

<b>Case Reference</b>	R/E/I/100
<b>Title</b>	TMG Singapore Pte Ltd's Contraventions of the Premium Rate Services Code (" <b>PRS Code</b> ")
<b>Case Opened</b>	2 January 2013
<b>Case Closed</b>	19 March 2013
<b>Complainant</b>	IDA initiated enforcement proceeding
<b>Respondent</b>	TMG Singapore Pte Ltd (" <b>TMG</b> ")
<b>Case Summary</b>	<p>IDA received a complaint from an end user against TMG's provision of the "<b>Skill2Thrill</b>" service. End users can subscribe to TMG's Skill2Thrill via the Internet by entering their mobile phone numbers on the Internet advertisement and send an SMS message containing the purchase keyword command "<b>IPHONE</b>" to 78855. Once subscribed to the Skill2Thrill service, the subscriber will receive a maximum of three chargeable SMS messages weekly (at a rate of \$4 per SMS message for a maximum charge of \$12 per week). As this is an on-going subscription service, the subscriber will continue to receive chargeable SMS messages until he sends in the un-subscription keyword "<b>STOP</b>" to unsubscribe from the service.</p> <p>IDA's investigations revealed that due to a staff error on the part of TMG, nine additional chargeable SMS messages (beyond the maximum number of chargeable SMS messages weekly) were sent to the complainant. This resulted in TMG overcharging the complainant by an amount totalling \$36. Upon further checks, it was revealed that a total of 350 subscribers were affected and were charged for the additional chargeable SMS messages sent to them.</p> <p>TMG had therefore contravened Section 2.12.1 of the PRS Code by charging its subscribers for service that they did not purchase or subscribe.</p>
<b>IDA's Determination</b>	<p>Section 2.12.1 of the PRS Code provides that "<i>A premium rate service provider shall not charge any person for any service that the person did not purchase or subscribe for.</i>" [Emphasis added.]</p> <p>TMG had not disputed that due to its error, additional chargeable SMS messages (beyond the maximum number of chargeable SMS per week) were sent to 350 subscribers of its "Skill2Thrill" service.</p> <p>TMG explained that the error occurred as the staff had configured a new keyword for a new service incorrectly which resulted in additional multiple chargeable SMS messages (beyond the maximum number of chargeable SMS messages per week) being</p>

sent out to the subscribers of the "Skill2Thrill" service. TMG explained that such error was purely accidental.

TMG further informed IDA that after the incident, it had implemented strict manual and automated checks to ensure that such an incident does not happen again. TMG had also made a refund offer to all affected subscribers through a mass SMS broadcast to the subscribers of the "Skill2Thrill" service, offering them the opportunity to claim a refund. Only one affected subscriber had contacted TMG for a refund which was granted.

IDA's assessment was that it is TMG's responsibility to implement all necessary safeguards in its systems and operations to ensure that its subscribers are charged correctly in accordance with the terms and conditions stated in the advertisements for the services the subscribers subscribed for. Moreover, the fact that the error had occurred, and was discovered by TMG only after IDA had started investigation into the complaint, even though the complainant had first raised the matter to TMG for investigation, showed that the checks by TMG were not adequate.

IDA therefore determined that TMG has contravened Section 2.12.1 of the PRS Code.

In determining the appropriate enforcement action against TMG, IDA considered all the relevant facts and circumstances, including the following:

- (a) This was TMG's second breach of the PRS Code. On 6 October 2011, IDA had imposed a financial penalty of (i) \$4,000 on TMG for designating a commonly used phrase as its subscription keyword; and (ii) \$1,000 for failing to send monthly reminder messages to its subscribers.
- (b) Even though the matter was first raised to TMG by the complainant for its investigation, the error was only discovered by TMG after IDA started investigation into the complaint.
- (c) Upon being informed of its lapse, TMG sent an SMS broadcast to all affected subscribers of the "Skill2Thrill" service to offer a refund. IDA noted that only one affected subscriber had done so.
- (d) TMG had implemented manual and automated checks to ensure that such an error will not happen again.

IDA takes a very serious view of TMG's repeated contraventions of the PRS Code. Despite IDA's previous reminder and enforcement action, TMG has contravened IDA's regulatory requirements as set out in the PRS Code.

	Taking all relevant facts and circumstances into consideration, IDA imposed a financial penalty of <b><u>\$10,000</u></b> on TMG for its contravention of Section 2.12.1 of the PRS Code.
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