

Where Did My Data Go?

Unpacking the Mystery of Fast Data Depletion







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BACKGROUND

Prior to the recent approval of a fifty percent tariff increase by the government, telecommunications service subscribers had been complaining about fast data depletion. The complaints centred around the fast depletion of mobile data, even when they have not engaged in any activity that could explain such fast data depletion, nor engaged in high data consumption activities. After the approval, the concerns have further heightened. The increasing reliance on digital solutions and connectivity for business, education, personal and entertainment purposes has amplified the need for affordable and reliable internet access. As of January 2025, Nigeria's mobile data connections stand at approximately 141.6 million, primarily supported by 4G technology (47.23%), while 2G still holds a significant portion (41.63%). The adoption of 5G continues to grow, now representing 2.54% of the market.

The above figures, collected before the recent tariff increase, already suggest a decline in Nigerians' purchasing power due to economic challenges.¹ This is a direct consequence of the severe economic headwinds faced by the nation, including rampant inflation, the drastic devaluation of the Naira, and increased cost of living, among others. These factors have collectively strained household budgets, making discretionary spending, such as data purchases, increasingly difficult. Yet, internet access remains indispensable as individuals and businesses increasingly depend on digital connectivity for education, entertainment, and commerce. Notwithstanding the tariff increase, recurring complaints about unexplained data depletion

continue to erode consumer trust and productivity.



A recent *Business Day* report² highlights recordhigh streaming activities on platforms like Netflix and YouTube drove a 34.26% increase in internet spending, reaching **₦2.81 trillion** in 2024, up from **₦2.09 trillion** in 2023. Data usage per customer for telecom providers surged **31.2%** to **11.2 GB** in the first nine months of 2024, while overall data traffic grew **42.1%**.

This surge in data consumption has positioned Nigeria above the regional average, with **29% of the population (approximately 58 million people)** using the internet, according to GSMA, the global body for telcos. The report further reveals that **85% of Nigerians** use mobile internet for video calls, **75%** to watch free online videos, and **54%** to stream free music.³ Increased smartphone penetration has also fuelled this trend. Airtel Africa, for instance, reported a **37.2%** rise in data usage per customer to **8.4 GB** per month, up from **6.2 GB**, with smartphone penetration increasing **6.4%** to **49.5%**.

This exponential growth in data consumption has translated into significant revenue gains for telecom operators. Between January and September 2024, **MTN Nigeria and Airtel Nigeria**

¹ NOTE: The NCC collects subscriber data on a tri-monthly basis. Therefore, as of the time of writing, no data is available to assess the impact of the tariff increase on subscriptions.

² Business Day, Streaming fuels record N2.81trn internet spend, Published 4th February, 2025

https://businessday.ng/technology/article/streaming-fuels-recordn2-81trn-internet-spend/

³ GSMA, *The State of Mobile Internet Connectivity 2024*, Published October 2024, <u>https://www.gsma.com/r/wpcontent/uploads/2024/10/The-State-of-Mobile-Internet-Connectivity-Report-2024.pdf</u> Accessed 27th January 2025



reported a combined data revenue of ₩1.63 trillion, a massive jump from ₩254.32 billion in 2019.

This article explores the critical issues surrounding rapid data depletion and customer satisfaction.

THE CONSUMER PERSPECTIVE



The concept of "value for money" is central to consumer satisfaction. Subscribers expect that their purchased data plans deliver the advertised without hidden services costs or unexpected/unexplained consumption. Undelivered data services, inadequate explanations for data depletion, and unresponsive customer care systems leave customers feeling short-changed.

Consumers have increasingly raised alarms over unexplained data depletion, with many users reporting sudden drops in their data balances without commensurate usage; inadequate customer care, characterized by lengthy response times and a lack of resolution that continues to frustrate subscribers; and perceived exploitation, involving allegations that Internet Service Providers (ISPs) and telecommunications companies (Telcos) deliberately underdeliver services to maximize profits.

