and services offered by the service provider and responsible for paying the bill. Providing a hard copy of bill is a contractual obligation between consumer and service provider. Invoice is a written verification of the agreement between the buyer and the seller of the goods or services.

According to “ Rights of persons with Disabilities Bill – 2016 ” which contain 21 disabilities, service provider has a legal obligation to communicate with customer in a way that they can understand and apply, extends beyond just web accessibility.

In terms of percentage of the total telecom subscribers, the post paid users are just about 4.39%, which contributes significantly to the service provider’s revenues. The post paid subscribers paid on an average Rs. 348, which is about 5.19 times the average monthly recharge amount of the prepaid users (Rs. 67). The post paid users ensure a steady flow of income to service provider against prepaid subscribers who top-up phones as per their need.

The loss of post paid users is a big deal for service providers. Rather than simply pushing electronic communication, service provider needs to step back and examine how to improve the customer experience.

The purpose of obtaining the telephone bill through hard copy are :

- (1) Transparency and consumer protection
- (2) Prevent online fraud
- (3) Understand and satisfy oneself about the genuineness of the bill
- (4) Facilitate making payment
- (5) Verify the charges incurred by the consumer

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- (6) Monitor usage or expenditure by consumer
- (7) Educating and informing layman consumer to know the details of their bill.

While asking to the consumers regarding “ why they still need paper communication as their main source of information ? We have heard the following answers from the consumers :

1. The paper statement is my physical reminder to pay my bill
2. I don't want to go to 10 different websites to get my statement when they can be in a nice stack in my kitchen counter.
3. I don't want to loss documents and like to keep a paper copy for my record.

Issues for Consultation

- (i) **As per the extant provision of TTO (46th Amendment), provision of hard copy of the bill or printed copy of the bill to postpaid subscribers is mandated as a default option. Is there a need to change the extant default option, i.e., provision of paper bill without any charge to postpaid subscribers of Wire line and (ii) Mobile services? Kindly support your answer with rationale.**

Comments :

There is no need to change the extant default option, because :

1. **Environmental Concern** – relating to cutting of tree – Some facts :
 - (i) Often, a tree is not cut down for making paper et all, but instead cut down for making boards and planks (Dimensional timber) used for building. Paper is then made from the leftover

scraps from those sawmill operations. Almost none of the tree is wasted after it is harvested.

- (ii) Trees are planted and grown specifically to make paper. Trees that are cut down for paper production do not come from our favorite park or wilderness area. Most trees used for paper come from forests called **managed timberlands**. They are an agricultural crop like vegetables on a farm. These are renewable resources. As long as we manage timberland and plant tree to replace the once cut down, tree will continue to grow and grow and grow.
- (iii) Paper is one of the few consumer products that is fairly easy and inexpensive to recycle. It can be made into many new products including Corrugated boxes, Packaging, News print, Tissues and writing paper among other things.
- (iv) Import of paper and paper board into India from Asian countries, like China and South Korea in FY 18 increased as 32.59%.

(2) Changing mobile usage Scenario – data usage on Smart Phone :

- (i). “ Low end consumers are the one who cannot generally afford to have access to computer/compatible smart phone/Internet to obtain the telephone bill through e-mail and therefore, it is this category of consumers who needs protection.
- (ii). An electronic bill served on a feature phone may not be capable of displaying all the vital information required to be given as per norms.

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- (iii). All the crucial details cannot be easily, conveniently and comprehensively captured in SMS and bill sent through SMS will not give sufficient clarity to subscriber.
- (iv). Senior citizens, disadvantaged groups and rural populations are also have some limitations like limited access to e-mail facility, familiarity with e-bill system, age profile, e-literacy etc..
- (v). The need of receiving the bill is much necessitated in the case of post paid scenario where consumers are being charged at the end of the month on the basis of usage.
- (vi). Consumers are the most important segment of stakeholders on this issues. The joint committee constituted by TRAI in 2017 did not have any representation of consumers. To this extent the recommendation of the committee does not reflex the consumer voice on this subject.
- (vii). On occasion of overcharging of bill by service provider, will lead to extra harassment for the consumers as mentioned in the consultation paper (para 2.7)
- (viii). As per the Pradhan Mantri Gramin Digital Saksharata Abhiyan (PMGDISHA) the rural population digitally literate by March 31 is only 57 Lakh, i.e. only 19%.
- (ix). Urban India with an estimated population of 455 million has only about 295 million i.e. only 64% using internet. While Rural area, which is much higher than urban area with an estimated population of 918 million as per 2011 census, has only 186 million i.e. only 20% internet users.

