

Case Reference	R/E//142
Title	Zero Mobile Pte Ltd's (" Zero Mobile ") Contravention of the Code of Practice for Competition in the Provision of Telecommunication Services (" TCC ")
Case Opened	12 December 2019
Case Closed	30 November 2020
Complainant	IMDA initiated enforcement proceedings
Respondent	Zero Mobile
Case Summary	<p>IMDA initiated an investigation into the improper charging and billing errors experienced by Zero Mobile End Users, arising from consumer complaints received between January and October 2019.</p> <p>IMDA's investigation revealed that at least 204 Zero Mobile End Users had been charged for mobile services that they had not consented to receiving, of which at least 135 suffered financial harm/ wrongful deductions from their credit or debit cards. They included existing End Users who experienced duplicated charges and ex-End Users who had already terminated Zero Mobile's services.</p> <p>Zero Mobile explained that the improper charging / billing errors arose from circumstances beyond its control including the lack of real-time update on terminated mobile accounts by its host mobile network operator and a system configuration error from its database migration. Zero Mobile also explained that it had rectified the billing errors and there had been no recurrence since August 2019.</p> <p>New cases of erroneous and duplicate charges were brought to IMDA's attention in October 2019 and from January March 2020, despite Zero Mobile having ceased its mobile services in December 2019. Due to lack of responses from Zero Mobile to the affected End Users and IMDA, IMDA issued a Direction to Zero Mobile on 4 March 2020, requiring Zero Mobile to resolve all outstanding billing disputes by 11 March 2020.</p>
IMDA's Determination	<p>Section 3.2.8 of the TCC provides that:</p> <p style="padding-left: 40px;">Section 3.2.8: Prohibition on Charging for Unsolicited Services</p> <p style="padding-left: 40px;"><i>"A Licensee is prohibited from charging an End User for the provision of any Service that the End User has</i></p>

not consented to receive. For the purposes of Sub-Sections 3.2.8 and 3.2.9, “charge” refers to any act which conveys the impression to the End User that he is liable to pay for a service such as the issuance of a bill, and “charging” shall be similarly construed.

[Emphasis added]

Section 3.3.1 of the TCC provides that:

Section 3.3.1: Billing Period

“The End User Service Agreement must specify how often the Licensee will send a bill. Where the End User Service Agreement does not specify a recurrent period, the End User Service Agreement will be construed to provide that the Licensee will send the bill monthly. The End User Service Agreement must also commit the Licensee to providing clear and accurate bills.”

[Emphasis added]

Section 3.3.4 of the TCC provides that:

Section 3.3.4: Procedures to Contest Charges

“The End User Service Agreement must clearly indicate the procedures by which an End User can dispute any charge for Services that the End User reasonably believes to be incorrect. This includes situations in which the End User reasonably believes that the charge was improperly calculated as well as situations in which the End User reasonably believes that the Licensee has not provided the service that it has agreed to provide. At a minimum, the Licensee must require that:

a) In the event of a dispute, the End User shall not be required to pay any reasonably disputed amounts pending the resolution of the dispute, provided that the End User informs the Licensee of any disputed charge prior to the date on which the payment becomes due. If the End User ultimately is found liable for the disputed amounts, any interest that the Licensee wants to recover from the End User must be set at a commercially reasonable rate. The End User Service Agreement must either specify the exact rate to be charged, or the methodology that the Licensee will use to establish the rate to be charged;

...
d) *The Licensee will conduct a complete and objective review of the End User's complaint, and will provide a written response, within 30 days of receiving notification that the End User is contesting a charge.*

[Emphasis added]

Due to internal system and inter-operator process issues, Zero Mobile had wrongfully deducted charges for at least 135 End Users for mobile services that they did not consent to receiving. New cases continued to be brought to IMDA's attention from January through March 2020 despite Zero Mobile's assurance that it had rectified the matter.

IMDA therefore determined that Zero Mobile had contravened Sections 3.2.8, 3.3.1 and 3.3.4 of the TCC.

IMDA noted that this is the first contravention by Zero Mobile. Due to non-compliance with IMDA's Direction of 4 March 2020, with at least 10 complaints on billing errors with End Users still unresolved for up to 150 days, Zero Mobile's Services-Based Operations (Individual) licence was suspended on 12 March 2020. Zero Mobile subsequently took prompt actions to rectify all billing errors and resolve all outstanding complaints from its End Users. IMDA reinstated its licence on 24 June 2020.

Taking all relevant facts and circumstances into consideration, IMDA has issued a warning to Zero Mobile for its contravention of Sections 3.2.8, 3.3.1 and 3.3.4 of the TCC.