

Hidden costs of mobile downloads

Once considered a minor nuisance, misleading mobile premium services have become one of the most complained about of any telecommunications services in Australia.



Figures from the Telecommunications Industry Ombudsman from the start of the year indicate that around 2500 complaints about premium mobile content are received every month.

Mobile premium services include downloadable ringtones, horoscopes, games, dating services and a range of 'text to win' competitions, usually charged at several dollars a message.

In particular, around half the phone users who contacted the ACCC to complain said they had been inadvertently tricked into signing up for subscription services they didn't want.

In October the ACCC obtained orders by consent from the Federal Court of Australia against TMG Asia Pacific for misleading its customers over a quiz service it was running.

The company's television advertising asked viewers to text in their answers to win a prize. However, by doing so the viewers were unwittingly agreeing to sign up to receive regular messages sent to their phone.

The advertisements did not disclose that to be eligible for a prize, participants had to pay a \$5 joining fee and respond to at least 10 questions, each costing \$5.

Participating in the quiz also meant that consumers were signed up to a subscription consisting of six \$5 messages. To make matters worse, participants in some states weren't eligible for the prize, but were still being charged.

TMG agreed to publish corrective advertising informing customers that its advertising had been misleading, but this is far from an isolated case. The ACCC has also taken action against a number of overseas-based companies for allegedly misleading advertisements for mobile premium services in popular youth magazines such as *Dolly*, *Girlfriend* and *TV Hits*. The ACCC has also obtained enforceable undertakings from Pacific Magazines and ACP, which published the misleading ads (see page 14).

The ACCC has become so concerned about the number of misleading services it has written to all mobile phone carriers seeking to stem the number of customers being misled.

In March ACCC Chairman Graeme Samuel also put the industry on notice, telling mobile phone carriers they needed to take greater responsibility for protecting their customers from being trapped by misleading services.

One difficulty many customers have in trying to stop unwanted subscription services is working out exactly who is sending them. Usually three main players are involved in premium content—the company behind the service, a trader leasing the '19' premium mobile number, and the network operator, with all three collecting a slice of the profits from the message.

The services can be particularly lucrative. The ACCC regularly hears of users who find unexpected bills for premium services of more than \$100 on their monthly statements.

Scratch & lose downloads — see page 10.



Prevention is the best way to avoid unwanted phone service fees. Treat your mobile phone like a credit card—don't give your number to anyone you don't trust. Avoid the temptation to respond quickly to ads or competitions, and ensure you know what the full cost will be before requesting a service or sending your phone details.

When unwanted messages do start to arrive, remember that ignoring the problem won't make it go away and may lead to more charges in the long run.

The easiest and quickest way to respond is to send a reply text message containing the word STOP.

If the messages continue to arrive, contact your phone service provider for advice or, if you have the details of the premium service provider, try to contact them directly and ask to have the service stopped.

A number of government and industry bodies can help if you are still unsuccessful. The Telecommunications Industry Ombudsman (1800 062 058) is a good first point of contact and can provide advice on dealing with your mobile-related problems or issues dealing with your phone service provider. The Australian Communications and Media Authority (1300 850 115) can also assist, as can the ACCC (1300 302 502).

Warning bells

Tips for minimising premium mobile service fees

- Act quickly—the longer you ignore the messages, the higher the cost may be.
- Treat your phone like a credit card—don't give your number to anyone you don't trust.
- Read the fine print—make sure you understand the full costs of a service before subscribing to or downloading it. If you don't understand the conditions, don't subscribe.
- Check that a one-off download won't subscribe you to an on-going service—most do.
- Avoid numbers starting in 19.
- Text STOP as a reply to unwanted premium services.
- Avoid typing your phone number into a webpage without reading the conditions.
- Ask your phone company to block access to premium content if you don't want to receive it.
- Choose carefully who you lend your phone to and warn your children of the risks involved.
- Don't delete unwanted messages—you may need them when making a complaint.
- Look up the details of the company sending you messages at www.19sms.com.au.

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What are mobile premium services?

Premium services are information or entertainment sent to your mobile phone. This includes games, horoscopes, ringtones, songs, answers to competitions and chat services.

They are usually sent as a text or multimedia message, or downloaded after you call or text a number beginning with 19. More often than not premium services are a subscription rather than a one-off service, and by calling or texting you are agreeing to sign up to regular content that will be charged to your mobile phone account.

