



**TELECOM REGULATORY AUTHORITY OF INDIA**



**Consultation Paper**

**on**

**Complaints/ Grievance Redressal in the Telecom Sector**

28<sup>th</sup> July, 2016

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**Stakeholders are requested to furnish their comments to the Advisor (Consumer Affairs), TRAI by 18 /08/2016 and counter comments by 26/08/2016. Comments and counter comments would be posted on TRAI's website [www.trai.gov.in](http://www.trai.gov.in). The comments/counter comments in electronic form may be sent by e-mail to [catrai@gmail.com](mailto:catrai@gmail.com).**

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## INTRODUCTION

1. The telecom sector in India has grown rapidly in last decades. From a subscriber base of around 90 million in March, 2006, the number of telecom subscribers in India reached around 1.04 billion by June 2016. These subscribers filed approximately 10.23 million complaints just in the Jan-March Quarter in 2016 with the Telecom Service Providers (TSPs). The complaints were on account of wrong billing, indifferent or poor quality of service, non-provision of contracted services, etc. Unsatisfactory resolution of the consumer complaints, by the TSPs, is resulting in complaints and grievances being forwarded to the Telecom Regulatory Authority of India (TRAI) and Department of Telecom (DoT) on a regular basis.
2. It is imperative that consumer complaints and public grievances in the telecom space are resolved in a timely, efficient and cost-effective manner through a system that is easily available all across the country. Without such a system, benefits of the telecom revolution, which encompasses provision of a variety of services, such as banking, money transfer, govt. services, to the public will miss the intended target.
3. Telecom Regulatory Authority of India (TRAI) Act was enacted with the objective to protect the interest of consumers of the telecom sector and to promote and ensure orderly growth of telecom sector. The Preamble of this Act, reads:

*“An Act to provide for the establishment of the [Telecom Regulatory Authority of India and the Telecom Disputes Settlement and Appellate Tribunal to regulate the telecommunication services, adjudicate disputes, dispose of appeals and **to protect the interests of service providers and consumers of the telecom***

*sector, to promote and ensure orderly growth of the telecom sector,] and for matters connected therewith or incidental thereto.”*

*Emphasis added*

However, the TRAI Act does not envisage redressal of individual consumer complaints/ grievances by the Authority. It provides that the Authority shall lay down standards of quality of service to be provided by the service providers and ensure that the quality of service is actually provided. The Authority, in discharge of this function, has mandated several measures, through Regulations, Tariff Orders, and Directions that secure and protect the consumer interest including on how the TSPs must resolve the consumer complaints/ grievances. Regular independent audits and customer surveys are conducted by TRAI to monitor actual implementation. Adherence to the Authority’s Regulations regarding consumer complaint redressal is enforced by the DoT, which in the licensing conditions for the TSPs stipulates *“All complaints of subscribers in this regard will be addressed/ handled as per the orders or regulations or directions issued by the Licensor or TRAI from time to time.”*

4. In year 2000, the TRAI Act 1997 was amended to create the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which has been given the responsibility of dispute resolution in Section 14 of the Act. However, the TDSAT has been given powers to adjudicate any dispute only -
  - (i) between a licensor and a licensee;
  - (ii) between two or more service providers;
  - (iii) between a service provider and a group of consumers;

The same Section places matters relating to the complaint of an individual consumer maintainable before a Consumer Disputes Redressal Forum or a Consumer Disputes Redressal Commission or the National Consumer Redressal Commission established under section 9 of the Consumer Protection Act, 1986 (68 of 1986) beyond the powers of the TDSAT to

consider. Thus, in the present framework, TRAI has laid down the regulations for quality of service and mechanism for redressal of consumer grievances and complaints; the DoT has through licensing conditions enjoined upon the TSPs to adhere to these regulations and the TSPs manage both - the complaint redressal as well as the appellate mechanisms, to resolve consumer complaints/ grievances.

