

From: **Probir Roy**

Date: Sep 13, 2016 7:49:00 PM

Subject: Consultation paper on USSD for Mobile Financial Services

To: advfea1@traigov.in

Dear Vinod,

I recently got a communiqué from Ram Rastogi regarding feedback for the USSD Consultative paper. I have written to him separately. And am writing to you as desired by him in his mail to important stakeholders. Ram Rastogi has been at the forefront 'torchbearer' of IMPS for many years. And now USSD.

Here are some brief comments and additional details (a/a;2013) that I had originally forwarded to one Mr Manish Sinha of TRAI on Oct 4 ,2013 on the aforesaid mentioned "Consultative Document" as forwarded to members of IAMA/PCI" in 08/2013:

(1) The charges from TSP's were to be within the range of 0.25 (TRAI suggestion) to Rs 1.50 (SBI/ICICI)to the customer. (2013)

(2) I had suggested that TSPs should charge customers, or give option to customers, for this service on a either a pay per session basis (for prepaid subs), **or at a flat rate as built into their Value Packs every month for their post paid audience or both.** Normally each USSD session (may)involve several transactions. The charges however must be for each single session regardless of number of transactions in that in session, or duration(or, up to a maximum duration). (2013)

(3) The customer has to see value in this seamless , interoperable and ubiquitous service and the comfort & convenience of it. **Therefore there should be no minimum or maximum caps for such tariffs and allow for a healthy price discovery system to play out and engender competition amongst the ecosystem of various service providers i.e. TSP, Banks, banks agents and Non Bank PPI's.** This will help unbundle the hidden value. Else, for low price or zero cost services. Customers are inclined to perceive these as of little value regardless of the functional or inspirational needs that it caters to. (2013)

MY CURRENT COMMENTS

(4) However this 'price discovery' (item 3 above) has not happened as the customer (nor TSP) has not seen value. The TSP has not seen Volume and Banks have not promoted. And Customers seen no convenience nor value. The TSP's see it as a Revenue Driver and are marking up the price to many times the actual cost of sending SMS/USSD session on a control channel. Probably by a factor of 10 times! (2016)

(5) The Banks have been promoting several other competing channels from 2013 like Mobile banking Apps, IMPS, net banking and now UPI which has cannibalized any potential uptick in USSD. These other channels have seen very good uptick for all concerned. As I mentioned in my previous mail to you.

(6) Having a lower USSD charge (sub 20 paisa) or having this particular lower amount being absorbed by banks; recognizing item (2) above as a viable option; allowing for more USSD stages per session (5-8); allowing for USSD drops to be network initiated; allowing for all types of payments to be allowed; PPI's too for top ups and redemptions.(2016)

(7) The additional functionalities which have already identified earlier in an mail of Ram Rastogi, but with minimal hop-skip-jump for user interface (2016)

(8) Vernacularisation of UI into two or three main languages. (2016)

Probir Roy
Co Founder PayMate