

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:6576

ANSWERED ON:16.05.2012

MOBILE BANKING

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**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether the Telecom Regulatory Authority of India (TRAI) has formulated norms/rules for telecom companies offering Mobile Banking Services;
- (b) if so, the details thereof;
- (c) whether TRAI has received any complaint against any Indian or Foreign Bank for violation of Mobile Banking Services;
- (d) if so, the names of such banks and the nature of violation alongwith the action taken in this regard;
- (e) the efforts being made by TRAI to make mobile banking easy and more secure;
- (f) whether any consultations have been held in this regard with the service providers, banks and other stakeholders; and
- (g) if so, the details and the outcome thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) & (b) TRAI had prescribed regulations called 'Mobile Banking (Quality of Service) Regulations, 2012' dated 17th April, 2012 to ensure faster and reliable communication for enabling banking through the mobile phones. The salient features of this regulation are as under:-

(i) The access service providers, acting as a bearer, shall facilitate the banks to use Short Messaging Service (SMS), Unstructured Supplementary Service Data (USSD), and Interactive Voice Response (IVR) to provide banking services to its customers. The access service providers can also facilitate the bank to use Wireless Application Protocol (WAP) or Satellite Tool Kit (STK), which will be optional.

(ii) The messages generated by the customer or the bank shall be delivered with the prescribed time frame of  $\leq 10$  seconds for SMS, IVR, WAP and STK and  $\leq 2$  seconds for USSD.

(iii) The SMS shall be stored in the system for at least seventy two hours.

(iv) Wherever the network permits, the service providers have to establish, with mutual agreement with the bank, a system, which shall trigger a USSD communication in case the confirmation message cannot be delivered to the customer due to network or handset related problems.

(v) The service providers have to protect privacy and security of M-banking communication and ensure the confidentiality of end-to-end encryption, integrity, authentication and non-repudiation of such communication in accordance with international standards in this regard.

(vi) For mobile banking transactions, the service providers have to meet the quality of service standards laid down by TRAI for Cellular Mobile Telephone Service.

(vii) The service providers have to maintain complete and accurate record of the consumers, using basic financial service through mobile phones.

(c) No, Madam, TRAI has not received any complaint in this regard.

(d) Does not arise in view of (c) above.

(e) to (g) To identify the Quality of Service parameters for facilitating financial transactions using mobile phones, TRAI had undertaken public consultations. In this regard a Consultation Paper was issued on 28th October, 2010 seeking the views of stakeholders by 15th December 2010. An Open House Discussion was held at Mumbai on 23rd March, 2011. During the consultation process comments

were received from 2 industry associations, 5 service providers and 11 individuals. Based on the comments received from stakeholders and study of the system, TRAI had prescribed the Quality of Service standards for mobile banking to ensure faster and reliable communication for enabling banking through the mobile phones.