

Case Reference	R/E/I/067
Title	Orange Gum's Charging for Unsolicited Services
Case Opened	20 Feb 2008
Case Closed	26 Jun 2008
Complainant	IDA-initiated enforcement proceedings
Respondent	Orange Gum Pte Ltd (" Orange Gum ")
Case Summary	<p>IDA received a complaint from a member of public about being charged for premium rate services ("PRS") that he had not subscribed to. The PRS were offered by Orange Gum.</p> <p>It was established by IDA that the complainant's mobile number was a recycled number – it had been terminated by a previous owner, placed under quarantine and then subsequently reassigned to the complainant. The Orange Gum PRS was subscribed by the previous owner of the affected mobile number, who had failed to unsubscribe from the PRS prior to terminating the mobile line.</p> <p>It was also established that Orange Gum had relied on the mobile operator to provide a regular list of terminated mobile numbers for it to remove from its database. However, a problem in the mobile operator's system resulted in the affected mobile number being left out from the lists. As such, the affected mobile number was not removed from Orange Gum's system.</p> <p>Therefore, even though the affected mobile number was placed in quarantine for 9 months and not assigned to any end user, Orange Gum had continued to send PRS messages to the number. When the mobile number was reassigned to the complainant, the complainant was charged for the PRS.</p>
IDA's Determination	<p>Based on IDA's investigations, IDA determined that Orange Gum had breached Section 2.12 of the PRS Code which states that: "<i>A premium rate service provider shall not charge any person for any service that the person did not purchase or subscribe for</i>" and "<i>[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.</i>"</p> <p>IDA is aware that Orange Gum had relied on the mobile</p>

operator to provide information on terminated numbers in order to avoid the erroneous charging of recycled numbers. However, IDA takes the view that it is the duty of PRS providers to put in place systems to ensure that end users are not charged for unsolicited services and they should not rely solely on mobile network operators to provide such a system.

Based on the above, IDA concluded that Orange Gum had breached Section 2.12 of the PRS Code. IDA considered the following mitigating factors when determining the appropriate enforcement action to be imposed on Orange Gum:

- (a) Orange Gum had demonstrated that it had instituted additional measures within its own system to prevent such erroneous charging (albeit these were insufficient);
- (b) only one complaint was lodged against Orange Gum on the matter; and
- (c) Orange Gum had given a full waiver to the complainant without delay.

In light of these factors, IDA decided to issue a warning to Orange Gum for its contravention of Section 2.12 of the PRS Code.