



Fintech Association For Consumer Empowerment (FACE)
An RBI-recognised Self-regulatory Organisation in the FinTech Sector (SRO-FT)

Subject: Consultation Paper on Review of the Telecom Commercial Communications Customer Preference Regulations, 2018

Dear Sir,

We, the Fintech Association for Consumer Empowerment (FACE), are an RBI-recognised Self-regulatory Organisation in the Fintech Sector (SRO-FT). Our members are FinTech companies that work with regulated entities and provide and enable digital financial services, including credit to individuals and small businesses. FinTechs play a crucial role in facilitating access to finance, leveraging technology and innovation through a customer-centric approach. In the last few years, FinTech has been the drivers of financial inclusion, in line with public policy agenda.

We truly appreciate and share TRAI's commitment to improving customer experience, safeguarding customers' interests, and preventing fraud by regulating commercial communication.

On behalf of the industry, we have the following feedback for your consideration in the Consultation Paper on Review of the Telecom Commercial Communications Customer Preference Regulations, 2018.

We present our feedback in two parts, as TRAI requires in Chapter V.

Part 1: Inputs /comments to Draft Regulations in Chapter – IV

Part 2: Comments and suggestions on questions 1-9

Thank you for your leadership and dedication to enhancing consumer protection and industry growth. We look forward to engaging with your team.

Warm regards,

A handwritten signature in black ink, appearing to read 'Sugandh', is written over a horizontal line.

(Sugandh Saxena, CEO, FACE)

Part 1: Inputs /comments to Draft Regulations in Chapter – IV

Sl no	Para No of Chapter IV	Proposed provision in consultation paper	Suggested modification	Justification
1.	Para 1	The regulation 2(bt) and 2(bu) regarding definition of Transactional message and Transactional voice call. The current framework mandates an opt-out mechanism for all types of messages, including service-related communications, where a “yes/no” option is presented to users even for essential service messages.	The opt-out option should be limited strictly to marketing or promotional messages. Service-related communications, essential for delivering critical updates and notifications, should be exempt from this opt-out requirement. Further, cross-sell and upsell messages and promotional offers to existing customers are to be considered as a service message with the mandatory option for customers to opt-out.	Allowing users to opt out of essential service messages could lead to unintended disruptions in service delivery. If a user mistakenly opts out of receiving these important updates, they could miss critical information about their accounts, transactions, or other necessary services. Restricting opt-out options to marketing messages ensures that customers remain informed while maintaining control over promotional content.
2.	Para 5- (5) (d) i.	If the Sender is an enterprise telecom subscriber- In case of occurrence of complained communications under clause (5)(a), OAP shall further examine within a maximum time of two hours whether there are similar complaints or reports	Instead of setting a flat threshold of 10 complaints, the trigger for action should be linked to the percentage of total calls made by the telemarketer. For example, action should be initiated only if complaints exceed 0.01% of the total call volume	Linking the complaint threshold to percentage of call volume will ensure that the regulation scales proportionately with the size of the telemarketing operation, making it fairer for large businesses with high volumes of calls. A flat

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		<p>against the same Sender; and i. In case it is found that number of complaints and/or reports against the Sender are from ten or more than ten unique recipients during the calendar month, the OAP shall suspend the outgoing services of the Sender and initiate an investigation as provided for in the sub-regulation (6);</p>	<p>within a defined period (e.g., one month). For large-scale telemarketers with higher call volumes, establish high caps on the number of complaints before initiating action. This would prevent misuse by competitors or malicious actors aiming to disrupt business through false complaints.</p> <p>Further, a warning and corrective system can be introduced rather than immediate disconnection barring the sender's outgoing services, as this will disrupt even legitimate and transactional communication with customers. After reaching the complaint threshold based on percentage, telemarketers should receive two formal warnings and be given a timeframe to rectify issues before further penalties, such as line</p>	<p>threshold of 10 complaints can be too low for such businesses and prone to misuse by competitors or ill-intentioned individuals. A lower threshold increases the risk of false positives, where legitimate businesses might face service disruptions due to a small number of potentially erroneous or malicious complaints. Introducing a warning system before punitive action allows businesses time to correct any unintentional mistakes, reducing the likelihood of operational disruptions while maintaining customer protection. This approach balances addressing UCC complaints and protecting businesses from unjust penalties.</p>

