

DETERMINATION OF USSD PRICING AND SERVICES

Issued by

The Nigerian Communications Commission

On this 13th day of March 2025

1. Introduction:

This Determination is issued by the Nigerian Communications Commission (the Commission/NCC) pursuant to the Commission's powers under Section 4 (1) (b), (c) and Section 110 of the Nigerian Communications Act, 2003 (NCA, 2003) and other enabling instruments in that regard. Upon the commencement of this Determination, all prior Determinations relating to the pricing of USSD services in Nigeria shall cease to have any legal effect.

2. Background

- 2.1 On the 23rd of July 2019, pursuant to its powers under the NCA, 2003, the Commission issued a Determination on the pricing of USSD services which took effect from the 1st day of September 2019 (the 2019 Determination).
- 2.2 Following disagreements between Mobile Network Operators (MNOs) and Financial Service Providers (FSPs) over the implementation of the 2019 Determination and after consultations with stakeholders, the Commission issued an amended Determination on the 24th of July 2020 (the 2020 Determination). In the 2020 Determination, the Commission noted that the use of USSD channel for financial transactions is a service provided by the MNOs to FSPs to enable FSP customers carry out digital financial service transactions. Accordingly, the Commission determined that the charging of customers for USSD transactions should be implemented through the corporate billing model, with FSPs bearing the responsibility for payment. This meant that FSPs were to deduct the USSD charge from customers' bank accounts and remit same to the MNOs.
- 2.3 Following the implementation of the 2020 Determination, several billing, reconciliation and payment issues arose between the FSPs and the MNOs which led to a protracted payment dispute.
- 2.4 Consultations with the Central Bank of Nigeria and other relevant industry stakeholders to resolve the disputes led to a consensus on the following:
 - i) That the USSD channel remains a veritable platform for deepening financial inclusion in Nigeria as it facilitates easy access to financial and other service platforms for underserved populations;
 - ii) That the cost of USSD services to the consumer should be at a point which continues to support financial inclusion objectives;
 - iii) That customer billing for USSD services should be more transparent and that consumers should be empowered to choose what services to access and how to pay for such services, which is not currently the case;
 - iv) That the billing, reconciliation and payment issues highlighted above would be eliminated upon transition away from the corporate billing model. This transition is expected to enhance billing integrity, service quality and customer experience; and

- v) That other non-banking services satisfactorily use the end-user billing model which allows users to pay directly for USSD sessions from their airtime, thus giving them more control over their spending and ensuring greater transparency. There is therefore no compelling justification for not allowing all consumers to enjoy this feature in the Financial Sector.
- 2.5 In view of the foregoing and after careful consideration, the Commission has deemed it necessary to review the 2020 Determination and issue a revised Determination on USSD pricing and services in Nigeria.

3. Determination

The Commission hereby determines as follows:

- 3.1 A USSD session is 20 (twenty) seconds and pending the conclusion of a comprehensive cost study, the floor price for a USSD session of 20 (twenty) seconds shall remain at ₦1.63k per session. Licensees may therefore charge the floor price plus margin for USSD services, subject to the prior written approval of the Commission pursuant to Section 108(1) of NCA, 2003.
- 3.2 To deepen financial inclusion and preserve consumer experience, USSD sessions for banking and financial transactions will be allowed to last up to 120 seconds and each such transaction shall continue to be charged at ₦6.98k per transaction (rather than ₦9.78k if charged per 20 second sessions under Paragraph 3.1 above). This rate will remain in force pending the conclusion of a comprehensive cost study.
- 3.3 For the avoidance of doubt, MNOs may offer promotional discounts on USSD services subject to the prior approval of the Commission in accordance with the NCA, 2003, the Consumer Code of Practice Regulations 2024, the Guidelines on Promotional Advertisements 2023, the Tariff Simplification Guidance, 2024 and other applicable instruments.
- 3.4 The charges determined above do not apply to currently zero-rated mobile network customer-services accessible through USSD strings such as customer service, balance enquiry, purchase of airtime and data services as well as similar services relating to telecommunications services. Such services shall continue to be provided to the customer free of charge.
- 3.5 Upon the commencement of this Determination and subject to the transitional arrangements in Paragraph 4 below, MNOs are permitted to deduct USSD charges from their subscribers' airtime upon the use of USSD Codes for banking and other transactions at the rates specified above.
- 3.6 For the avoidance of doubt, an MNO and an FSP may agree in writing to implement a corporate billing model and thereby zero-rate USSD transactions on the FSP's USSD Code where:
 - a) the FSP is in good regulatory standing as described in Paragraph 4.3 below;
 - b) such corporate billing arrangement shall operate on a pre-paid basis between the MNO and the FSP; and
 - c) a written agreement to that effect has been submitted to and registered with the Commission prior to the implementation of such arrangement.

