

12 April 2006

MobileOne Ltd, Mr Neil Montefiore, CEO

Singapore Telecom Mobile Pte Ltd, Mr Allen Lew, CEO

StarHub Mobile Pte Ltd, Mr Terry Clontz, CEO

Dear Sirs

BILLING COMPLAINTS AND DISPUTES

- 1 We refer to the various recent letters from members of the public published in the local newspapers concerning difficulties encountered in relation to disputed billing charges on mobile content services.
- 2 In addition to recent letters published in the local press, IDA has received many consumer complaints against the mobile telecommunication operators ("MTOs") and other telecommunication licensees providing content services ("mobile content providers") which are billed to subscribers through the MTOs. These complaints mentioned issues such as the following:
 - (a) subscribers being charged for unsolicited SMS messages, content and/or information ("mobile content services") sent to the subscribers;
 - (b) there is an apparent lack of checks and controls by the MTOs and the mobile content providers to ensure that the recipients of mobile content services are indeed subscribers who have requested for or consented to receiving such services;
 - (c) dissatisfaction with MTOs for demanding payment for disputed charges relating to mobile content services even when subscribers are in the midst of resolving these disputed charges with mobile content providers;
 - (d) the unhelpful manner in which the MTOs disclaim any responsibility or obligation by leaving it to the affected end users to contact the mobile content provider directly to resolve the dispute; and
 - (e) the general lack of contact details in the MTO's bills to subscribers (e.g. no details of the specific mobile content providers nor customer hotline numbers to call) and/or difficulties in contacting these mobile content providers to have the matter resolved.
- 3 IDA takes a very serious view of the issues and complaints raised by the public at large, both in the local press and in complaints made to IDA. Although each MTO has different measures in place to address such issues and complaints, the complaints suggest that there is a perception by the MTOs that they have no obligation to their subscribers in resolving billing disputes with mobile content providers in their role as third party billing agents. This perception is incorrect. In collecting charges, MTOs are relying on the existing contractual relationship with their subscribers and are in fact the subscribers' main point of contact to dispute a charge. As a general principle, MTOs must treat and handle all complaints and disputed charges raised by their subscribers in a non-discriminatory and fair manner,

regardless of whether these complaints and disputed charges relate to the MTOs' own telecommunication services or the services of mobile content providers for which the MTOs are billing agents.

- 4 IDA's Telecom Competition Code 2005 (the "Code") requires all MTOs to state in their end user service agreement –
 - (a) procedures by which a subscriber can dispute any charge for telecommunication services that the subscriber reasonable believes to be incorrect;
 - (b) that a subscriber shall not be required to pay any reasonably disputed charge provided that he informs his MTO before the date on which the charge becomes due;
 - (c) that an MTO will conduct a complete and objective review of a subscriber's complaint and will provide a written response within 30 days of receiving a notification that the subscriber is contesting a charge; and
 - (d) the basis on which an MTO may suspend or terminate the end user service agreement (with advance notice and after providing a reasonable opportunity to the subscriber to remedy any breach of the agreement).

- 5 In this regard, if a subscriber approaches an MTO with queries relating to a mobile content provider's charges for which the MTO is a billing agent, the MTO must assist the subscriber. The level of assistance and customer handling processes should be no different from how the MTO will address any queries from subscribers in relation to its own telecommunication services. The MTO must not demand that the subscriber pay of these disputed charges while the investigation is on-going.

- 6 IDA hereby requires each MTO to review their customer handling processes and bill collection procedures to address the issues raised above. IDA also warns each MTO that swift and appropriate enforcement action will be taken against any MTO that breaches the Code. In the event that complaints persist, IDA will not hesitate to impose further regulatory measures it deems appropriate to ensure that MTOs' customer handling processes and bill collection procedures are consistent and fair.

Yours sincerely,



Leong Keng Thai
Deputy CEO / Director-General (Telecoms)