

Case Reference	R/E/I/101
Title	Bmobil Pte Ltd's Contraventions of the Premium Rate Services Code (" PRS Code ")
Case Opened	8 April 2013
Case Closed	23 May 2013
Complainant	IDA initiated enforcement proceeding
Respondent	Bmobil Pte Ltd (" Bmobil ")
Case Summary	<p>IDA had received complaints from end users against Bmobil's provision of the "Playmo" and "MFUN Club" services.</p> <p><u>Playmo</u></p> <p>Playmo is a non-subscription based SMS quiz service that can be purchased via the Internet and offers a chance for end users to win prizes such as tablets and handphones etc. Points will be awarded to an end user for each correct question answered and the winner will be the one with the most points at the end of each promotion period. To participate, end users will need to enter their mobile phone numbers on the Internet advertisement and subsequently send in an SMS message containing the purchase keyword command to 146079192. Each SMS question costs \$3 and a \$9 sign up fee applies. As this is a non-subscription based SMS, the end user will be able to stop playing by not answering the questions.</p> <p>The purchase keyword for the Playmo service that the complainant participated is "WIN". However, instead of sending in the correct purchase keyword "WIN", the complainant sent in the text "14607<u>0</u>192" to the shortcode "14607<u>9</u>192", and was provided the service.</p> <p><u>MFUN Club</u></p> <p>MFUN Club is a subscription based service for unlimited content downloads (games, applications, music) that can be purchased via the Internet. It also offers end users a chance to win a tablet. To participate, end users will need to enter their mobile phone numbers on the Internet advertisement and subsequently send in an SMS message containing the purchase keyword command, "GO" to 146079192. The end user will receive 5 SMS per week chargeable at \$3 per SMS (i.e. for a total of \$15 per week). The subscription will auto-renew itself until the end user unsubscribes from the service by sending "STOP" to the shortcode.</p> <p>IDA's investigation revealed that, instead of sending in "GO", the complainant sent in "Goodbye" to the shortcode "146079192" and</p>

	<p>was provided the service.</p> <p>By failing to ensure that it received an SMS message containing the designated purchase keyword command before delivering the Playmo and MFun Club services in the cases described above, Bmobil has thereby <u>contravened Section 2.5.1(c) of the PRS Code.</u></p>
<p>IDA's Determination</p>	<p>Section 2.5.1(c) of the PRS Code provides that “A <i>premium rate service provider who enables its premium rate service to be purchased or subscribed via the Internet to be delivered to mobile phones must - ...</i></p> <p><i>(c) ensure that it receives 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.</i>” [Emphasis added]</p> <p><u>Playmo</u></p> <p>As Playmo is a non-subscription based SMS quiz service, Bmobil explained that the purchase keywords for the Playmo service are “WIN”, “1” or “2”, as end users would have to send in “WIN” and then “1” or “2” to confirm his intent to purchase the next question. While the complainant did not send in “WIN” to initiate the first question, Bmobil explained that the complainant had been advised of the charges on the Internet advertisement and in the welcome SMS message and proceeded to answer the questions by replying with “1” or “2”. Bmobil also pointed out that in each question, the relevant charging information was also stated.</p> <p>Following IDA’s investigation, Bmobil found that 282 affected users were charged despite not sending in the purchase keyword “WIN” due to a system error. Bmobil had since made refunds to the subscribers. Bmobil had also made the following rectification to its system and processes:</p> <ul style="list-style-type: none"> (a) Only the correct keyword with the correct number of characters will be accepted. Other variations of the purchase keyword (e.g., “WINS”) will not be accepted. (b) End user who enters his mobile phone number in the Internet advertisement and subsequently sends in the wrong keyword will receive an error message. (c) End user who does not register his mobile phone number on the Internet advertisement and sends in “WIN” will not get charged. Instead, he will receive an advertisement SMS notifying him about the charges of the service. (d) If the system does not receive the purchase keyword within 24 hours from the time the mobile phone number is entered on the Internet advertisement, the mobile phone number will not be subscribed to the service when the purchase keyword “WIN” is received thereafter.

Lastly, Bmobil informed IDA that it is no longer advertising its non-subscription based services with effect from 5 March 2013.

MFUN Club

Due to a technical glitch, the system accepted “Goodbye” as the valid purchase keyword from the complainant as it comprised the purchase keyword “GO”. There were a total of 37 affected end users who sent in words such as “Good”, “Good luck” and “Gop”. Bmobil suggested that these words could be due to the predictive text function in these end users’ phones, given that these end users already had the intention to subscribe to the service by entering their mobile phone numbers in the Internet Advertisement. Nevertheless, waivers for the affected end users were provided.

Similar to its explanation for the Playmo service, Bmobil reiterated that the complainant had been advised of the charges from the Internet advertisement and from the welcome message. End users who were subscribed to the service for more than a week, would also have received the weekly reminder message containing the pricing information of the service. The same system improvements stated above were also made to the MFun Club service.

IDA’s view is that the fact that (i) the price information was stated in the Internet advertisement and the welcome SMS message; and that (ii) the complainants had entered their mobile number in the Internet advertisement, do not absolve Bmobil of its obligation under the PRS Code to ensure that it receives the SMS message containing the purchase keyword command from the same mobile phone number that is submitted in the Internet registration before delivering the service to that mobile phone. The PRS Code requires the PRS provider to ensure that it receives the designated purchase keyword command before delivering the service, as this will make it very clear that the end user, by sending such designated purchase keyword command, is indicating his intent to subscribe for the PRS in question.

IDA does not accept Bmobil’s explanation that the error occurred because a variation of the designated purchase keyword is allowed in other countries. PRS providers are expected to comply with the PRS Code when operating in Singapore. The practices in another country is not a relevant consideration in this case/

IDA therefore determined that Bmobil has contravened Section 2.5.1(c) of the PRS Code.

In determining the appropriate enforcement action against Bmobil, IDA considered all the relevant facts and circumstances,

including the following:

- (a) This is Bmobil's first breach of the PRS Code.
- (b) Bmobil had provided full refunds to all affected end users of the two services.
- (c) Bmobil had rectified the system glitch and implemented further measures to ensure that such an error will not happen again.
- (d) To ensure that the end users are aware of the charges incurred for the services, Bmobil has introduced an additional step of requiring end users to acknowledge a pop-up box with the prominent pricing displayed.

Taking all relevant facts and circumstances into consideration, IDA imposed a financial penalty of **\$3,000** on Bmobil for its contravention of Section 2.5.1(c) of the PRS Code.