

Case Reference	R/E/I/090
Title	TMG Singapore Pte Ltd's Contraventions of the Premium Rate Services Code (" PRS Code ")
Case Opened	23 August 2011
Case Closed	6 October 2011
Complainant	IDA initiated enforcement proceeding
Respondent	TMG Singapore Pte Ltd (" TMG ")
Case Summary	<p>IDA received end users' complaints against TMG's provision of two mobile quiz services advertised via the Internet, namely the "BubblegumMob" and "Skill2Thrill". Arising from IDA's investigations, IDA discovered that TMG had contravened the following provisions of the PRS Code:</p> <p><u>Section 2.5.1(a) read with Section 2.4.2(a) of the PRS Code</u></p> <p>TMG advertised its "BubblegumMob" PRS on the Internet. Interested end users would first have to enter their mobile phone numbers via the Internet advertisement. After end users had entered their mobile numbers online, TMG would then send an SMS message inviting the end user to reply with the subscription keyword command "YES" to TMG's shortcode in order to subscribe for the service.</p> <p><u>Section 2.6.2(b)(ii) of the PRS Code</u></p> <p>TMG failed to send the required monthly reminder messages to subscribers for its Skill2Thrill service.</p>
IDA's Determination	<p><u>Section 2.5.1(a) read with Section 2.4.2(a) of the PRS Code</u></p> <p>Section 2.5 of the PRS Code imposes the following requirements –</p> <p><i>"2.5 Duty to authenticate end user for services delivered to mobile phones which may be purchased or subscribed via Internet registration"</i></p> <p><i>2.5.1 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 –</i></p> <p>(a) <u><i>designate a specific purchase keyword command for that service which shall comply with the requirements set out in section 2.4;</i></u></p>

With regard to specific requirements applicable to the designation of purchase keyword commands as referred to in Section 2.5.1(a), Section 2.4.2(a) of the PRS Code provides as follows -

“2.4.2 A purchase keyword command must –

- (a) *not comprise of any commonly used phrases which may increase the risk of a person accidentally subscribing to the service such as “hi”, “hello”, “yes”, “no” or “ok”.* [Emphasis added]

TMG had acknowledged that its use of the word “YES” as a purchase keyword command was contrary to the PRS Code which expressly prohibits the use of commonly used phrases such as “yes”, TMG however submitted that it would be very unlikely that the use of “YES” as the purchase keyword command would result in accidental subscription as its subscription process required the end user to first enter his mobile number on TMG’s website, prior to sending in the purchase keyword command to complete the subscription. TMG explained that its system would reject subscription requests from end users whose mobile numbers were not first entered at TMG’s website. TMG also explained that the same “YES” purchase keyword command has been used in other countries where it operated, but acknowledged that it had not checked whether this was compliant with the requirements under the PRS Code.

As set out above, Section 2.4.2(a) of the PRS Code expressly prohibits PRS Providers from designating the phrase “YES” as a purchase keyword command for their services. It is not correct for TMG to ignore the express requirements of the PRS Code based on its own assessment of the risk that the public may potentially be exposed to in relation to its operations.

IDA therefore determined that TMG has contravened 2.5.1(a) read with Section 2.4.2(a) of the PRS Code.

Section 2.6.2(b)(ii) of the PRS Code

Section 2.6.2(b)(ii) of the PRS Code states that: “... *for every new subscription,-*

- (b) *a premium rate service provider who provides a premium rate service referred to in section 2.6.1(b) shall:*

- (ii) *send a reminder message to the end user via the same medium in which the end user subscribed for*

the service or by SMS at least once a month after the first month commencing from the date of his subscription to the service until such time that the end user takes action to unsubscribe from the service. [Emphasis added.]

TMG admitted that there was an anomaly in its automated reminder message schedule which resulted in 108 end users of its Skill2Thrill PRS not receiving the required monthly reminder messages during the period of May to June 2011. It had since rectified the system failure and also sent SMS messages to the affected end users to apologise for the omission and offer them a refund.

TMG's claims of technical errors did not excuse it from its failure to comply with Section 2.6.2(b)(ii) of the PRS Code, which clearly sets out TMG's obligations to send reminder messages to its end users.

IDA therefore determined that TMG has contravened Section 2.6.2(b)(ii) of the PRS Code.

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

Aggravating Factor:

- (a) IDA had previously reminded TMG of its non-compliance with the PRS Code in the past and reminded TMG that further non-compliances would attract enforcement action from IDA.

Mitigating Factors:

- (a) TMG has taken steps to rectify the contravention (by changing its purchase keyword command); and
- (b) Upon being informed of its lapse, TMG contacted all affected end users who did not receive the reminder message and provided refunds to those affected end users.

	<p>Taking these factors into consideration, IDA imposed a financial penalty of <u>\$4,000</u> on TMG for its contravention of Section 2.5.1(a) read with Section 2.4.2(a) of the PRS Code and <u>\$1,000</u> for its contravention of Section 2.6.2(b)(ii) of the PRS Code.</p>
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