

Case Reference	R/E/I/053
Title	True Mobile's Failure to Disclose Terms and Conditions of SMS Soccer Information Service and for Charging for Unsolicited Service
Case Opened	24 March 2006
Case Closed	1 June 2006
Complainant	IDA initiated enforcement proceeding
Respondent	True Mobile Pte Ltd ("True Mobile")
Case Summary	<p>On 19 October 2005, True Mobile put up an advertisement in The New Paper about a free trial for SMS Soccer Information Service ("Service") which carried the following information under a fine print (the "Advertisement"):</p> <p><i>"Strictly for information purposes only. Users under 18 years old must seek parental consent. Callers automatically become our member and will receive free SMS updates. \$0.80 one-time registration. Helpline 6100 7798 (office hours). Powered by True Mobile Pte Ltd."</i></p> <p>Although the Advertisement mentioned the registration fee of \$0.80, it failed to mention that users who subscribed to the free Service would have to actively opt out from the Service once the free trial ended in 6 days, failing which they would be automatically registered for the chargeable Service and charged for all information subsequently pushed to them. True Mobile did not include the un-subscription instructions in the Advertisement but only incorporated it into an SMS which it sent to End Users upon the expiry of the free trial period. Similarly, True Mobile did not state the prices of its chargeable Soccer Service in the Advertisement but only did so in the subsequent SMS which it sent to End Users.</p> <p>On 5 December 2005, an End User complained in The Straits Times online forum that his son came across the Advertisement in the newspaper and responded with an SMS to the service provider to receive the free downloads. Several days later, chargeable soccer information at \$6 per SMS was sent to his son's mobile phone. He claimed that when his son tried to unsubscribe from the Service by</p>

	<p>sending an SMS “Stop” or ”Quit” on 23 and 24 October 2005, he became a subscriber to an SMS Chat Service for which he was also charged \$6 per chat by True Mobile. This Chat Service was clearly unsolicited, however, his son was charged for them without prior consent or written agreement.</p> <p>In addition to the above, IDA received 4 other complaints against True Mobile where End Users were unknowingly subscribed to and charged for the Chat messages.</p>
<p>IDA’s Determination</p>	<p>Based on IDA’s investigation, IDA determined that True Mobile had breached Section 3.2.2 and 3.3.3 (read with Section 3.3) of the Code based on the following:</p> <p><i>Section 3.2.2 requires a licensee to disclose to end users, in advance, the price and non-price terms governing the provision of a telecommunication service.</i></p> <p>(a) Based on the Advertisement, True Mobile did not disclose the quit instruction and the charges that would be imposed for receiving soccer information beyond the free trial period. In our opinion, the quit instruction and the charges applicable for receiving soccer information beyond the free trial period are crucial terms relating to the Service, hence True Mobile should have disclosed these information before providing the Service to end users. Failure to disclose these information would result in an end user being liable to pay True Mobile for all the chargeable soccer tips which would be automatically sent to him after the trial period.</p> <p>(b) We note that before the end of the trial period True Mobile sends SMS notification to all its registered users, to inform that the trial period would be over soon, and they would have to opt out should they not want to be charged. IDA views that the SMS notification is insufficient, as IDA recognizes that some end users may fail to read the notice contained in the SMS by reason of oversight, delay or accidental deletion. Moreover, the “opt out” operation of the Service should have been brought to the attention of end users at the start as end users might not be willing to register for the free trial if they had known that they might automatically be registered for a chargeable service if they failed to take the active step of opting out after the free trial period.</p> <p>In view of the above, IDA concludes that True Mobile has breached Section 3.2.2 of the Code.</p>

Section 3.3.3 requires a licensee to provide in its End User Service Agreement that end users will not be required to pay for any telecommunication service that the End User did not consent to receiving. In addition, Section 3.3 clearly states that IDA will treat a licensee's willful, reckless, or repeated failure to fulfill such obligation as a contravention of this Code.

(c) According to True Mobile, the switching to the SMS Chat Service was a "mistake by the customers". In IDA's opinion, the accidental switching from the Service to the SMS Chat Service should not have occurred at all. True Mobile should not have configured its system in such a way that resulted in end users being automatically subscribed to its Chat Service when they had, in fact, keyed in commands to quit the Service. Had True Mobile published the quit instructions for its Service in its print advertisement, end users would not have attempted various commands simply to quit the Service.

Based on the above, IDA concludes that True Mobile had recklessly failed to fulfill its obligation under Section 3.3.3 of the Code by configuring its system in a manner which created a real risk of and which resulted in end users being charged for a service which they did not consent to receiving. Hence, IDA finds True Mobile in breach of Section 3.3.3 read with Section 3.3 of the Code.

IDA imposed a financial penalty of **S\$40,000** on True Mobile for breaching Sections 3.2.2 and 3.3.3 (read with Section 3.3) of the Code.