- (x). The reality is that consumers did indeed “ flock ” to the web – but not to pay their bills.
3. If consumer has any difficulties or some dispute regarding charges, he can contact service provider with the printed bill.
4. It is not useful until market standard emerges.
5. **The reality is that, there are multiple e-billing vendors and multiple file formats. There should be a single e-billing vendor and single set of client billing guidelines using a single file format that can deliver the bill.**
- (ii) As against the existing practice of issue of printed bill to postpaid subscribers of**
- (i) Wire line and**
- (ii) Mobile service, unless a subscriber opts for electronic-bill (e-bill),**
- should e-bill now be made the default option? And if so, why?**

Comments :

No.

1. Standardization :

The greatest logistic problem when it comes to e-billing is a lack of standardized protocols. This problem is not related to any particular vendor, it is based on the plethora of vendors.

As an analogy, Microsoft, Outlook, and Google's Gmail are both outstanding email clients, but they work differently. The interfaces are different. The buttons are in different places. Both do the job, but learning and remembering how to use both systems simultaneously can be a minor hassle. Now imagine having to learn 29-plus more applications.

To support the existing unique billing requirements, clients also often require custom codes, adding to the logistical challenges of e-billing.

2. Contractual Obligation :

Providing a printed bill to a consumer is a legal responsibility of the service provider.

3. *Obligation to give receipt in certain cases :*

As per the Indian Stamp act 1899, " Any person receiving any money, exceeding twenty rupees in amount or any bill of exchange..... give a duly stamped receipt for the same."

4. Expensive and tedious job for the consumer :

E-bill will be expensive and inconvenient for the consumers as, keeping a computer, printer and maintenance of it will leads more expensive for the consumer.

5. Down loading and printing of bill and such bearing the cost of the same is tedious job for the consumers.

6. Despite the efforts of telecom service providers, a substantial portion of post paid subscribers have not yet opted for e-billing shows that there is a large number of subscribers are in favor of hard copy of bill. There may be some obvious reasons why substantial segment of

subscribers are not opting for e-bills, like limited access to e-mail facility, familiarity with e-bill system, age profile, e-literacy etc..

7. *Easier to Miss Payments :*

E-mail is eminently easy to ignore so utility bill can very easily go unnoticed.

One of the downsides to paperless statements is that it's easier to forget to send the payment when consumer don't have that physical bill as a reminder. Consumer may not be ready to pay his bill the moment it arrives. If customer need a [due date reminder](#), he has to print the statement from the internet and post it where he normally put his bills. Paper will be used as it was used previously. (Sending a bill)

8. *Spam filters :*

In some cases, email service provider make bill as spam, sending to them to a folder that most users rarely look at, can be difficult to know when consumer's bill caught in spam filter and frustrating to communicate to service provider how to alter their spam filters to allow his bill through.

9. *Bookkeeping issues :*

Electronic bill can make bookkeeping task harder for the consumers. Some may need to download the bill or print the bill for their record. Printed bill can be filed quickly and easily.

10. *More Passwords to Remember :*

When customer sign up for [online billing](#), that means he will have yet another username and password to remember. Even if he try to use the same ones for all his sites – which generally isn't a good idea – there are always a few sites with slightly different restrictions that will require him to come up with something different from what he normally use, something that he is more likely to forget. And if he can't remember his password, he will have to use the password recovery process to check his bill every time he forget his password.

11. *Less Access to Previous Statements :*

Service providers will typically only make a certain number of statements available online. If customer need more than that, e.g., for tax purposes, he may have to go through a few extra steps (and could even have to pay a fee) to access older statements. He could get around this by printing his billing statement each month and filing it away so he can access it if he need to.

