

Case Reference	R/E/I/083
Title	Mfusion's Contraventions of the Premium Rate Services Code (" PRS Code ")
Case Opened	14 July 2010
Case Closed	13 January 2011
Complainant	IDA initiated enforcement proceeding
Respondent	Mfusion Pte Ltd (" Mfusion ")
Case Summary	<p>IDA received complaints against Mfusion, and discovered that it had advertised its premium rate services ("PRS") in a manner contrary to the requirements under the PRS Code. Specifically, IDA discovered that Mfusion had contravened the following provisions of the PRS Code:</p> <p>(a) Section 2.2.1(a) of the PRS Code – in relation to the Internet advertisements (the "Internet Advertisements") for two of Mfusion's PRS; and</p> <p>(b) Section 2.2.1(b)(iii), 2.2.1(d)(i)(B) and 2.2.1(d)(i)(C) of the PRS Code – in relation to the WAP advertisements (the "WAP Advertisements") for five of Mfusion's PRS.</p> <p><u>The Internet Advertisements</u></p> <p>In its Internet Advertisements, Mfusion had prominently featured terms like "Preferred Free Game", "Free to play" and "Play Free Games" while indicating the relevant charges for its PRS (\$20/month) in fine print at the bottom of the Advertisement. This is a specific example of misleading advertising highlighted in the PRS Code as end users may be misled by the prominent offers of a "free" service and overlooked the applicable charges of the PRS which were stated only in smaller print.</p> <p><u>The WAP Advertisements</u></p> <p>IDA's investigations also revealed that Mfusion's WAP Advertisements did not indicate:</p> <p>(a) Mfusion's hotline number;</p> <p>(b) that end users will continue to be subscribed and charged for the PRS until they took action to unsubscribe; and</p> <p>(c) the means to unsubscribe for the PRS.</p> <p>Rather, end users were required to click on a link and obtain this information on a separate "Terms and</p>

	Conditions” WAP page.
IDA’s Determination	<p>Section 2.2.1(a) of the PRS Code provides that: “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 –</p> <p>(a) No disclosure or advertisement shall be presented in a manner that is reasonably likely to confuse or mislead in any way, whether by inaccuracy, ambiguity, exaggeration, omission or otherwise.”</p> <p>Section 2.2.1 of the PRS Code, states that: “A premium rate service provider shall, in disclosing the prices, terms and conditions ... and in relation to all advertisements relating to its premium rate service, comply with the following requirements – ...</p> <p>(b) every disclosure and advertisement must state ...</p> <p>(iii) <u>the local customer service hotline for the premium rate service; ...</u></p> <p>(d) where a disclosure or advertisement relates to or promotes –...</p> <p>(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, the disclosure or advertisement must – ...</p> <p>(B) <u>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</u></p> <p>(C) <u>set out clear instructions on how end users can unsubscribe from the service (including the unsubscription keyword command if applicable).”</u></p> <p>IDA therefore found Mfusion to be in contravention of the following sections of the PRS Code:</p> <p>(a) Section 2.2.1(a) of the PRS Code – for presenting the Internet Advertisements for its PRS in a manner that is misleading; and</p>

(b) **Sections 2.2.1(b)(iii), 2.2.1(d)(i)(B) and 2.2.1(d)(i)(C)** of the PRS Code – for failing to include in the WAP Advertisements:

- (i) Mfusion’s hotline number;
- (ii) that end users will continue to be subscribed and charged for the Content Service until they took action to unsubscribe; and
- (iii) the means to unsubscribe for the Content Service.

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

Aggravating Factors

- (a) This is Mfusion’s second contravention of Section 2.2.1(b)(iii) of the PRS Code. On 28 November 2008, IDA had issued a warning to Mfusion for its contravention of Section 2.2.1(b)(iii) of the PRS Code.
- (b) Mfusion had two Internet advertisements which were non-compliant with Section 2.2.1(a) of the PRS Code.
- (c) Mfusion had two WAP advertisements which were non-compliant with Sections 2.2.1(b)(iii), 2.2.1(d)(i)(B) and 2.2.1(d)(i)(C) of the PRS Code.

Mitigating Factors

- (a) Mfusion has granted waivers to complainants who had written to IDA in relation to its provision of several of its PRS.

Taking these factors into consideration, IDA decided to:

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