CUSTOMER EDUCATION AND ITS ROLE IN DATA DEPLETION

Operators and the regulator have argued that customers inadvertently contribute to rapid data consumption in any of the following ways-⁴

- Running Automatic Updates: Device settings that enable automatic app updates or software downloads. Automatic updates for mobile operating systems, applications, and security patches consume significant amounts of data.
- Streaming Without Optimization: High-definition video streaming consumes significantly more data. A single hour of HD streaming can use up to 3GB of data, while the same content in standard definition (SD) may use less than 1GB
- **Increased Data Consumption by** Apps and Services- The increasing demand for high-speed internet by modern applications and online services contributes to rapid data depletion. Many social media platforms, video streaming apps, and websites now deliver high-resolution images, auto-play videos, and interactive content that require more bandwidth than before. Additionally, background app activity—such as automatic updates, cloud and synchronization. push notifications-can consume significant amounts of data without the user's direct engagement.
- Background Apps activity: Apps running in the background, automatic updates. Cloud synchronisation and push

⁴ Nigeria Communications Weekly, *Don't Blame Telcos for Data Depletion, NCC Explains How and Why,* Published 19th July 2024 <u>https://www.nigeriacommunicationsweek.com.ng/dont-blame-</u>

telcos-for-data-depletion-ncc-explains-how-and-why/ Accessed 2nd December 2024.



notifications can consume high amounts of data without the user being aware. Apps such as WhatsApp, Facebook, and Instagram constantly sync messages, download media files, and refresh feeds in the background.

- Location services: GPS and other location services consume a lot of data, especially if you use navigation apps like Google Maps.
- Advertisements: Some apps display ads that use data. These ads can consume data even if you don't interact with them.
- Unsecured Connections: Using data over unprotected networks can lead to unauthorized usage. Malicious software can hijack a device's internet connection to send or receive data without the user's knowledge. This is why it is unadvisable to connect to insecure public wi-fi networks
- Consumer Misconceptions and Perceptions: It could sometimes be a result of a lack of understanding of how data is consumed. Many users underestimate the amount of data required for various online activities, leading to misconceptions about how quickly their data should last. For instance, a few minutes of livestreaming or a handful of HD video calls can consume gigabytes of data faster than expected.

MITIGANTS

The following steps may be taken by consumers to optimize data usage and reduce rapid data depletion:

• Adjust Streaming Quality Settings: Lowering video quality in streaming apps can significantly reduce data consumption.

- Restrict Background Data Usage: Many smartphones allow users to limit background data for specific apps through settings.
- Use Data-Saving Modes: Several browsers and apps offer data-saving features that compress web pages and reduce overall consumption.
- Schedule Updates Over Wi-Fi: Turning off automatic updates over mobile data can help prevent unexpected data usage.
- Monitor Data Usage Regularly: Keeping track of which apps consume the most data can help users adjust their habits accordingly.
- Secure Devices Against Malware: Installing trusted security apps and avoiding suspicious downloads can prevent unauthorized data usage.

OBLIGATIONS OF TELECOMS SERVICE PROVIDERS



Under the Nigerian Communications Commission (NCC) "Quality of Service Regulations" and other applicable Business Rules, service providers are required to ensure service transparency by providing accurate and clear billing systems, deliver quality service by meeting the minimum service standards including speed, uptime, and reliability, promptly address complaints by setting up functional and effective customer care systems to resolve grievances, and educate customers by offering clear guidance on data usage and available service options to prevent misuse or overbilling.



The NCC emphasized these responsibilities during the 93rd edition of the Telecom Consumer Parliament (TCP), where it highlighted the top consumer complaints—data depletion and billing issues.⁵ The NCC revealed that audits of billing systems conducted earlier showed no major faults. However, consumer perceptions persist due to complex tariffs and the impact of high-resolution devices and improved technologies on data usage.

The NCC has since July 2024 issued a "Guidance on Tariff Simplification," requiring operators to provide clear and accessible information on data plans and pricing. This move aims to empower consumers to make more informed decisions about their data usage and billing. Service providers are further required to demonstrate that data usage policies and terms of service have been clearly disclosed, ensuring customers are aware of how their data is consumed. In addition, the NCC has put in place efforts to protect consumers, including initiatives like setting up toll-free complaint lines, monitoring ISP compliance with service standards, and mandating transparency in tariff disclosures.