As stated above, a consumer has the option to file a case with Consumer Disputes Redressal Forum or a Consumer Disputes Redressal Commission or the National Consumer Redressal Commission in case he or she is not satisfied with the resolution of the complaint by his/her telecom service provider. Since amount involved in most of the consumer complaints related to telecom service is very meagre in comparison to the litigation cost and in view of the time taken by the Consumer Courts/Forums in deciding the case, consumers in general are not willing to approach the Consumer Courts/Forums for redressal of their complaints.

5. In 2004, when the subscriber numbers were far fewer, considering this framework inadequate the Authority had released a 'Consultation Paper on Establishment of the Office of Ombudsman in the Telecommunication Sector'<sup>1</sup>. After the stakeholder consultation process, the Authority had made the following recommendations<sup>2</sup> to the Government:
  - (a) Establishment of an Ombudsman would be a desirable development and such an institution needs to be established;
  - (b) Ombudsman to be created by amendment to Licence;
  - (c) Once the proposal is accepted in principle, the locations and staffing pattern etc. of the Ombudsman can be finalized by the Government, in consultation with the Authority;

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<sup>1</sup>Consultation Paper No. 1/2004 dated 07.01.2004

<sup>2</sup> Recommendations on Establishment of Office of Ombudsman in the Telecommunication Industry dated 10.08.2004

- (d) Funding of the Office of Ombudsman may be provided from the licence fee collected annually from the telecom sector. A very negligible percentage of the revenue of the service providers (for less than 0.01%) will be sufficient to meet the expenses; and
- (e) Ombudsman should handle and investigate all unresolved complaints within a time frame. The Ombudsman would facilitate through its mediation, the terms for the resolution, settlement and/or withdrawal of the complaints. The unresolved complaints will inevitably go to the Consumer Courts.

6. These recommendations were, however, not agreed to by the Government<sup>3</sup>.

7. The Indian telecom sector has since 2004 witnessed phenomenal growth; it is poised to becoming one of the largest in the world. It has reached all corners of the country and populace. There has been a sea change in the profile of the Indian telecom consumers. Today a mobile phone is necessary for all sections of the society whatever their wherewithal be. The role and impact of telecommunication services has metamorphosed from being a communication tool to a critical instrument for the social and economic development of the country. It is therefore appropriate to revisit the issue of redressal of individual consumer complaints and grievances in the telecom space. This paper is issued with this objective. This Paper presents an overview of the existing consumer grievance mechanisms and its efficacy; the mechanisms in place in other countries and within India in other sectors of similar size and impact; and the problem areas. It seeks views, opinions and comments for possible options/ alternatives from stakeholders.

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<sup>3</sup> Annex A



## CHAPTER-1

### EXISTING COMPLAINT REDRESSAL SYSTEM AND ITS EFFICACY

1.1 In accordance with the TRAI Act, the Authority has from time to time issued Regulations specifying the broad framework of the complaint redressal mechanism that all the TSPs should establish and maintain within their organisations. The first such Regulation was issued in 2007<sup>4</sup>. This specified a 3-tier grievance redressal system. In 2012<sup>5</sup>, this Regulation was reviewed and replaced by a revised 2-tier mechanism with the objective of improving the efficiency and speeding up the complaint resolution process. This 2-tier system has been implemented by all the TSPs and is in existence now. The salient features of this system are:

**Tier 1:** Each TSP must establish a Complaint Centre in each of its licensed service area with toll free number for access. Every complaint registered at the Centre is allotted a docket number, communicated to the subscriber through SMS along with time of registration of the complaint and the time by which the complaint is likely to be resolved. Complaints are to be redressed within the time limits specified in related Quality of Service (QoS) Regulations. Where no time limit is specified in the QoS Regulations for a specific type of complaint, the resolution for such complaints/service must take place within 3 days. On completion of action the complaint is formally closed and the consumer is informed through another SMS.