4. Transition Arrangements for Consumer Protection and Other Matters

- 4.1 To ensure consumer protection and tariff transparency, an MNO shall only commence end-user billing for an FSP's USSD code after such FSP has duly informed its customers
- (a) that it shall discontinue the deduction of USSD charges from the customer's bank account and move the customer to the end-user billing mode;
 - (b) the effective date of such transition, and
 - (c) how such customer may discontinue the use of the USSD channel for banking services if they do not wish to pay for the service through their airtime.

The same information above shall be provided to new customers upon being onboarded to the FSP's service platform. As with all value-added services, MNOs shall also ensure that customers give their informed consent to USSD charges being deducted from their airtime before commencing such deductions.

- 4.3 No MNO shall commence end-user billing on a USSD Code until the MNO has concluded Service Level Agreements (SLAs) with the FSP utilizing the Code. Such SLA shall include fault reporting, customer information, dispute resolution process (for both customer disputes and parties' disputes) and escalation mechanisms. For guidance, the minimum acceptable quality standards is annexed to this Determination.
- 4.4 MNOs and FSPs shall generally collaborate to provide consumer information, education and enlightenment on end-user USSD billing and to ensure superior customer experience on the USSD and other related platforms.
- 4.5 To ensure system stability and to guarantee unimpeded USSD services, only FSPs in good financial standing with the Commission (i.e. those who are not indebted to the Commission or its licensees) shall be allowed to provide USSD services on the end-user billing model. Non-compliant FSPs shall continue to be fully responsible for the payment of their customers' USSD transactions (i.e. on the corporate billing model) until they ensure full compliance.

5. General Provisions

- 5.1 This Determination shall take effect from the **14th day of March 2025** and shall be binding on MNOs, USSD allottees and other licensees of the Commission.
- 5.2 The Commission reserves the right to review and amend this Determination at any time when such review is necessitated by changes in market conditions and/or the underlining principles of this Determination.
- 5.3 In this Determination, unless the context requires otherwise, the following expressions shall have the meanings set out below:

NIGERIAN COMMUNICATIONS COMMISSION
DETERMINATION OF USSD PRICING AND SERVICES

Financial Inclusion	Financial Inclusion is the provision of a broad range of high-quality financial products such as savings, credit, insurance and pensions that are relevant, appropriate and affordable for the entire adult population especially the low segment bringing about enhanced economic and social benefits for all stakeholders that constitute the economy.
FSP	Financial Services Providers – including Deposit Money Banks, Financial Technology Providers (FinTech) and other service providers licensed by the Central Bank of Nigeria.
USSD	Unstructured Supplementary Service Data is a service that allows mobile phone users to interact with a remote application from their device in real-time. A predefined session is started once a user dials in to facilitate the transfer of information between the application and the user. It is a highly scalable service as it does not require an internet connection and is supported by both features and smartphones.
MNO	Mobile Network Operator: a company that has a valid license to provide telecommunications services through mobile devices.
Mobile Financial Services	The use of a mobile phone to access financial services and execute financial transactions. This includes both transactional services, such as transferring funds to make a mobile payment, and non-transactional services, such as viewing financial information.