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			disconnection, are enforced.	
3.	Para 24	Sub-regulation (2) of Regulation 35 shall be amended as given below- (2) Upto Rs. 0.05 (five paisa only) for each Transaction SMS;	The transactional SMS should continue to be outside the purview of this charge.	The transaction SMSes such as OTP messages are part of the service messages and real time OTPs delivery at the present cost are essential for commercially sustainable banking and financial services to be delivered by Fintechs.
4.	Para 25 (8)	Use of 160 series for service and transactional calls- The Access provide shall include it in the legal agreement with the registered Senders that it shall be sole responsibility of Sender to ensure that the 160xxx header assigned to it is used to only for making service and transactional call and no promotional content shall be mixed in it and that the Sender shall take legal action against the Telemarketer in case of its misuse by	We request TRAI to consider SRO-FT registered Fintechs who are directly communicating with customers to be prioritized and included in the first stage to use the 160 series. Additionally, as this series will be strictly limited to transactional calls, the option for customers to block or opt-out of these calls should be restricted. This restriction is necessary to prevent misuse by delinquent	Communications from these registered fintech companies are pivotal in ensuring efficient and secure financial interactions of the customers. Additionally, being registered with FACE, provides a self-regulatory check on validation of these entities, ensuring credibility and compliance. Their inclusion in the initial stage will enhance the overall effectiveness and reliability of the

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		the Telemarketer.	customers who might block financial service providers from reaching out to them.	regulatory framework, as well as customer's experience availing modern tech enabled financial services.
5.	Para 28	In Schedule-I: Action Items for preparing Code of Practice for Entity(ies) (CoP-Entities), sub-item 2(g) and 2(h) shall be added to the Item 4 as given below- "4. Every Access Provider shall carry out following functions: - (2) Consent Registration Function (CRF) (g) Presenting to the recipients of commercial communication sent on the basis of inferred consent an option to revoke inferred consent and record such revoked inferred consent in the DL-Consent for its scrubbing. (h) If a customer who has opted	Some relaxation in this regard shall be given to customers of financial service providers registered with FACE, as regular communications with customers is a critical need of these entities given the nature of services provided by them. Opt-out mechanism for existing customers who have provided one time consent should not be promoted as it will result in entities losing the ability to effectively reach their customers	Many customers of Fintechs registered with SRO-FT may inadvertently miss the renewal deadline, leading to disrupted services and communication gaps. This could result in customers not receiving critical service updates or transaction alerts, ultimately impacting their user experience. It puts additional burden on customers to provide extended consent by keeping track of all the messages and notifications. It also limits companies' ability to engage in effective retention and

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		<p>out wants to opt-in, it should be possible at the will of the customer. However, consent seeking request for the same purpose can be made by the same Sender only after ninety (90) days from the date of opt-out.</p>		<p>reactivation efforts, potentially resulting in customer attrition. A deemed consent framework, combined with a simple opt-out facility, would remove this burden by allowing communication to continue seamlessly unless the customer chooses to revoke the given consent.</p>

Part 2: Comments and suggestions on questions 1-9

Question 1: Stakeholders are requested to submit their comments in respect of definitions of messages and calls and their categorizations, as suggested in the paragraphs 2.14 to 2.19 along with necessary justifications.