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<sup>4</sup>Telecom Consumers Protection and Redressal of Grievances Regulations, 2007 (3 OF 2007) dated 4<sup>th</sup> May 2007

<sup>5</sup> Telecom Consumers Complaint Redressal Regulations 2012 dated 5<sup>th</sup> January 2012

**Tier 2:** Each TSP must establish an Appellate Authority (AA) in each of its licensed service areas. Consumer can approach the AA, if not satisfied with the redressal at the Complaint Centre or the complaint is not addressed within the specified time limit. Each AA along with its secretariat has a two member Advisory Committee for advice on the appeal filed before it. One member is the representative of the TSP and the other one is from a consumer organization registered with TRAI. AA is required to give due consideration to the Advice of the Committee while deciding the appeal and has to record in writing the reason for deciding the appeal otherwise than in accordance with the advice of the Committee. The overall time limit for disposal of an appeal is 39 days. The decision of the AA is not binding on the consumer and has the right to legal remedy.

- 1.2 This 2-tier complaint redressal system has been in place for more than 4 years now. Number of complaints and appeals handled by the various TSPs under this system would provide some insight into its working and effectiveness. Data related to complaints and appeals handled by the TSPs in last two quarters ending December-15 and March-16 are indicated in the Table below:

**Table-1: Number of Complaints/Appeals**

Sl. No.	Name of the TSP	Number of Complaints in Quarter Ending		Number of Appeals in Quarter Ending	
		Dec-15	Mar-16	Dec-15	Mar-16
1.	Airtel	3209450	3889799	162	604
2.	Aircel	1177682	751210	422	316
3.	BSNL	1493333	1099785	22	0
4.	Idea	1077257	1062843	907	756
5.	MTNL	1874253	1471336	3	3

6.	MTS	166473	180045	63	73
7.	Quadrant	4769	39700	0	169
8.	Reliance	1655485	164494	19510	21101
9.	Tata	283323	302358	2000	3656
10	Vodafone	1801005	1078092	48	103
11.	Telenor	166148	195213	38	62

*Source: TSPs submission to TRAI*

- 1.3 While the total numbers of complaints registered with a TSP depends on the numbers of subscriber that the TSP has in a given service area, what is notable is the variation amongst the TSPs when it comes to the number of appeals filed as compared to the numbers of complaints registered. Such a disparity points out to the fact that the TSPs have implemented and are operating the complaint/ grievance redressal mechanism in their own ways, including differently defining what an appeal is and therefore what gets referred to the AA.
- 1.4 In the Authority's public outreach programs, consumers and consumer organizations have often expressed their dissatisfaction with the complaint redressal by the TSPs. They have highlighted issues of accessibility to the redressal system (particularly to the AA), lack of transparency in the appeal procedure, the time taken for disposal of complaints/appeals and also on the quality of response they are provided with. In several cases they have informed that a standardized response is provided without actually looking into specificities of their grievance. This disillusionment with the TSP run complaint redressal mechanism results in grievances being sent to the Authority and DoT mainly as an external and independent entity.

## **Issues for consultation**

**Q1: Is the complaint redressal mechanism, as presently existing, adequate or is there a need to strengthen it?**

**Q2: Are there any specific changes that can be made to the existing system to improve it?**

### Complaint/ grievance redressal by TRAI

1.5 Given that individual consumer complaint/ grievance redressal is outside its purview, the Authority has no public grievance cell. It seeks public opinion about the efficacy of the various TSP's complaint redressal systems through its consumer outreach programs. Regular audit of the TSP's complaint redressal mechanism are conducted by independent auditors as also root-cause analysis of some randomly picked complaints is conducted to check for systemic implications. Refunds are ordered in cases of wrong billing and financial disincentives are also imposed when wrong implementation of the Authority's regulations is found.

1.6 A more involved role is hampered by the fact that the Authority does not have the administrative structure necessary to effectively handle public grievances for a sector like telecom, which is spread all over the country. TRAI has only 5 offices other than Headquarters at New Delhi – at Bhopal, Kolkata, Jaipur, Hyderabad and Bangalore which basically look after its outreach activities. To overcome these limitations the Authority has established a web-based online portal<sup>6</sup> to forward complaints to TSPs and monitor their resolution, keeping the complainant informed about the status.