5

Dated this 13th day of March 2025



Dr. Aminu Maida

Executive Vice-Chairman
Nigerian Communications Commission
Abuja – Nigeria

APPENDIX – QUALITY OF SERVICE KPIs

MNO KPIs			
KPI	Target	Definition	Measurements
USSD Connectivity Success Rate	≥98%	USSD service delivery Success between the MNO and the VAS Provider	Measures the percentage of USSD session requests successfully established to the VAS Provider by the MNO.
Link Availability (VPN, leased line)	≥99.5%	Link Availability with the VAS Providers	Measures Bearer Availability between MNOs USSD gateway and Aggregator's gateway
Mean Time To Repair (MTTR)	≤ 1.5 hours	The Mean Time To Repair other failures that affect traffic ≤ 1.5 hours	The Mean Time To Repair other failures that affect traffic ≤ 1.5 hours
Response Time / Latency	≤10secs	The average time taken for the USSD network to respond to a user's request, from initiation to receiving a response.	Measured in seconds, response time is tracked by monitoring the time between the user initiating the USSD transaction and receiving a confirmation error message.
Transaction Failure Rate • Network Failure and Server Side Issues	Monitoring	This measures the percentage of USSD transactions that fail due to issues such as network failures, or server-side issues.	This is tracked by comparing failed transactions to total initiated transactions, often segmented by failure types.
USSD Session Duration	120 Secs	The average duration of a customer's interaction with the USSD service, from start to finish.	The time is measured from when the user initiates the USSD session to the final termination of the session
Network Error Rate (Error Logs and Diagnostics)	Monitoring	The rate at which errors occur during a USSD session, such as timeout errors, malformed responses, or gateway failures.	This KPI is tracked through error logs, which record technical failures like timeouts, connection drops, or database issues.
VAS PROVIDERS (AGGREGATORS) KPIs			
USSD Connectivity Success Rate	≥98%	USSD service connection Success between the VAS Provider and the FSPs	Measures the percentage of USSD session requests successfully established to the FSP by the VAS Provider
Link Availability (VPN, leased line)	≥99.5%	Link Availability between the VAS Provider and FSPs	Link Availability between the VAS Provider and FSPs

NIGERIAN COMMUNICATIONS COMMISSION
DETERMINATION OF USSD PRICING AND SERVICES

Mean Time To Repair (MTTR)	≤ 1.5 hours	The Mean Time To Repair failures that affect traffic	The Mean Time To Repair failures that affect traffic
Network Availability	≥99.9%	The KPI measures the uninterrupted operation of the VAS Providers platforms	
Response Time / Latency	≤10secs	The average time taken for the USSD network to respond to a user's request, from initiation to receiving a response.	Measured in seconds, response time is tracked by monitoring the time between the user initiating the USSD transaction and receiving a confirmation error message.
Transaction Failure Rate <ul style="list-style-type: none"> • User-Input Errors 	Monitoring	This measures the percentage of USSD transactions that fail due to issues such as user input errors	This is tracked by comparing failed transactions to total initiated transactions, often segmented by failure types.
Network Error Rate (Error Logs and Diagnostics)	Monitoring	The rate at which errors occur during a USSD session, such as timeout errors, malformed responses, or gateway failures.	This KPI is tracked through error logs, which record technical failures like timeouts, connection drops, or database issues.

GENERAL RULES

- There will be both USSD initiation messages and response messages for every USSD transaction that is sent through the Aggregators, a response message is required to be sent back within 10 seconds duration.
- For every USSD transaction request from MNO to the VAS provider, the VAS provider is required to verify availability of its link to the applicable bank before responding to the MNO.
- USSD Charging is activated upon successful confirmation of link availability to the FSPs by the VAS Provider and termination of USSD session exclusive of the errors as stated in the error reporting obligations. **This will be reviewed three (3) months after the effective date of this Determination.**
- For every USSD message to the VAS Provider, the VAS Provider is required to send a confirmation of conclusion or failure error message as stated in the error reporting obligations.
- Standardized communication of error messages to subscribers across the industry for:
 - a. User generated errors
 - b. Network issues – faults that occur on the MNO layer
 - c. Partner Issues – faults that occur on the Banks/Application layer

ERROR REPORTING OBLIGATIONS

Error reporting obligations for VAS Providers shall cover the following:

- Service Temporarily Unavailable

- System error occurrence
- Unexpected error occurrence
- Please try again
- Service currently undergoing maintenance