The definitions should include examples of varied scenarios to avoid confusion and interpretational issues concerning transactions/service calls and promotional calls. For example,

- Many FinTech companies and Regulated Entities (REs) acquire prospective customers over digital platforms (social media, digital advertising, app stores, websites, etc.), where applicants share their mobile numbers to express their interest (through enquiry/call back) in particular services and products and consent to contact. These interactions, triggered after the customer has shared the number/consent to contact, should not be treated as promotional as the customer has given digital consent.
- Similarly, many applicants/customers require assistance to complete the process during their journeys through an app or website. FinTechs/REs track the applicants/customers to see if they are stuck or need assistance and contact them via SMS/call to provide adequate support and information. Such interactions, where customers have provided phone numbers, should not be treated as promotional either.
- Once a FinTech/RE has a relationship with a customer and takes explicit customer consent when onboarding for promotional offers/new products/renewals for upsell/cross-sell based on their understanding of customer behaviour. FinTech/RE. Again, the definition should call out such scenarios and not require FinTech/RE to take additional consent every time they send an offer to existing customers. However, FinTech/RE must provide an opt-out mechanism on the message/calls and the website for customers to withdraw their consent from promotional messages.
- The proposed framework aims to provide a mandatory opt-out mechanism to be presented to the recipient after each transactional message and voice call, whether through an SMS or other means. The opt-out mechanism for transactional/service messages will create significant challenges in multiple scenarios, such as alerts for repayment or the e-NACH mandate, where financial sector regulations require companies to inform customers in advance to make sufficient balances. Similarly, companies must send critical transactional messages related to transactions, payment dues, reminders, credit bureau checks, verify application requests, application progress, complaint /service request status, and OTPs for login-in and so on. Opt-out mechanisms for customers cannot be given in such instances as contactability through SMS/phone, is a pre-condition for availing of the services. Any accidental or intentional opt-out will severely impair customer service,

including fraud prevention and credit discipline. Further, 60 60-day cooling-off window for reactive consent will severely impact engagement with customers.

- A peculiar situation arises for repayment collection for loans, where lenders have the right to reach the customers for delays and defaults, and customers cannot unilaterally choose to stop communication with lenders. Default customers, willful or otherwise customers, will avoid and opt out/block the collection calls, impacting the efficiency and effectiveness of tele-collection, which is a crucial channel for engaging with customers. A related point is that a validity period of 12 months is not reasonable, as defaults and collections can happen after a year. Further, once the delinquent customers know that lenders will reach out to them through dedicated 160 series numbers, they may intentionally disconnect or block such calls, and lenders have to use multiple numbers to establish the connection with customers. Therefore, regulation should not require opt-out or scrubbing for preference towards loan repayment collection calls. Alternatively, TRAI may devise a system of whitelisting of numbers used for recovery purposes.
- Dual verification, once via the PE and later via a service provider, should be reconsidered to simplify customer interaction. Links in SMS are often associated with fraud and will increase customer suspicion. The dual-verification mechanisms should be put on hold for the time being and reviewed after a certain period to evaluate the effectiveness of the opt-out mechanism. If opt-out mechanisms demonstrate inefficiency, consideration can be given to reintegrating explicit consent requirements at that time. For existing customers, TRAI requested to enable a one-line bulk upload facility to upload consent and then consent from new customers can be updated to DAC on a periodic basis, say monthly. TRAI may also consider looking at a type of audit to validate the consent framework of PEs to validate the confirmation of consent.
- At the time of onboarding, these entities seek one-time consent from their customers to contact them for promotional offers/cross-sell offers. We request that TRAI allow such consent records as acceptable by telecom providers unless the customer raises any complaint about receiving an unsolicited commercial call/SMS or explicitly applies for an opt-out option. Obtaining multiple customer consents is highly unfeasible and will lead to consent fatigue, hindering legitimate businesses from providing their services effectively.
- A 12-month validity will burden customers with extending consent by keeping track of all the messages and notifications and giving consent so that they don't miss critical transaction alerts, renewals, etc. It also impacts companies' ability to engage in effective retention and reactivation efforts, potentially resulting in customer attrition. A deemed consent framework, combined with a simple opt-out facility, would remove this burden by allowing communication to continue seamlessly unless the customer chooses to revoke the given consent.
- Given the above background, we request that the TRAI examine the customers' communication needs concerning financial services separately and incorporate their specific needs in a framework to serve customers effectively. We summarise our recommendations as follows:
 - a. The opt-out mechanism should not be mandated for transactional/service communication but should be limited to promotional messages.