12. *Security issue - Delay in Catching Fraud and Changes :*

Sending bill electronically comes with some risk that are not present with hard copy bill.

If consumer set up an automatic payment for his account, he could easily forget to review his statements each month, a step that's

critical to catching fraud. Even he has some days to report [billing errors](#), beyond that the service provider could make him pay.

There's another downside to paying without reading his statement – no alert to changes in his minimum payment. If his minimum payment increases beyond the payment he has set, he will be hit with a late fee even if the payment is made on time.

13. Cramming :

Most people don't know that their telephone bill can sometimes be used like a credit card—with third-party companies placing charges for unrelated services or merchandise on the phone bill. As a result, people are surprised when they find unrelated and unwanted charges on their phone bill. Placing unauthorized charges on a person's phone bill is known as "cramming."

How can third parties put charges on my phone bill?

Phone companies—both landline and wireless—enter into contracts with companies known as "billing aggregators." The phone companies make money by allowing these billing aggregators to submit charges onto the monthly phone bills of the phone companies' customers. The billing aggregators in turn enter into contracts with a variety of third-party vendors. The billing aggregators make money by allowing the third-party vendors to post charges on the consumer's phone bill for their services, under the billing aggregator's umbrella contract with the phone company. Unfortunately, in some cases the charges put on individual

customers' monthly phone bills are not authorized. This is known as "cramming."

14. *Email Address Change Notification :*

Just like customer have to notify his service provider about his mailing address, he should also update them with a new email address if, he changed. Otherwise, he will miss the monthly notification that his billing statement is ready. He could also miss an email letting him know about suspected fraud on his account or to alerting him to other changes to his account.

15. *Digital literacy :*

As per the 71st National Sample Survey Organization (NSSO) Survey on Education 2014, only 6% of the total 16.85 crore rural households have a computer. It highlights that more than 15 crore rural households i.e. 94% do not have computers. Besides, significant numbers of these households are likely to be digitally illiterate.

16. *Off line consumers :*

In certain type of businesses, the consumers may not have access to their e-mail from their home or may not even use an e-mail account. Other consumers may greatly prefer to receive a paper bill. This may especially be true for senior citizen or customer in rural or physically challenged customers.

17. By not issuing the bill or receipt, the businesses not only manage to evade taxes, but also prevent consumers from complaining against them including before the consumer court.

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18. Failure to issue a bill or a cash memo is an unfair trade practice.

19. **Late fees :**

Even though it's called "automatic," a payment still takes time to process and reach to the service provider.

(iii) If e-bill is made default option then how the bills would be made available to Postpaid subscribers of (i) Wire line and (ii) Mobile services with (a). Subscribers of Feature phones and (b). Subscribers who do not have e-mail facility.

Comments :

By printed bill which will contain all the essential information.

(iv) If a subscriber opts for e-bill and requests for change the option to printed bills, will there be a charge for providing the printed bill? Kindly provide reasons for your answer.

Comments :

No. Providing a printed bill is a legal responsibility of service provider. The onus of downloading and printing of bill and such bearing the cost of the same is also barred by the consumer.

- (v) What could be the safeguards for subscribers who do not wish electronic bills and prefer to get printed bills?**

Comments :

Providing a bill to a consumer is a legal responsibility (apart from TTO) of service provider. Shifting to the subscriber in e-bill/m-bill environment is illegal.

Providing printed bill by RPAD is the best safeguard for the consumers.

- (vi) TRAI has mandated specified set of information to be printed on bills to postpaid subscribers. If the printed bill is not issued, then how the specified set of information will be conveyed to subscribers? Should the same be mandated for e-bills also? Kindly support your comments with justification.**

Comments :

We strongly feel that there is no substitute of printed bill for the post paid consumers, which contain all the required mandatory items listed in the direction as far as Indian culture is concern.

The format should include all the mandatory items listed in the direction for e-bills also.

(vii) Any other issue relevant to the subject discussed in the consultation paper may be highlighted.

Yours faithfully,

(Dr. Kashyapnath)

President

Member organization : TRAI