

Case Reference	R/E/I/088
Title	Sam Media's Contraventions of the Premium Rate Services Code (" PRS Code ")
Case Opened	13 June 2011
Case Closed	1 August 2011
Complainant	IDA initiated enforcement proceeding
Respondent	Sam Media Pte Ltd (" Sam Media ")
Case Summary	<p>Arising from investigations by IDA against mobile content Premium Rate Services ("PRS") provided by Sam Media, IDA discovered the following:</p> <p>(a) from 24 March to 11 April 2011, Sam Media had failed to include any prices, terms and conditions in the Internet advertisement (the "Internet Advertisement") for one of its PRS;</p> <p>(b) when end users took action to unsubscribe from Sam Media's PRS, Sam Media would send end users an SMS message, confirming their unsubscription, but inviting these end users to re-subscribe for the same PRS (the "SMS Advertisements"). An example of such an SMS message is as follows: "TQ.U hv stop this svc.Win more?sms SALE to 77877.min \$14/wk.Upon answering,u will rcvd next chrgable sms @ \$2 each.Quit:sms SALE stop to 77877"; and</p> <p>(c) Sam Media did not include its company name in various Internet and TV advertisements (the "Other Advertisements") for its PRS.</p> <p>Separately, in the course of IDA's investigations into this matter, Sam Media had also provided IDA with inaccurate information regarding:</p> <p>(a) when Sam Media first started publishing the Internet Advertisement; and</p> <p>(b) the number of end users who had subscribed to the PRS advertised in the Internet Advertisement.</p>
IDA's Determination	<p>Section 2.2.1 of the PRS Code states the following:</p> <p><i>"2.2.1 A premium rate service provider shall, in disclosing the prices, terms and conditions required under section 2.1, and in relation to all advertisements relating to its premium rate service, comply with the following requirements ...</i></p>

- (b) every disclosure and advertisement must state –
 - (i) the description of the premium rate service offered;
 - (ii) the name of the premium rate service provider as registered with the Accounting and Corporate Regulatory Authority; and
 - (iii) the local customer service hotline for the premium rate service;
- (c) every disclosure and advertisement must fully and completely state all prices, terms and conditions of the premium rate service that have a bearing on the charges payable by end users in a manner that is clear, straightforward and easy to understand; and
- (d) where a disclosure or advertisement relates to or promotes –
 - (i) a subscription-based premium rate service in which the subscription is automatically renewed at the end of every subscription period unless the end user takes action to unsubscribe from the service ...
 - (A) state that the service is subscription-based and the period of the subscription;
 - (B) contain a clear notice that the onus is on end users of the service to unsubscribe from the service if they wish to discontinue their use of the service; and
 - (C) set out clear instructions on how end users can unsubscribe from the service (including the unsubscription keyword command if applicable)” [emphasis added].

IDA therefore determined that:

- (a) in relation to the Internet Advertisement – for failing to state any prices, terms and conditions for the advertised PRS, Sam Media had contravened Sections 2.2.1(b)(i), 2.2.1(b)(ii), 2.2.1(b)(iii), 2.2.1(c), 2.2.1(d)(i)(A), 2.2.1(d)(i)(B) and 2.2.1(d)(i)(C) of the PRS Code;
- (b) in relation to the SMS Advertisements – for failing to state the full prices, terms and conditions for the advertised PRS, Sam Media had contravened Sections 2.2.1(b)(i), 2.2.1(b)(ii), 2.2.1(b)(iii), 2.2.1(d)(i)(A), and 2.2.1(d)(i)(B) of the PRS Code; and
- (c) in relation to the Other Advertisements – for failing to state Sam Media’s company name, Sam Media had contravened Section 2.2.1(b)(ii) of the PRS Code.

In addition Section 4.3.1 of the PRS Code states that: “[t]he relevant licensee must ensure that all information provided to IDA, whether in its written response, related representations or any other submissions, are complete, truthful and

accurate".

For providing IDA with inaccurate information during IDA's investigations, Sam Media had contravened Section 4.3.1 of the PRS Code.

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

Aggravating Factors:

- (a) Sam Media had advertised the Internet Advertisement widely, which resulted in 860 end users having subscribed to Sam Media's PRS via the Internet Advertisement from 24 March to 11 April 2011, without being adequately notified of the prices, terms and conditions of Sam Media's PRS.

Mitigating Factors:

- (a) Upon being informed of its lapse, Sam Media had taken corrective action to remedy its lapses and provide full waivers to affected end users;
- (b) Sam Media had cooperated fully with IDA's investigation; and
- (c) Sam Media had apologised for its lapses and promised to take corrective action to ensure such lapses are not repeated going forward.

Taking these factors into consideration, IDA decided to:

- (a) **issue a warning** to Sam Media for its contravention of Sections 2.2.1(b)(i), 2.2.1(b)(ii), 2.2.1(b)(iii), 2.2.1(d)(i)(A), 2.2.1(d)(i)(B) and 2.2.1(d)(i)(C) of the PRS Code;
- (b) **impose a financial penalty of \$5,000** on Sam Media for its contravention of Section 2.2.1(c) of the PRS Code; and
- (c) **impose a financial penalty of \$5,000** on Sam Media for its contravention of Section 4.3.1 of the PRS Code.