

Case Reference	R/E/I/072
Title	Mfusion's Charging for Unsolicited Services
Case Opened	22 August 2008
Case Closed	28 November 2008
Complainant	IDA initiated enforcement proceeding
Respondent	Mobile Fusion Pte Ltd (" Mfusion ")
Case Summary	<p>On 22 August 2008, IDA received a complaint from a mobile user that he had been charged \$0.88 for receiving an unsolicited SMS message from Mfusion.</p> <p>IDA's investigations revealed that, from 11 – 20 August 2008, Mfusion had sent out <u>unsolicited</u> SMS messages advertising its SMS chat service to 18,280 end users (the "SMS Advertisements"). <u>End users were charged \$0.88 for each SMS Advertisement.</u></p> <p>IDA also reviewed the contents of the SMS Advertisements and determined that these SMS Advertisements did not include Mfusion's company name or their local customer service hotline.</p>
IDA's Determination	<p>Section 2.12 (Duty not to charge for unsolicited services) of the Premium Rate Services ("PRS") Code states that: "A premium rate service provider shall not charge any person for any service that the person did not purchase or subscribe for" and "[f]or the avoidance of doubt, a person shall be regarded as having been charged for a service where he is presented with a bill for the service, regardless of whether or not payment is actually collected from him."</p> <p>By sending out the unsolicited chargeable SMS Advertisements to 18,280 end users, IDA found that Mfusion has contravened Section 2.12.1 of the PRS Code.</p> <p>Further Section 2.2.1 (Duty relating to advertisements) of the Premium Rate Services ("PRS") Code provides that: "[a] premium rate service provider shall, in disclosing the prices, terms and conditions required under section 2.1, and in relation to all advertisements relating to its premium rate service, comply with the following requirements ...</p> <p>(b) every disclosure and advertisement must state ...</p> <p>(ii) <u>the name of the premium rate service provider as registered with the Accounting and Corporate Regulatory Authority; and</u></p>

(iii) the local customer service hotline for the premium rate service ...”

As Mfusion’s SMS Advertisements had failed to include its company name and local customer service hotline number, IDA also found that Mfusion had contravened Section 2.2.1(b)(ii) and 2.2.1(b)(iii) of the PRS Code.

While the impact of Mfusion’s contraventions of the PRS Code were significant (18,280 end users erroneously charged and inconvenienced), IDA took into account the mitigating factors that, prior to IDA’s investigation into the matter, Mfusion had already discovered its contraventions of the PRS Code, and had taken prompt actions to correct its contraventions by:

- (a) Processing refunds for all 18,280 affected end users; and
- (b) Hiring three call centres to call the affected end users, informing them of its error and assuring them that full refunds were being processed.

IDA therefore imposed a financial penalty of S\$5,000 on Mfusion for its contravention of Section 2.12 of the PRS Code. IDA also issued a warning to Mfusion for its contravention of Sections 2.2.1(b)(ii) and 2.2.1(b)(iii) of the PRS Code.