

<b>Case Reference</b>	R/E/I/078
<b>Title</b>	Ericsson's Breaches of Sections 2.4.1(b) and 2.12.1 of the Premium Rate Services Code (" <b>PRS Code</b> ")
<b>Case Opened</b>	7 April 2010
<b>Case Closed</b>	18 June 2010
<b>Complainant</b>	IDA initiated enforcement proceeding
<b>Respondent</b>	Ericsson Telecommunications Pte Ltd (" <b>Ericsson</b> ")
<b>Case Summary</b>	<p>IDA had received a complaint from a member of the public regarding an SMS trivia quiz premium rate service ("Trivia Service") offered by Ericsson. Arising from IDA's investigation into the complaint, IDA discovered that Ericsson had contravened Sections 2.4.1(b) and 2.12.1 of the PRS Code, as described in the sections below:</p> <p><u>Trivia Service</u></p> <p>The Trivia Service is a quiz service provided by Ericsson. Users who subscribe to the Trivia Service will be charged \$2 for each SMS question sent by Ericsson to their mobile phones. These chargeable SMS questions will contain a multiple-choice question, inviting end users to reply, via SMS, with either "A" or "B". Upon initial subscription to the Trivia Service, end users will receive the first chargeable SMS question. Further chargeable SMS questions will <u>only</u> be sent to the end user if he replies with either "A" or "B" to the preceding SMS question.</p> <p>IDA had discovered that Ericsson had sent chargeable SMS questions to <u>58</u> end users who had replied with SMS messages that did not contain either keyword "A" or "B". Ericsson explained to IDA that the Trivia Service was launched on 18 November 2009, and Ericsson's intention was to accept only either "A" and "B" as keywords. However, due to an unstable billing module, Ericsson's system began accepting other SMS messages as keywords on 19 November 2009. This</p>

	<p>technical glitch was rectified on 13 April 2010, after IDA investigated into the complaint received.</p>
<p><b>IDA's Determination</b></p>	<p>Section 2.4.1 of the PRS Code provides that: “A <i>premium rate service provider who enables its premium rate service to be purchased or subscribed for via electronic messaging must –</i></p> <ul style="list-style-type: none"> <li>(a) <i>designate a specific purchase keyword command for that service; and</i></li> <li>(b) <i>not accept any purchase or subscription for that service by any person unless it receives a message from that person containing the designated purchase keyword command’.</i></li> </ul> <p>Section 2.12.1 of the PRS Code provides that: “A <i>premium rate service provider shall not charge any person for any service that the person did not purchase or subscribe for’.</i></p> <p>IDA therefore found Ericsson to be in contravention of the following sections of the PRS Code:</p> <ul style="list-style-type: none"> <li>(a) Section 2.4.1(b) of the PRS Code – despite designating “A” and “B” as the purchase keyword commands to trigger further chargeable SMS questions, Ericsson had sent chargeable SMS questions in response to SMS messages which did not contain the designated purchase keyword commands; and</li> <li>(b) Section 2.12.1 of the PRS Code – Ericsson had charged end users for further SMS questions, even though the end user did not provide an answer (with the designated purchase keyword command) to the preceding question, and thereby did not purchase the next chargeable SMS question.</li> </ul> <p>IDA considered the following aggravating and mitigating factors when determining the appropriate enforcement action to be imposed on Ericsson for this case:</p> <p><u>Aggravating Factors</u></p>

(a) Ericsson's contraventions had occurred over an almost five month period, from 19 November 2009 to 13 April 2010;

Mitigating Factors

(b) Ericsson suspended the Trivia Service and took action to remedy the technical glitch in its system, upon IDA's notification of a potential breach of the PRS Code;

(c) Ericsson contacted all 58 affected end users and provided refunds to these end users; and

(d) Ericsson committed to putting in place more stringent checks on its system to ensure future contraventions do not occur.

Taking these factors into consideration, and considering that this is Ericsson's first contravention of Sections 2.4.1(b) and 2.12.1 of the PRS Code, IDA decided to issue **a warning** to Ericsson for its contravention of Sections 2.4.1(b) and 2.12.1 of the PRS Code, in relation to the Trivia Service.