

Case Reference	R/E/I/056
Title	Mobile365's Failure to Disclose Prices, Terms and Conditions of SMS Football Quiz
Case Opened	21 August 2006
Case Closed	18 September 2006
Complainant	IDA initiated enforcement proceeding
Respondent	Mobile365 Pte Ltd ("Mobile365")
Case Summary	<p>On dates 26 July 2006, 31 July 2006 and 6 August 2006, IDA received three separate complaints from End Users on being wrongfully charged by Mobile365 for their SMS football quiz ("Football Quiz").</p> <p>From IDA's investigation, IDA discovered that Mobile365 had started running the Football Quiz since 20 June 2006. The Football Quiz would charge subscribing End Users a minimum of \$13 a week for the service. This charge consisted of: a \$5 weekly subscription charge; \$2 each for three SMS questions sent to End Users; and \$2 for a SMS message announcing the weekly winner of the quiz. In addition, for every wrong answer sent in to the Football Quiz, End Users would be charged a further \$2 for a SMS message sent to them by Mobile365 indicating the answer was incorrect.</p> <p>The SMS advertisement sent out by Mobile365 to End Users provided End Users with information on how to sign up for the Football Quiz, and stated that each SMS message for the Football Quiz would be charged at \$2. IDA viewed that the SMS advertisement was misleading for the following reasons:</p> <ul style="list-style-type: none"> (a) The advertisement failed to inform End Users of the \$5 weekly subscription charge; (b) The advertisement failed to inform End Users of the frequency (3 times per week) at which the chargeable quiz questions would be sent to them; (c) The advertisement failed to inform End Users that they would be charged \$2 for the SMS message announcing the winner; and (d) The advertisement failed to inform End Users that they would be charged \$2 for a SMS message informing them that they had submitted wrong answers. <p>In addition, Mobile365 revealed that it had received around 350 other complaints regarding the Football Quiz from the period between mid July 2006 and September 2006.</p>

IDA's Determination	<p>Section 3.2.2 of the Code states that: <i>“Prior to providing any telecommunications service to an End User, a Licensee must disclose to that End User the prices, terms and conditions on which the Licensee provides such telecommunication service. In addition, a Licensee must also publish, in a form available to the public, the prices, terms and conditions of its standard telecommunication services. The information must be published in a manner that is readily available, current and easy-to-understand.”</i></p> <p>IDA noted that Mobile365 had sent out SMS advertisements to End Users which had contained information on how to sign up for the Football Quiz, but which failed to contain the full price, terms and conditions of the Football Quiz. As a result, many End Users incurred charges that they were not informed about in advance.</p> <p>After considering all the facts, IDA determined that Mobile365 has breached Section 3.2.2 of the Code.</p> <p>A financial penalty of S\$20,000 was imposed on Mobile365.</p>
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