- b. Upselling/cross-selling to existing customers should be allowed if the company obtains explicit consent from the customer at the time of onboarding, with a mandatory provision to opt-out.
- c. Standardised content templates and a detailed guideline document to clarify the new message categorizations should be provided to reduce ambiguity. Establish a dedicated support channel for assistance with re-categorizing messages and adjusting templates to meet compliance standards. The new categorisation rules should be rolled out in phased manner, allowing a six-month transition period. During this period, businesses can adapt to new definitions gradually without sudden disruptions.

Q2. Whether explicit Consent be made mandatory for receiving Promotional Communications by Auto Dialer or Robo Calls? What can be other possible measures to curb the use of Auto Dialer or Robo Calls without the consent of the recipients? Stakeholders are requested to submit their suggestions quoting best practices being followed across the world.

Robocalls are often used cost-effectively to collect information, such as potential fraud alert call service to ensure that customer accounts are not being misused, voice OTP, transaction verification, KYC completion verification, etc. These are legitimate use cases deployed by banks/NBFCs/Fintechs/Insurers/Brokers of all sizes. A blanket ban will adversely affect their businesses and could result in higher fraud rates. To reduce the menace of fraudulent and unwanted robocalls, we recommend restricting UTMIs from using robocalls/autodialers. For RTMIs, the consent framework for promotional and transactional calls should equally apply to autodialers or robocalls, and a differentiated framework based on call types will create unnecessary arbitrage.

Q4: Stakeholders are required to submit their comments in respect of Headers identifiers categories as suggested in paragraphs 2.31 of Chapter-II or any other type of identifiers which may facilitate consumers to identify senders distinctly. Suggestions if any, should be suitably brought out with necessary justifications.

- From a customer perspective, the 1400/1600 series, without the sender's name, serves a very limited purpose in knowing if a call is promotional/transactional. Experience suggests that many customers may lose important communication, as they cannot determine the relevance of a call from them. Therefore, we request that the name of PE be displayed on the customer's mobile number so she can make an informed decision to accept or reject the call.
- We also request that DLT interpretability be implemented to approve SMS templates and

categories. Operators should also have a standard Code of Practices (CoPs).

Q7: What additional modes of complaints registration, preference registration and consents registration through a very easy and quick process can be implemented?

PEs have spent enormous resources to acquire tens of millions of customers. Onboarding these users who have provided consent on the respective websites to the DCA framework should be both seamless and cost-effective. In the Digital Consent Acquisition via SMS, we recommend the following enhancements to increase customer confidence and make their onboarding a seamless experience:

- a. The consent SMS from DLT should be from an alphabetical sender-id instead of only numeric – this will give the customer comfort regarding the PE’s identity to go ahead and provide consent
- b. The consent SMS from the DLT should contain a dynamic URL mapped to the unique recipient. The SMS content should direct the user to click on the unique URL to consent to receive promotional SMSes from the PE, i.e., the user provides consent via a single click.
- c. We recommend not having a separate link for the user to deny consent given that if the user doesn’t click on the link, they have implicitly not given consent.
- d. We also recommend that the consent given by NDNC customer be considered valid until the customer opts out, instead of automatically expiring in 12 months (section 2.11)

Q9: Stakeholders are required to submit their comments in respect of Financial disincentive proposed in Section F of Chapter II on the access providers against violations in respect of RTMs

Para No. 2.36, Provision: The current approach regarding actions against Unregistered Telemarketers (UTMs) is outlined with the following points:

- The existing regulations require at least 10 complaints from unique recipients within a seven-day period to initiate an investigation against UTMs.
- This threshold is intended to act as a safeguard against unnecessary investigations but often results in delayed responses to UCC (Unsolicited Commercial Communication) complaints.

