

CASE STUDY IN REVENUE ASSURANCE

Interconnect Billing Discrepancies



Introduction

In this Case Study we highlight the importance of Revenue Assurance systems in preventing and quickly identifying billing discrepancies between telecom network operators.

Interconnect Charges are fees that network operators charge each other for handling calls originating and terminating on their respective networks.

The Problem

The issue relates to a telecommunications company on a small island, where a lack of simple Revenue Assurance controls led to a situation where interconnect charges were mistakenly applied to the wrong network.

In this situation, subscribers were placing calls to a neighbouring island. Although the calls were being completed successfully, the network handling and terminating the calls on the neighbouring island (Operator A) did not bill the originating network (Operator B) for that traffic. In fact Operator A did not apply interconnect charges to Operator B for more than two years, but instead mistakenly invoiced another operator, Operator C. "Operator A was handling calls from Operator B, but charging Operator C.

When the issue was first discovered, operator B notified operator A about the missing invoices, but no corrective action was taken. Operator C then eventually identified the overbilling issue independently.

The situation created a complex reconciliation challenge where operator C was due a refund, and operator B was facing a potential backlog of unpaid invoices.

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How the problem could have been solved

The billing issue occurred due to the absence of proper monitoring and control systems at operator A.

1. Misbilling Issue:

- Operator A should have charged Operator B for call terminations.
- Instead, Operator A incorrectly charged Operator C.
- This error went unnoticed for two years.

2. Consequences

- Operator C overpaid for services they did not use.
- Operator B underpaid for services they received.
- Operator B noticed the missing invoices but did not receive a resolution.
- Operator C eventually identified the overbilling.

3. Challenges

- Operator C was due a refund for overpayments.
- Operator B faced a backlog of unpaid invoices.
- Retrospective billing for two years to Operator B is probably unreasonable, even though legitimate.

Key Findings

- By addressing the root cause and implementing proper controls at Operator A using the Xintec iGenuity™ Revenue Assurance platform, the reconciliation process could have been managed effectively.
- iGenuity works by analysing and reconciling event detail records (eDRs) from various network sources (GSM, GPRS, Prepaid, Roaming, Interconnect, Billing, Mediation, etc.) to identify, monitor and correlate the root causes of revenue leakage.
- Applying Revenue Assurance principles at their most basic would have ensured fairness and good business relationships between the operators.

Conclusion

The situation underscores the critical need for effective Revenue Assurance systems and proactive measures to ensure accurate interconnect billing. By implementing sound monitoring, regular audits, and clear contractual guidelines, network operators can avoid such billing discrepancies.

About iGenuity:

iGenuity is a next generation platform combining the best in Fraud Management and Revenue Assurance capabilities to eliminate fraud and revenue leakage from customer networks.

The platform is designed for flexibility and speed of implementation. As well as incorporating the latest in analytics, Machine Learning and AI techniques, iGenuity is built to 'scale as you grow', and is supported by our expert team of specialists.

iGenuity can be deployed on-site, in the Cloud, or as a Managed Service.

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