

<b>Case Reference</b>	R/E/I/012
<b>Title</b>	MobileOne (Asia) Pte Ltd's ("M1") Advertisement "M1 Promotion for Value Call 021 to Malaysia" on M1's Website
<b>Case Opened</b>	5 February 2002
<b>Case Closed</b>	4 March 2002
<b>Complainant</b>	Singapore Telecommunications Limited ("SingTel")
<b>Respondent</b>	MobileOne (Asia) Pte Ltd ("M1")
<b>Case Summary</b>	<p>SingTel alleged that M1 had breached Sections 7.4.1 and 7.4.4 of the Telecom Competition Code ("Code") in its advertisement for its Value Call 021 service and rates which contained factual inaccuracies and comparison with SingTel's STD 020 service. This made SingTel's STD 020 service appeared less competitive than M1's Value Call 021 service.</p> <p>Specifically, SingTel alleged that M1's statement "Only 9¢ a minute to Malaysia" with a table indicating that M1's Value Call 021 service offered up to 77% savings over SingTel's STD 020 service were misleading, despite M1's qualification in its advertisement that its Value Call 021 rates were 25 cents/minute for the first 5 minutes and 9 cents/minute thereafter. SingTel explained that the savings of 77% would only have arisen had M1's Value Call 021 rates started at 9 cents/minute. At 25 cents/minute for the first 5 minutes and 9 cents/minute thereafter, M1's Value Call 021 service offered only up to 44% savings for the destinations listed by M1 compared with SingTel's STD 020 service. The misrepresentation of M1's Value Call 021 service had misled end-users into thinking its Value Call 021 service was more competitive than SingTel's STD 020 service.</p> <p>SingTel also alleged that M1's advertisement claimed that SingTel's STD 020 rates at 39 cents a minute in general were more expensive than M1's Value Call 021 rates which were as low as 9 cents a minute regardless of destinations and time of calls. In addition, SingTel alleged that M1 claimed that SingTel STD 020 service was an "expensive" option when calling friends in Kuala Lumpur, compared with M1's Value Call 021 service which was the "smart" option. SingTel explained that the above were incorrect as its STD 020 rates were as low as 9 cents/minute (the information was publicly available) and M1's Value Call 021 rates did not start at 9 cents/minute. Moreover, SingTel's STD 020 service offered lower rates to at least 3 destinations compared to M1's Value Call 021 rates but these destinations were left out by M1 in its advertisement. This potentially induced end-users into choosing M1's Value Call 021 service over SingTel's STD 020 service.</p>

<b>IDA's Determination</b>	<p>IDA determined that:</p> <ul style="list-style-type: none"><li>a) M1's advertisement had provided a brief summary of the key message and the details of the product offerings. M1's sub-headline stating "Dial 021 to anywhere in Malaysia for as low as 9¢ a minute" and a comparison table showing its rates were 25 cents for the first 5 minutes and 9 cents from the 6<sup>th</sup> minute onwards indicated that M1's Value Call 021 promotional rates to Malaysia did not start at 9 cents/minute. M1 had also qualified its claim of "up to 77% savings" in its comparison table by stating that "Savings are calculated based on 021 second tier rates and STD standard rates, correct as at 1 Dec 2001" and not as a percentage savings based on a certain call duration.</li><li>b) M1 had indicated in its advertisement that the SingTel's STD 020 rates used in the comparison table were "standard" rates. There was also no claim by M1 that its Value Call 021 rates were more competitive than SingTel's STD 020 rates in entirety and that M1 had selected only 5 destinations for comparison in the advertisement. M1's claim of "calling your friend in KL" via STD was "The Expensive Way" was also factually correct as SingTel's STD 020 rates to Kuala Lumpur was 39 cents for both Standard and Economy hours, which were higher than M1's Value Call 021 rates to Kuala Lumpur.</li><li>c) There was also no conclusive evidence to support SingTel's claims that M1 has sought to induce an end-user to cease doing business with competing licensees.</li></ul> <p>IDA concluded that M1 did not breach Sections 7.4.1 and 7.4.4 of the Code.</p>
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