

Case Reference	R/E/I/080
Title	Txt Mobi's Failure to Ensure Advertisement Complies with the Premium Rate Services Code (" PRS Code ")
Case Opened	27 January 2010
Case Closed	7 July 2010
Complainant	IDA initiated enforcement proceeding
Respondent	Txt Mobi Pte Ltd (" Txt Mobi ")
Case Summary	<p>Txt Mobi provides a subscription-based mobile content download service (the "Service") via its shortcode 77882. The Service is chargeable at \$10 per week and subscribers will be charged for the Service until they take action to unsubscribe.</p> <p>Arising from a consumer complaint, IDA discovered the following in relation to Txt Mobi's advertisement for the Service (the "Advertisement"):</p> <p>(a) The Advertisement did not highlight that the Service provided mobile content services, merely stating "<i>mobile-live.sg 2 for 1 gold content promotion</i>";</p> <p>(b) The Advertisement prominently highlighted terms such as "<i>Congratulations</i>" and "<i>SMS now to claim: Promotional Gold</i>". Along with the lack of a description for the Service, the Advertisement suggested that end users who sent an SMS message containing the relevant subscription keyword to Txt Mobi's shortcode would win a prize and enter into a lucky draw. Instead, such users would be subscribed and charged for the Service;</p> <p>(c) The Advertisement did not indicate Txt Mobi's correct hotline number (Txt Mobi had printed "0800-1012212" in the Advertisement, when the correct hotline number was "800-1012212"); and</p>

	<p>(d) The Advertisement did not contain a clear notice that the onus would be on end users of the Service to unsubscribe for the Service if they no longer wished to continue with the subscription.</p>
<p>IDA's Determination</p>	<p>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>(a) no disclosure or advertisement shall be presented in a manner that is <u>reasonably likely to confuse or mislead in any way</u>, whether by inaccuracy, ambiguity, exaggeration, omission or otherwise;</p> <p>(b) every disclosure and advertisement must state ...</p> <p>(i) <u>the description of the premium rate service offered</u> ...</p> <p>(iii) <u>the local customer service hotline for the premium rate service</u> ...</p> <p>(d) where a disclosure or advertisement relates to or promotes – ...</p> <p>(ii) any other type of subscription-based premium rate service in which the end user is provided content or facilities on an ongoing basis until such time the end user takes action to unsubscribe from the service,</p> <p>the disclosure or advertisement must – ...</p> <p>(B) <u>contain a clear notice that the onus is on end users of the service to unsubscribe from the service if they wish to discontinue their use of the service</u>".</p>

As Txt Mobi's Advertisement:

- (a) prominently highlighted terms which would reasonably likely mislead or confuse end users about the nature of the Service;
- (b) did not provide a clear description of the Service;
- (c) did not indicate the correct hotline number for the Service; and
- (d) did not contain a clear notice that the onus is on end users to unsubscribe if they wish to discontinue the Service,

IDA found Txt Mobi to be in contravention of Sections 2.2.1(a), 2.2.1(b)(i), 2.2.1(b)(iii); and 2.2.1(d)(ii)(B) of the PRS Code.

IDA considered the following aggravating and mitigating factors when determining the appropriate enforcement action to be imposed on Txt Mobi for this case:

Aggravating Factors

- (a) Txt Mobi received at least 134 complaints from users who were charged for the Service but who were not aware of the prices, terms and conditions of the Service after viewing the Advertisement.

Mitigating Factors

- (a) Txt Mobi offered full refunds to all customers who complained about the Service, even prior to IDA's investigation. Txt Mobi also took action to stop the distribution of the Advertisement upon IDA's investigations of the matter.
- (b) Txt Mobi had furnished IDA with proof that, prior to the launch of the Service, it had taken precautionary steps to comply with the PRS Code, including seeking legal advice with regard to its obligations under the PRS Code.

Taking these factors into consideration, IDA decided to **impose a financial penalty of \$1,000** on Txt Mobi for the contravention of Section 2.2.1(a) of the PRS Code

	and <u>issue a warning</u> to Txt Mobi for its contraventions of Sections 2.2.1(b)(i), 2.2.1(b)(iii) and 2.2.1(d)(ii)(B) of the PRS Code.
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