### Complaint/ grievance redressal by Department of Telecom (DoT)

1.7 DoT, in its earlier role as an administrative department, regulator and telecom service provider also used to resolve the public grievances. It has

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<sup>6</sup> The Telecom Consumers Complaint Monitoring System (TCCMS) (<http://www.tcms.gov.in>)

an extensive network of offices and staff in place, including a specific Public Grievances (PG) Cell headed by a senior officer of the rank of Dy. Director General (DDG). Some PG Cells are operating in some of the state capitals as well. With the separation of powers and creation of the public telecom companies some of the public grievance/ complaint redressal activities have been delegated to the two companies, i.e. BSNL and MTNL, in so far as their own consumers are concerned.

- 1.8 The PG Cells continue to receive complaints through various means, such as web portal/ FAX/ phone (including toll-free number 1063)/ post and by hand. In addition the DoT has set up Telecom Enforcement, Resources and Monitoring Cells [TERM Cell] across 34 cities in the country, which among other functions, monitors service related issues like network parameters, subscriber verification etc. TERM Cells of DoT also receive public grievances.
- 1.9 However, keeping in view the existing legal, regulatory and licensing provisions, PG cell of DoT also does not actively engage in resolution of the consumer grievances. It rather functions as a facilitator and forwards the complaints to the concerned TSP/Subordinate office and/or to the concerned subordinate/ field unit in DoT, with an advice to take appropriate action and to inform the complainant of the action taken. Effectively, the individual grievances against the TSPs filed with the PG cell of the DoT too go back to the concerned TSPs for resolution.

**Table-2: No. of Individual Complaints received in DoT and TRAI**

Year	Number of complaints received by		Total
	DoT	TRAI	
2013	37202	20161	57363
2014	52265	20386	72651
2015	63964	23293	87257
2016 (upto June)	29426	9276	38702

1.10 While the increasing numbers of complaints, exhibited above, must be juxtaposed against the increasing numbers of telecom subscribers in India, nonetheless these numbers are sufficiently large for consideration and to examine whether something specific needs to be done in this regard.

**Issues for consultation**

**Q3: Should a separate - independent and appropriately empowered - structure to resolve telecom sector complaints and grievances be established?**

**Q4: If yes, please comment with regard to the organization; its structure; kinds of complaints to be handled and its powers?**

## **CHAPTER-2**

### **COMPLAINT REDRESSAL SYSTEMS ELSEWHERE**

2.1 In 2004 the Authority had recommended to the Government to consider establishing the office of Ombudsman for the telecom sector<sup>7</sup>. A gist of the recommendations is presented in the Introduction to this Consultation Paper. These Recommendations were not accepted by the Government. Establishing an office of Ombudsman remains an effective Alternative Dispute Resolution (ADR) mode to resolve sector specific public grievances, in India and in other countries. Some of the different models of the Office of Ombudsman are discussed to examine their feasibility in context of this Consultation.

#### Grievance Redressal in Insurance Sector

2.2 The Institution of Insurance Ombudsman was created in 1998. The governing body of Insurance Council [which consists of representatives of all insurance companies] appoints the Insurance Ombudsman on the recommendations of the committee comprising of Chairman, IRDA, Chairman, LIC, Chairman, GIC and a representative of the Central Government. Ombudsmen are appointed from Insurance Industry, Civil Services and Judicial Services. A person should be holding or should have held the post of CMD/Executive Director /GM in a Public Insurance Company or the post of Additional Secretary to GOI or as High Court Judge/District Sessions Judge to be eligible to be appointed as Insurance Ombudsman. The Ombudsman is provided with Secretarial Staff by the Governing Body of Insurance Council and such staff is drawn from Insurance Companies. The expenses on running the Institution are shared by all Insurance Companies, who are Members of

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<sup>7</sup> Recommendations on Establishment of Office of Ombudsman in the Telecommunication Industry dated 10.08.2004

the Insurance Council. Insurance Ombudsman's offices have been established in 17 cities all over India, each with its own jurisdiction.