Suggested Modification: Instead of setting a flat threshold of 10 complaints, the trigger for action should be linked to the percentage of total calls made by the telemarketer. For example, action should be initiated only if complaints exceed 0.01% of the total call volume within a defined period (e.g., one month). For large-scale telemarketers with higher call volumes, establish high caps on the number of complaints before initiating action. This would prevent misuse by competitors or malicious actors aiming to disrupt business through false complaints. Further, a warning and corrective system can be introduced rather than immediate disconnection. After reaching the complaint threshold based on percentage, telemarketers should receive two formal warnings and be given a timeframe to rectify issues before

further penalties, such as line disconnection, are enforced. Further, threshold and enforcement mechanisms should be applied uniformly to PE for the level playing field.

Justification: Linking the complaint threshold to the percentage of call volume will ensure that the regulation scales proportionately with the size of the telemarketing operation, making it fairer for large businesses with high volumes of calls. A flat threshold of 10 complaints can be too low for such businesses and prone to misuse by competitors or ill-intentioned individuals. A lower threshold increases the risk of false positives, where legitimate businesses might face service disruptions due to a small number of potentially erroneous or malicious complaints. Introducing a warning system before punitive action allows businesses time to correct any unintentional mistakes, reducing the likelihood of operational disruptions while maintaining customer protection. This approach balances addressing UCC complaints and protecting businesses from unjust penalties.

Q10: Whether there is a need to review five paisa exemptions accorded to transactional messages and bring them at par with other commercial messages? If yes, please give your answer with necessary justifications? If no, what additional measures are required to discourage senders, telemarketers or service providers from using transactional message templates for sending promotional messages?

Para No. 2.91. Proposed Provisions: The Regulation provides for Terminating Access Provider (TAP) to charge Originating Access Provider (OAP) a charge upto Rs. 0.05 (five paisa only) for each of the promotional SMS and service SMS. However, transactional SMS are not included in this provision. Regulation 35 of the TCCCP 2018 reads as under-

Suggested Modification: The transactional SMS should continue to be included in this provision.

Justification: Transactional SMSes, such as OTP messages, are part of the service messages, and real-time OTP delivery at the present cost is essential for Fintechs to deliver commercially sustainable banking and financial services. Using commercials to curtail unlawful communication and bad actors will only hurt legitimate players.

Others operational issues

- a. Para No. 2.42 (Chapter 2) provision says that Banks and other entities make use of 10-digit mobile/landline numbers for making service and transactional calls. In order to create confidence among the consumers and to enable them to recognize genuine service/transactional calls from Banks and other Senders, a need was felt to earmark a separate number series for service and transactional



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voice calls. On the recommendations of TRAI, 160 series has been allocated by DoT exclusively for making transactional and service voice calls. In the first stage, it has been earmarked for all entities regulated by RBI, SEBI, IRDAI and PFRDA. Later, the series may be allocated to other entities to make transactional or service calls. It will help in the easy identification of the calling entity and will prevent the duping of innocent customers from fraudsters.

Recommendation: We request TRAI prioritize and include those Fintechs that fall under the membership of RBI recognized SRO-FT in the first stage.

Justification: Communications from SRO-FT registered fintech companies are pivotal in ensuring efficient and secure financial interactions of the customers. Additionally, being registered with FACE, provides a self-regulatory check on validation of these entities, ensuring credibility and compliance. Their inclusion in the initial stage will enhance the overall effectiveness and reliability of the regulatory framework, as well as customer's experience availing modern tech enabled financial services.

- b. The current regulations are based on a co-regulatory approach and only broad level regulatory objectives are defined. Detailed procedures are part of Codes of Practice (CoPs) and are described by the Telecom Operators. However, many times, different COPs are being adopted by telecom operators with varied interpretations of the mentioned procedures which creates confusion among the senders. Hence, it is proposed that all applicable provisions are specified in the regulation itself.
- c. Currently, for registration of headers/templates or whitelisting of URLs/APKs on the DLT platform the senders have to upload data on the platform of all associated telecom operators, which makes the process repetitive and cumbersome for entities. Hence, it is requested that the records on DLT portal should be interoperable for all operators and records uploaded on one operator's platform should be accessible to all operators for consumption.