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Consumer Protection in Nigeria's Telecommunications Sector: Need for Legislative Clarity on Service Standards and Compensation Frameworks

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Executive Summary

Recent developments in Nigeria's telecommunications sector have highlighted a regulatory dispute between the Nigerian Communications Commission (NCC) and telecom operators regarding the methodology for determining service failures and corresponding consumer compensation. The NCC has directed Mobile Network Operators (MNOs) to compensate subscribers experiencing poor Quality of Service (QoS) based on Key Performance Indicators (KPIs) and location-based service deficiencies, typically through airtime credits. However, telecom operators, represented by the Association of Licensed Telecom Operators of Nigeria (ALTON), have expressed concerns over the transparency and accuracy of the methodology, creating uncertainty over compliance and enforcement within the sector.

While the initiative aims to enhance consumer protection, several concerns emerge. There is currently no clear, transparent, and universally accepted standard for measuring service quality failures or calculating compensation. This regulatory ambiguity weakens enforcement consistency, risks inadequate consumer redress, and may undermine investor confidence. Furthermore, the lack of legally backed frameworks for compensation creates uncertainty for both consumers and operators.

Given the importance of telecommunications to economic activity, social interaction, and digital inclusion, legislative engagement is necessary to establish clear, enforceable standards, ensure fairness in compensation, and strengthen institutional accountability. Without legislative clarity, regulatory directives may face resistance, inconsistent implementation, or legal challenges, ultimately disadvantaging consumers.

Accordingly, the National Assembly, through its Committee on Communications, may consider the following actions:

- Convene a public hearing by inviting key stakeholders, including the Nigerian Communications Commission (NCC), Mobile Network Operators (MNOs), the Association of Licensed Telecom Operators of Nigeria (ALTON), consumer protection bodies, and relevant experts, with a view to finding an amicable and common-ground solution to the ongoing dispute. This engagement should address concerns relating to the methodology for determining service failures and consumer compensation, while prioritising consumer protection and overall sector stability.
- Through stakeholder consultations and public hearings, support the development of clear, transparent, and mutually agreed QoS benchmarks and Key Performance Indicators



(KPIs). This will promote uniformity in measurement, reduce disputes, and enhance regulatory credibility.

- Institute periodic stakeholder review sessions or hearings to assess compliance with QoS standards and the effectiveness of compensation mechanisms. This will ensure continuous dialogue and enable timely resolution of emerging issues.

The current NCC–telecom operators dispute underscores the urgent need for legislative intervention to protect consumers and ensure regulatory clarity. By establishing clear legal standards for service quality and compensation, the National Assembly can enhance consumer protection, promote accountability in the telecommunications sector, and support a stable and efficient digital economy in Nigeria.

Background:

Recent developments in Nigeria’s telecommunications sector have brought to the fore a regulatory dispute between the Nigerian Communications Commission (NCC) and telecom operators over the methodology for determining service failures and corresponding consumer compensation¹.

The NCC has directed Mobile Network Operators (MNOs) to compensate subscribers experiencing poor Quality of Service (QoS), using metrics tied to Key Performance Indicators (KPIs) and location-based service deficiencies. Compensation is proposed in the form of airtime credits, reflecting consumers’ usage patterns.

However, telecom operators, under the umbrella of the Association of Licensed Telecom Operators of Nigeria (ALTON), have raised concerns over the transparency and accuracy of the methodology used to determine service infractions. This disagreement has created uncertainty within the sector, particularly regarding compliance obligations and fairness in enforcement.

Given the centrality of telecommunications to economic activities, digital access, and social interaction, any regulatory ambiguity has direct implications for millions of Nigerian consumers who depend on reliable network services.

Issue:

The ongoing disagreement between the regulator and telecom operators exposes critical gaps in Nigeria’s telecommunications governance framework. From the arguments between the NCC and telecom operators, there is currently a lack of clear, transparent, and universally accepted standards for measuring service quality failures and determining consumer compensation.

This creates regulatory uncertainty, weakens enforcement consistency, and risks undermining consumer protection. Additionally, without a clearly defined and legally backed compensation framework, consumers, who are the ultimate end-users, may either be inadequately compensated or bear the burden of poor service delivery. The situation also raises concerns about fairness,

¹ Osuagwu, P. (2026, March 30). NCC, telcos bicker over method of determining consumer compensation. Vanguard. <https://www.vanguardngr.com/2026/03/ncc-telcos-bicker-over-method-of-determining-consumer-compensation/>



accountability, and potential disputes that could affect service delivery and investor confidence in the sector.

Rationale for Legislative Actions:

Telecommunications services are essential to national development, underpinning commerce, governance, and digital inclusion. As such, consumer protection within this sector must be clear, enforceable, and transparent.

Legislative intervention is necessary to:

- Establish uniform standards for quality of service measurement and compliance
- Ensure transparency and fairness in determining infractions and compensation
- Protect consumers from exploitation or inadequate redress
- Provide legal certainty for both regulators and operators
- Strengthen institutional accountability and reduce regulatory disputes

Without legislative clarity, regulatory directives may face resistance, inconsistent implementation, or legal challenges, ultimately disadvantaging consumers.

Recommendations to the National Assembly:

The National Assembly, through its Committee on Communications, may wish to consider the following actions:

1. Invite key stakeholders, including the Nigerian Communications Commission (NCC), Mobile Network Operators (MNOs), the Association of Licensed Telecom Operators of Nigeria (ALTON), consumer protection bodies, and relevant experts, with a view to finding an amicable and common-ground solution to the ongoing dispute. This engagement should address concerns relating to the methodology for determining service failures and consumer compensation, while prioritising consumer protection and overall sector stability.
2. Through stakeholder consultations and public hearings, support the development of clear, transparent, and mutually agreed QoS benchmarks and Key Performance Indicators (KPIs). This will promote uniformity in measurement, reduce disputes, and enhance regulatory credibility.
3. Institute periodic stakeholder review sessions or hearings to assess compliance with QoS standards and the effectiveness of compensation mechanisms. This will ensure continuous dialogue and enable timely resolution of emerging issues.



Conclusion:

The current dispute between the NCC and telecom operators highlights a critical need for legislative intervention to safeguard consumer interests and ensure regulatory clarity in Nigeria's telecommunications sector.

By establishing clear legal standards for service quality and compensation, the National Assembly can strengthen consumer protection, enhance industry accountability, and promote a more stable and efficient telecommunications ecosystem that supports Nigeria's digital economy.

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