- 2.3 The Ombudsman can entertain a complaint; the value which including expenses claimed is not above Rs 20 lakhs. Before making a complaint to the Ombudsman, a representation should be made to the Insurance Company and either an unsatisfactory reply should have been received or the representation should stand as un-replied for at least 1 month.
- 2.4 The Insurance Ombudsman act as Counsellor and mediator and first try to arrive at a fair recommendation based on the facts of the dispute. If the customer accepts this as a full and final settlement, the Ombudsman will inform the company which should comply with the terms in 15 days. If a settlement by recommendation does not work, the Ombudsman will pass an award within 3 months of receiving the complaint and which will be binding on the insurance company but not binding on the policyholder. The Ombudsman can also award an *ex-gratia* payment.
- 2.5 There is no provision for appeal against the Recommendation or Award of the Insurance Ombudsman. If the policy holder is not satisfied with the award of the Ombudsman, he can approach other forums like Consumer Forums and Courts of law for redressal of his grievances. Further, dismissal of a complaint by the Insurance Ombudsman does not vitiate the complainants' right to seek legal remedy against the insurer, as per normal process of law.
- 2.6 During 2014-15, the Insurance Ombudsmen received a total of 21484 complaints.

#### Grievance Redressal in Electricity Sector

- 2.7 The Indian Electricity Act, 2003 makes comprehensive provisions seeking to protect the interests of consumers. The Act provides for the



establishment of Consumer Grievances Redressal Forum (CGRF) by Distribution Licensees for settling the grievances of consumers. One independent member who is familiar with the consumer affairs is nominated by the State Electricity Regulatory Commissions (SERCs) to this internal organ of the Licensee. The Act also provides for a channel of appeal in the form of ombudsman for settling non-redressal of grievances at the level of CGRF. The ombudsman is appointed by the SERCs. The CGRF is funded by the Licensee and the Ombudsman is funded by the SERCs through a separate budget allocation. SERCs may recover this expense directly from the Licensees.

2.8 Consumers have the choice to file the complaint at the complaint centers of his Distribution Utility which will be forwarded to the CGRF, by the next working day. CGRF will consider the complaints as per the regulations framed by the SERCs and dispose of the grievance, as far as possible, within 45 days of filing the complaint (15 days in the case of complaints relating to disconnection of Supply). The orders of the Forum are binding on the Utility and to be implemented within 21 days. Forum has also powers to award compensation to the consumers, as it considers just and necessary.

2.9 Any consumer, aggrieved by the non-redressal of his complaint can approach the Ombudsman. Ombudsman, in the first instance, attempts to settle the dispute by agreement between the parties and pass an award. Failing settlement through agreement, Ombudsman decides the dispute on the pleadings by the consumer and the licensee company. Reasonable opportunity of being heard is provided to them. An award is then passed which is binding on both the parties. Non-compliance of Ombudsman's order constitutes violation under the law and attracts penalty on the Licensee Company or imprisonment of the official concerned up-to three months and fine up-to one lakh rupees.

## Grievance Redressal in Banking Sector

- 2.10 The Reserve Bank of India [RBI] has framed Banking Ombudsman Scheme [BOS] to provide a quick and cost free resolution mechanism for complaints relating to deficiency of banking services of common bank customers, who otherwise find it difficult or cost prohibitive to approach any other redressal fora such as courts. The Scheme was first notified in the year 1995 and the objective of the Scheme is mainly settlement of dispute through conciliation and mutual agreement between customers and banks with the Banking Ombudsman acting as the mediator.
- 2.11 The Scheme is reviewed periodically by the RBI to expand its scope to all newly introduced banking services and products. Presently, 'The Banking Ombudsman Scheme, 2006<sup>8</sup>' is in operation. RBI appoints its officers in the rank of Chief General Manager or General Manager as BOs and also provides officers and staff necessary to function as the Secretariat of the BO. Thus, BOS is fully staffed and funded by the Reserve Bank. There are 15 BO with specific State-wise jurisdiction covering all the 29 States and 7 Union Territories in the country.
- 2.12 Under the BOS, a complainant should first approach the respective bank to redress his grievance. If the bank does not reply within a month or the complainant is not satisfied with bank's reply, then he/she can approach the BO. The aim of the BO is to arrive at amicable settlement by mediation and conciliation. When mediation and conciliation fails to ensure amicable resolution, then BO gives a decision or passes an Award.
- 2.13 BO has the power to award compensation to the customers. It can direct an amount to be paid by the Bank to the complainant by way of compensation for any loss suffered by the complainant, arising directly

