

Consumer pressure mounts over data fees

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Pressure is mounting on mobile network operators to lower data costs as the regulator vows to protect consumers.



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On Wednesday, Vodacom, MTN, Telkom and Cell C briefed Parliament on data costs following complaints from consumers. The cellphone network operators blamed the lack of spectrum for high data prices. Consumers have also been complaining about disappearing data and the inability to carry over unused data to the following month.

The Independent Communications Authority of SA (Icasa) said on Thursday that even though it had yet to develop a specific framework to regulate data pricing, it aimed to protect consumers by setting regulations with which licensees had to comply. One of these regulations is the End-user and Subscriber Service Charter, which was amended in April 2016 to include greater protection for consumers.

According to Icasa, the regulations impose extensive transparency obligations on network providers such as informing consumers, at the point of sale or before signing a contract, about the in- and out-of-bundle data rates and the rules for the carry-over of unused voice minutes and data.

Research ICT Africa (RIA) stated in its submission to Parliament that the 1GB data basket had not seen much change, with operators either introducing competitively priced smaller data packages, running promotions that differentiated their data

offerings or changing prices for lower or higher data bundles.

All cellphone operators, except Telkom Mobile and MTN, charge at R150 for 1GB on prepaid arrangements. SA's lowest-cost 1GB data places it 16th out of 47 African countries assessed by RIA. Tanzania has the lowest cost, priced at 89 US cents, compared with SA's \$5.26. In comparison with other large markets, Egypt, Kenya and Nigeria had lower data prices than SA, said RIA.

Icasa spokesman Paseka Maleka said: "Though there has not been any specific regulatory intervention in the data market as yet, the authority notes that there has been a downward trend in data tariffs lodged and charged by operators to consumers."

Average prices for data were now 45% lower than five years ago, he said. "This, however, is not to say that the concerns raised by civil society groups and consumers around the high costs are unfounded.

"The trends further indicate that consumers buying large volumes of data benefit significantly from low in-bundle rates per megabyte, whereas out-of-bundle rates are still substantially higher," said Maleka.

RIA said that with over-the-top services, such as instant messaging from companies such as WhatsApp increasingly acting as substitutes for traditional voice and SMS services, operators were opting not to raise prepaid prices on their lowest tariffs as a means of making up for lost revenue.

Maleka said the regulator was also concerned about the expiry of data bundles, because this was prejudicing consumers. Icasa was consulting with the National Consumer Commission to explore possible measures to deal with this practice.

Source: Business Day

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