

SIM Box fraud and OTT bypass biggest threats to mobile operator revenues

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- Major survey of 150 global mobile operators highlights key threats to revenue in 2017: SIM Box fraud and OTT hijack
- OTT hijack is primary threat to revenues according to operators
- Call quality issues driving increased customer complaints

Mobile network operators have lost 20% of termination revenues to OTT hijack in the last 12 months on average, with some operators losing more than 70%, according to a new survey conducted by anti-fraud specialist Revector (<http://www.revector.com/>).

SIM Box fraud and OTT hijack

(<http://www.revector.com/index.php/portfolio/how-telcos-can-fight-back-against-ott-hijacking/>) remain two of the major threats to mobile operator revenues with more than 80% of operators experiencing SIM Box fraud and three quarters being victims of OTT hijack, which is recognised in the survey as the single biggest future threat.

The survey was sent to every mobile operator in the world and completed by 150 fraud and revenue protection professionals across all continents. Of the 70% of operators experiencing OTT hijack, the average loss of revenue compared to 12 months ago has increased 21% with some operators experiencing losses exceeding 60% of interconnect revenues.

Andy Gent, CEO of Revector comments: "This survey demonstrates the impact that fraud and call hijacking is having on mobile operator revenues. If operators do not address issues such as SIM Box fraud and OTT hijack, revenues from interconnect will have effectively disappeared by 2020."

The operators were also asked about customer complaints, with half of respondents experiencing increased customer issues in the past 12 months. Issues around call quality were cited by almost 90% of respondents as the primary driver of customer complaints.

Despite the revenue losses and increased customer complaints, less than 15% of operators surveyed had increased revenue protection budgets in the last 12 months.

Andy Gent continues: "Simple revenue protection measures against SIM Box fraud can reduce revenue losses within a week and the service will pay for itself several times over in terms of revenues retrieved. Revector has recently deployed the first proven OTT hijack elimination service to networks in Africa and Asia. The impact on revenues has been extremely significant – the service delivers a return on investment of eight times within weeks."

"Mobile operators face the most challenging environment: customers are churning from one service to another; there is increased pressure on pricing and new scams and frauds are being deployed against networks, not to mention the challenge from Voice over IP providers. In this environment protecting current revenues and addressing fraud issues head on is critical to shareholder value. Operators can

address the primary revenue protection issues with simple but effective measures that will return millions in revenues monthly.”

Joel Stradling, Research Director at Current Analysis (<http://www.currentanalysis.com/>) commented “The Revector survey provides concrete indication about the scale of fraud exposure that MNOs face today, with OTT bypass in particular causing major leakages of termination revenues. Revector offers a solution for accurately measuring OTT hijacking detection and management, giving MNOs the opportunity to react to peaks in OTT traffic and stem the flow of revenue losses. The analyst perspective on fraud is that MNOs must play a greater part in enforcing prevention; this should help drive an increase in termination revenues further down the line.”

Contact Revector today to assess your network losses: Partner@revector.com

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About Revector:

Founded in 2001, Revector creates products and services that enable telecommunications companies to quickly and effectively counter fraud. Working with operators more than 100 operators across the globe including Vodafone, Bharti Airtel, Hutchison Three, Zain, Digicel, Etisalat, Telenor, Tele2, Tigo, MTS, NTT DoCoMo, Rogers, T-Mobile, and Cable & Wireless, Revector’s products have enabled mobile network operators to remove millions of dollars’ worth of fraudulent activity from their networks.

In 2013 Revector was one of only four UK companies to be awarded two Queens Awards for Enterprise – in Innovation and International Trade – the highest official UK awards for British businesses. The company was also identified as one of the 30 most innovative UK mobile companies by Real Business.

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