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<sup>8</sup> <https://rbidocs.rbi.org.in/rdocs/Content/PDFs/67933.pdf>

out of the act or omission of the Bank. Such compensation is limited to the actual loss or Rs. 10 lakhs whichever is lower. In case of complaints arising out of credit card operations, the BO can award a compensation of Rs. 1 lakh. Award by the BO is appealable before Deputy Governor, RBI who is also the Appellate Authority under the BOS.

2.14 In 2014-15, 85131 complaints were received by 15 Offices of the Banking Ombudsmen.

2.15 It may be noted that RBI has totally internalised the Ombudsman system into its own administrative structure. Officers of RBI are posted as Ombudsmen with the RBI Budget providing funds for running the office. There are no elaborate procedures or additional cost for the complainant to bear. This may in some way also suit the telecom sector where the issue is how to allow access to a complaint/ grievance redressal system to complainants with limited means and small value disputes.

#### International Practice - Ombudsman in Telecom Sector

2.16 Australia and United Kingdom have established Ombudsman for Telecommunication Sector, to help consumers to resolve their disputes with their service providers, which they are not able to resolve through providers normal procedures.

2.17 Telecommunications Industry Ombudsman (TIO) was established by the Australian Government in 1993 as a body independent of the industry, the Government and the consumer organizations. TIO is governed by a Council and a Board of Directors and is managed by an independent ombudsman appointed by the Board on the recommendations of the Council. The Council comprises five TIO Member Representatives and five Consumer Representatives, with an independent Chairman. TIO is an industry-funded scheme and the income is derived from the members

who are charged fees for complaint resolution services provided by the TIO.

2.18 Office of the Telecommunications Ombudsmen (OTELO), UK was introduced on the 1st January 2003. OTELO is a free and independent entity and can investigate consumer complaints against any telecom companies who have signed up as members of the Telecommunications Ombudsman Service. It is independent of the communications industry and the regulator. It is managed by a Council, which appoint the Ombudsman, keep the service independent, review its performance and recommend any changes that might need to be made in the way the Ombudsman operate. It is funded by its member-companies. It has a board made up of member companies and independent representatives. The board makes sure that OTELO is appropriately funded and approves the annual budget.

#### Summary

2.19 The position emerging out from above discussions is that the consumers of other important services and utilities in the country have the benefit of an independent intermediary grievance redressal mechanism, in addition to the systems maintained by Service Providers and the normal legal recourse available under the Law. These systems aim to provide the consumers with a faster, low cost/ cost-free and fair mechanism to settle their complaints. The Office of Ombudsman can be implemented in several different ways, i.e.:

- (i) Established, managed, administered and funded by the Licensor – RBI's Banking Ombudsman;
- (ii) Established, managed, administered and funded by the Industry - Insurance Ombudsman in India and Telecom Ombudsman in UK and Australia;
- (iii) Established, managed, administered by the Regulators at the State level, but funded by the Industry - Electricity Ombudsman.

2.20 Notably, these institutions have the necessary legal backing, through Legislation or a Statute. Their decisions are binding on the service providers. They have the powers to award compensation. They step in when consumers exhausts the complaint redressal procedure of the service providers. They prefer to play the role of a mediator and strive to find an amicable settlement between the consumer and the provider. An award following the due process is passed only when such conciliatory efforts fail.

