

Information note to the Press (Press Release No. 40/2011)

For Immediate Release

Telecom Regulatory Authority Of India

TRAI issues Direction to Service Providers on provision of Value Added Services (VAS)

New Delhi, 4th July, 2011: With a view to protecting the interest of consumers, the Telecom Regulatory Authority of India (TRAI) today issued a Direction on the procedure for providing Value Added Services (VAS).

2. The issue of the procedure for activating value added services has been receiving the attention of the Authority from time to time. While the Authority is conscious of the salience of value added services, it has always been keen that their growth should be without adversely affecting the interest of consumers. Accordingly, emphasis has been laid from time to time to ensure that value added services are provided only after obtaining the explicit consent of the consumers. Various steps have been taken by the Authority in this regard from time to time.
3. Despite various initiatives, complaints regarding provision of value added services are being received by the Authority. This issue was deliberated in detail in the consultation paper on “Review of measures to protect the Interest of Consumers in telecom Sector” issued on 2.8.2010. Most of the consumers have underlined the need for further strengthening of the provision to seek explicit consent of the consumers as they are of the view that value added services are still being provided to consumers (especially pre-paid consumers) without taking their explicit consent. Incidences have also been brought to the notice of the Authority where value added services have been renewed to

pre-paid consumers even in cases where available balance in consumer's account was insufficient for the renewal of VAS resulting in negative balance.

4. Therefore, the Authority in partial modification of existing Directions has directed all Service providers as follows:

- (i) in all cases where the value added services are activated through Out Bound Dialer or service provider initiated call or during pre-call ring-back announcements (both voice as well as automated) and where a consumer dials a specified telephone number or short code or a telephone number providing interactive session for subscribing to a Value Added Service, the service provider shall obtain confirmation from the consumer through consumer originated SMS or e-mail or FAX or in writing within twenty four hours of activation of the value added service and charge the consumer only if the confirmation is received from him for such value added service and shall discontinue such value added service if no confirmation is received from the consumer;
- (ii) every service provider shall, at least three days before the due date of renewal of a subscribed value added service, inform the consumer through SMS, the due date for renewal of such service, the charges for renewal and toll free telephone number for unsubscribing the value added service; and
- (iii) if there is insufficient balance in the account of a consumer at the time of renewal of subscription to a value added service, the service provider shall send a request, through SMS, to the consumer to indicate his consent for continuing such service by sending an SMS as "Yes" or "No" to a toll free number and if, in response to such request, the consumer indicates his explicit consent by conveying "Yes", such value added service shall be renewed and such consumer

shall be informed by the service provider through SMS that the charges for renewal of subscription of value added service shall be deducted from subsequent recharge.

5. The Direction has already been placed on TRAI's website www.trai.gov.in.

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