

Title	Docomo Digital Singapore Pte Ltd's (" Docomo Digital ") Contravention of the Premium Rate Services Code (" PRS Code ")
Case Opened	10 January 2019
Case Closed	29 August 2019
Complainant	IMDA initiated enforcement proceedings
Respondent	Docomo Digital
Case Summary	<p>Some consumers claimed to have been charged unsolicited Premium Rate Services ("PRS") by Docomo Digital, and hence IMDA had initiated investigation into the provision of PRS by Docomo Digital.</p> <p>Docomo Digital shared that it had received a significant number of complaints pertaining to subscriptions to Gameasy. Upon investigation, Docomo Digital found that some subscriptions made through one of its marketing partners appeared to be suspicious, as they appeared to be unusual high-frequency advertisement banner clicks that eventually led to service subscriptions ("Suspicious Subscriptions").</p> <p>Docomo Digital suspended all marketing campaigns with the marketing partner within three days of being alerted of the complaints, and identified all subscribers who might have been affected by the Suspicious Subscriptions. Docomo Digital had proactively unsubscribed all of these subscribers from Docomo Digital's PRS and processed their refunds in full. A new fraud management system was also implemented to prevent recurrence.</p> <p>It was likely that the subscriptions to the Gameasy PRS via the Suspicious Subscriptions were not authorised by the subscribers, and hence Docomo Digital had <u>contravened Section 2.12 of the PRS Code</u>.</p> <p>In addition to the above, IMDA's investigation revealed that while subscribers who subscribed to Docomo Digital's PRS through WiFi were required to key in a PIN number to complete the subscription process, subscribers who subscribed to Docomo Digital's services through mobile data</p>

	<p>were able to complete the subscription process without any purchase keyword command.</p> <p>In 2017, IMDA had sent a reminder letter to the PRS providers and mobile network operators on the appropriate subscription process for PRS (“IMDA’s Reminder Letter”) as required in the PRS Code. Specifically, IMDA’s Reminder Letter had clarified that subscription processes which do not involve the use of a purchase keyword command, and only required end users to go through several steps of simple pressing of buttons to complete the subscription process, were not in compliance with Section 2.5.1 of the PRS Code which required PRS providers to implement a process that requires end users to provide a confirmation of their subscription and for the PRS provider to authenticate the end users. In addition, the PRS providers were reminded to review the subscription process of their PRS to ensure that they complied with the PRS Code.</p> <p>By allowing subscribers to subscribe to PRS without purchase keyword or PIN authentication in spite of IMDA’s Reminder Letter, Docomo Digital had thereby <u>contravened Section 2.5.1 of the PRS Code</u>.</p>
<p>IMDA’s Determination</p>	<p><u>Contravention of Section 2.12 of the PRS Code</u></p> <p>Section 2.12 of the PRS Code provides that:</p> <p><i>“2.12.1 A premium rate service provider <u>shall not charge</u> any person <u>for any service that the person did not purchase or subscribe for</u>.</i></p> <p><i>2.12.2 For 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><i>[Emphasis added]</i></p> <p>IMDA recognises Docomo Digital’s mitigating efforts to quickly suspend all marketing campaigns, as well as identify, unsubscribe, and process full refunds for the affected subscribers. However, IMDA views that such</p>

fraudulent/suspicious transactions do not absolve licensees of their responsibilities under the PRS Code, as it is Docomo Digital's responsibility to manage its internal systems and processes (including fraud management), to ensure that it does not charge any persons for unsolicited PRS subscription.

IMDA therefore determined that Docomo Digital had contravened Section 2.12 of the PRS Code.

Contravention of Section 2.5.1 of the PRS Code

Section 2.5.1 of the PRS Code provides that:

*“A premium rate service provider who enables its premium rate service to be purchased or subscribed for via the Internet to be delivered to mobile phones **must** –*

*(a) **designate a specific purchase keyword command for that service** which shall comply with the requirements set out in section 2.4;*

*(b) **send to every person who seeks to purchase or subscribe for the service via Internet registration a purchase keyword command** for that service either via the Internet or via SMS; and*

(c) ensure that it receives a SMS message containing the purchase keyword command from the same mobile phone number that was provided or used in the Internet registration before delivering the service to that mobile phone.”

[Emphasis added]

The intent of Section 2.5.1 of the PRS Code is to ensure that subscribers are fully aware that they are subscribing to a PRS and provide clear consent to be billed for the service. The use of a purchase keyword command involves a deliberate action on the part of subscribers to confirm the PRS subscription, thereby minimising incidences of accidental or unintentional subscription by subscribers and reducing claims of accidental or unintentional subscriptions against PRS providers.

In IMDA's Reminder Letter, Docomo Digital was clearly advised that the subscription processes which do not involve the use of purchase keyword command and only require subscribers to go through several steps of simple pressing of buttons to complete the subscription process, are not in compliance with Section 2.5.1 of the PRS Code. Further, in IMDA's Reminder Letter, Docomo Digital was also advised to review the subscription process of the PRS to ensure that all their services are in compliance with the PRS Code. Additionally, IMDA had warned that it would not hesitate to take enforcement measures against errant PRS providers, should there be a contravention of the PRS Code.

While IMDA recognises Docomo Digital's mitigating efforts to stop providing PRS to new subscribers, IMDA views that Docomo Digital ought to have reviewed and updated its subscription process upon receiving IMDA's Reminder Letter.

IMDA therefore determined that Docomo Digital had contravened Section 2.5.1 of the PRS Code.

Taking all relevant facts and circumstances into consideration, IMDA imposed a financial penalty of **\$5,000** on Docomo Digital for its contravention of Section 2.5.1 of the PRS Code, and issued a **warning** to Docomo Digital for its contravention of Section 2.12 of the PRS Code.