### **Issues for consultation**

**Q5: Is establishing an Office of Telecom Ombudsman an option that should be revisited, especially given the experience of the past few years of increasing numbers of complaints?**

**Q6: If yes, how should it be created – the legal framework? What should be its structure? How should it be funded? What types of complaints should it handle? What should be its powers, functions, duties and responsibilities?**

## **CHAPTER-3**

### **ISSUES FOR CONSULTATION**

**3.1 Detailed and reasoned comments on the following issues are requested:**

**Q1: Is the complaint redressal mechanism, as presently existing, adequate or is there a need to strengthen it?**

**Q2: Are there any specific changes that can be made to the existing system to improve it?**

**Q3: Should a separate - independent and appropriately empowered - structure to resolve telecom sector complaints and grievances be established?**

**Q4: If yes, please comment with regard to the organization; its structure; kinds of complaints to be handled and its powers?**

**Q5: Is establishing an Office of Telecom Ombudsman an option that should be revisited, especially given the experience of the past few years of increasing numbers of complaints?**

**Q6: If yes, how should it be created – the legal framework? What should be its structure? How should it be funded? What types of complaints should it handle? What should be its powers, functions, duties and responsibilities?**

## LIST OF ACRONYMS

Abbreviations	Description
AA	Appellate Authority
ADR	Alternative Dispute Resolution
BOS	Banking Ombudsman Scheme
BOs	Banking Ombudsmen
BSNL	Bharat Sanchar Nigam Limited
CGRF	Consumer Grievances Redressal Forum
CMD	Chairman and Managing Director
DDG	Deputy Director General
DoT	Department of Telecommunications
GIC	General Insurance Corporation of India
GM	General Manager
GOI	Government of India
IRDA	Insurance Regulatory Development Authority
LIC	Life Corporation of India
MTNL	Mahanagar Telephone Nigam Limited
OTELO	Office of the Telecommunications Ombudsmen
PG	Public Grievances
QoS	Quality of Service
RBI	Reserve Bank of India
SERCs	State Electricity Regulatory Commissions
SMS	Short Messaging Service
TCCMS	Telecom Consumers Complaint Monitoring System
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
TERM	Telecom Enforcement, Resources and Monitoring
TIO	Telecommunications Industry Ombudsman
TRAI	Telecom Regulatory Authority Of India
TSPs	Telecom Service Providers

PRADIP BAJAJ  
Chairman  
TELECOM REGULATORY AUTHORITY OF INDIA



D.O. No.15-10/2003-A&P

Dated the 10<sup>th</sup> August, 2004

Dear Shri Misra,

The telecommunication has seen a phenomenal growth in the recent past both in terms of number of operators and also increase in subscriber base. With the growth in number of subscribers, consumer complaints also increase. The Authority has witnessed a spurt in the number of complaints being lodged by the consumers on various problems. Though the TRAI Act does not explicitly fix the responsibility to redress consumer grievances on TRAI, large number of complaints are being received by the Authority daily. The Authority was therefore, of the view that there is a need to establish an internal mechanism like in other sectors, such as insurance and banking to deal with individual consumer grievances. The consumer organizations and NGOs with whom the Authority holds interactive meetings for formulation of its policies and programmes were also of the view that there should be an independent agency to look after consumer complaints in the telecommunication sector.

2. In order to ascertain the views of the stakeholders, including the service providers as well as consumers on the need for such a mechanism, the Authority brought out a consultation paper on establishment of Office of Ombudsman in the telecommunication sector. The consultation paper made an attempt to analyse the system available in the telecommunication industry in Australia and UK and also in the banking and insurance sectors in India. The consultation paper also raised few pertinent questions on the need, funding, composition, duties and responsibilities and powers of the Ombudsman. As per the usual practice written comments were invited from all stakeholders on the consultation paper. Open House discussions were held to obtain views of the general public as well as other stakeholders. TRAI received very useful inputs from different stakeholders. All these inputs have been duly considered by TRAI, before finalizing its recommendations on the subject.

Contd. ...2/ .