INTERNATIONAL APPROACHES TO DATA CONSUMPTION ISSUES



It is important to note that these issues are not peculiar to the Nigerian telecoms market, and so

approaches by the telcos across the world can be studied and adapted. These include the following:

- Real-Time Data Monitoring: In some countries, telcos such as Verizon and EE provide customers with real-time data tracking tools through mobile apps. Also in India, Bharti Airtel introduced a product called Airtel Black, which allows customers to connect with a customer care representative within 60 seconds of calling.⁶.
- Consumer Education Campaigns: In India, ISPs such as Reliance Jio⁷ and Airtel have launched widespread consumer awareness programs, including digital literacy workshops and targeted campaigns on social media, to educate users on data-saving techniques, app settings, and malware protection. We note that to some extent the NCC has also been doing this.
- Fair Usage Policies: European ISPs, such as Vodafone and Deutsche Telekom, enforce transparent fair usage policies (FUPs) that outline data limits and provide alerts as users approach their caps. For example, the Body of European Regulators for Electronic Communications (BEREC) provides guidelines that promote transparency and ensure compliance with fair usage policies across EU member states.⁸
- Proactive Billing Transparency: Australia has mandated telecom operators to send detailed monthly statements, breaking down data usage by categories such as streaming, browsing, and downloads. This requirement is backed by the

 ⁵Nairametric, Why data depletion, billing issues still top telecom consumer complaints in Nigeria—NCC, https://nairametrics.com/2024/11/08/why-data-depletion-billingissues-still-top-telecom-consumer-complaints-in-nigeria-ncc/
Published 8th November 2024 accessed 2nd December 2024
⁶ E4M, Airtel has launched widespread consumer awareness programs, July 3, 2021. <u>https://www.exchange4media.com/digital-</u>

news/airtel-launches-new-programme-to-allow-single-billing-formultiple-services-114030.html Accessed 4th December, 2024. ⁷ Jio Marketing Strategy Case Study 2024, September 24, 2024 https://www.webmarketingacademy.in/digital-marketing-blogs/jiomarketing-strategy-case-study-2024/ Accessed 4th December, 2024. ⁸ BEREC, Open Internet <u>Regulation</u> EU 2015/2120, https://www.berec.europa.eu/en/all-topics/transparency



Australian Communications and Media Authority (ACMA) under its Telecommunications Consumer Protections Code, which ensures that consumers have access to clear and comprehensive usage details.⁹ resolution to meet consumer expectations. Drawing lessons from global practices, service providers, and the regulator can collaboratively enhance consumer trust and satisfaction.

CONCLUSION

Notwithstanding the above, service providers must prioritize rebuilding consumer trust and ensuring compliance with NCC regulations on Quality of Service, Consumer Protection, and the requirements of other relevant consumerfocused bodies like the FCCPC. To achieve this, telcos should:

- 1. Enhance Customer Care Systems: Implement faster response times and establish dedicated support channels for addressing data-related issues.
- Strengthen Transparency: Provide customers with tools to monitor their data consumption in real-time, fostering clarity and accountability.
- Educate Customers: Roll out campaigns to educate users on datasaving techniques and common pitfalls.
- 4. Implement Tariff Simplification: Align with NCC's directive to present transparent and easily understandable data plans and billing rates.
- Engage Regulators: Work closely with the NCC to ensure compliance and proactive resolution of consumer grievances.

While service providers face operational challenges in delivering high-quality internet services, it is important to prioritize transparency, customer education, and fast complaint

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https://www.commsalliance.com.au/ data/assets/pdf file/0011/ 64784/TCP-C628 2019-incorporating-variation-no.1-2022.pdf Accessed 4th December 2024.

⁹ Item 6.5 of the Australian Telecommunications Consumer Protections Code Incorporating Variation No.1/2022 Update, March 2024

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