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on  
10/08/04*

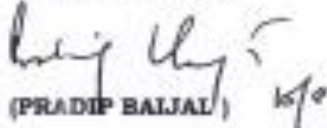


[2]

3. We are forwarding with this letter the recommendations (Annexure I). Considering the fact that the prevailing structure is not adequate or fully responsive to deal with the consumer complaints in the telecom sector, TRAI has noted that establishment of an Ombudsman could be a desirable development. The Authority has noted that for creation of the office of Ombudsman, an amendment in the Law or amendment in the license or/and concurrence of the operators is necessary. Amendment to the Law would imply passing of a Legislation through an Act of Parliament, which is not necessary since the legal remedy of consumer courts already exists. Ombudsman is only being proposed as an internal arrangement in the sector, where complaints could be handled in the form of an arbitration.
4. As already mentioned earlier, the Authority had consultations with several Stakeholders including the Service Providers and it has been found that Service Providers are not very enthusiastic in providing the required facilities and financial assistance for establishment of the office of the Ombudsman. The reasons for this view are obvious and do not warrant any explanation. It is, therefore, necessary that in order to establish and sustain the office of the Ombudsman the required financial assistance may be provided from the license fee collected annually from the Telecom Sector. Our suggestion, therefore, is that a very negligible percentage (less than 0.01%) of the revenue of the service providers will be sufficient to meet the expenses and it would not cause any undue burden on the service providers.
5. A Press Note issued regarding the recommendations is enclosed at (Annex II)
6. The recommendations along with the text of this letter have been placed today on the TRAI website ([www.trai.gov.in](http://www.trai.gov.in)) for public information.

With regards,

Yours sincerely,

  
(PRADIP BALJAI) 15/10

**Shri Nripendra Misra**  
Secretary, DoT,  
Sanchar Bhavan,  
New Delhi.

PRADIP BAJAJ  
Chairman  
TELECOM REGULATORY AUTHORITY OF INDIA



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No.: 15-10/2003-A&P


Dated: 23<sup>rd</sup> November, 2004.

Dear Shri Misra,

Kindly refer to my D.O. letter of even number dated 10<sup>th</sup> August, 2004, forwarding the recommendations of TRAI for establishment of an office of Ombudsman in the telecommunication sector. Since the prevailing structure for dealing with consumer complaints in the telecom sector was not considered adequate, TRAI recommended establishment of the office of Ombudsman. Ombudsman has been proposed as an internal arrangement in the telecom sector, on the lines of Lok Adalats of the incumbent operators. For maintaining the office of Ombudsman, the financial assistance of a negligible percentage of less than 0.01% of the revenue of service providers will be sufficient. I shall be grateful if you could kindly look into the matter and obtain Government's orders on TRAI's recommendation.

With kind regards,

Yours sincerely,

  
(Pradip Bajaj)  
23/11

Shri Nripendra Misra,  
Secretary,  
Deptt. of Telecommunications,  
Sanchar Bhavan,  
New Delhi-110 001.

Forwarded  
on  
23/11/04

No. 10/24/2004-Restg.  
Government of India  
Ministry of Communications & IT  
Department of Telecommunications  
20 Ashoka Road, Sanchar Bhawan  
New Delhi

Dated: 14<sup>th</sup> March, 2005

To  
The Secretary,  
Telecom Regulatory Authority of India  
A-2/14, Safdarjung Enclave,  
New Delhi.


(Kind attention: Shri A.K.Tiwari, Deputy Adviser)

**Subject: Recommendation of TRAI regarding establishment of office of  
Ombudsman**

Sir,

I am directed to refer to correspondence resting with D.O No. 15/10/2003-  
A&P dated 23<sup>rd</sup> November, 2004 regarding recommendation of TRAI for  
establishment of office of Ombudsman in Telecom Sector and to say that the  
matter has been examined in this department and the same has not been agreed to.

Yours faithfully

  
(S.P.Sharma)  
Under Secretary (Restg.)  
Tele. No. 23036586

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