

# New rules crack down on SMS scams

Consumers will not be billed for costly premium SMS and MMS from suspect mobile premium service providers under new rules introduced by the ACMA in August.

It is now an offence for mobile phone companies to contract with content suppliers who are not listed on an industry register.

And from 3 November 2010, the ACMA will also be able to issue a temporary Do Not Bill order to stop suspect content suppliers from charging customers while it investigates a service.

The rules are the latest in the ACMA's package of measures dealing with consumer concerns about the unexpected costs of some SMS and MMS services, which include ringtones, wallpapers, games, music tracks and videos, horoscopes, news and chat groups.

'This will be the toughest sanction the ACMA will be able to impose against premium SMS and MMS providers who break the rules,' said Chris Chapman, Chairman of the ACMA. 'It cuts straight to the heart of industry's rogue element by drying up their revenue stream.'

A final order preventing a company from charging customers for up to three years can be made where a content service provider is found to have breached the Mobile Premium Service Code in a way that causes significant financial harm to consumers.

The new rules build on other recently implemented mobile premium services regulatory measures, including the ability for mobile users to request their phone company permanently block all premium SMS and MMS services.

The industry-developed Mobile Premium Service Code sets out detailed rules covering a range of procedures for:

- > subscribing to premium SMS services
- > the banning of advertisements targeted at children under 15
- > how advertisements (and charges) are displayed
- > complaints-handling obligations.

'The rules introduced by the ACMA have seen complaints to the Telecommunications Industry Ombudsman about premium SMS and MMS drop by over two-thirds in the previous 12 months,' said Mr Chapman. 'This further step is intended to prevent unscrupulous operators profiting from non-compliance.'

Further information about the regulatory arrangements that now apply to mobile premium services is available on the ACMA website at [www.acma.gov.au](http://www.acma.gov.au) (go to For licensees & industry: Licensing & regulation > Telecommunications: Premium phone services in Australia).

**This will be the toughest sanction the ACMA will be able to impose against premium SMS and MMS providers who break the rules.**

A key feature of the code is a 'double opt-in' requirement. A prospective customer has to give two independent confirmations of a request before they can subscribe to an ongoing premium SMS service.

The ACMA has already taken action against several service providers for breaches of the code.

*Turn the page for tips to avoid issues with mobile premium services.*

# Tips to avoid issues with mobile premium services

Signing up to a mobile premium service can be costly so you should know as much about the service as possible before you commit.

Keep in mind the following tips for avoiding problems with mobile premium services.

## When signing up for a service, it is important to:

- > read the terms and conditions and understand what you are signing up for
- > reply 'stop' to discontinue the service
- > know where to go for help to resolve problems.

## And remember:

- > check the cost in advertisements and what you are actually purchasing before you buy or subscribe
- > check how many downloads you will have to pay for and how often you will be receiving them
- > check how much each SMS sent to, or from, your mobile will cost you
- > check if there is a joining fee
- > before you 'opt in' to a service, check if it is a subscription or a one-off
- > check how long the subscription lasts—is it a day, one week, one month or until you reply 'stop'?
- > do not respond to an advertisement that is a subscription service if you are unclear about the costs and terms
- > check the information about how to cancel the service is clearly indicated and keep a record of the number for texting 'stop'
- > check that a customer helpline is clearly indicated and record the number
- > look out for notification to consent to receive advertising messages
- > text 'stop' to the number that sends you the service if you do not wish to receive any further messages from that service
- > if you no longer wish to access or receive any mobile premium SMS or MMS you can now contact your phone company to permanently block these services
- > do not delete any confirmation messages (and costs) for services. Keep records which will assist you with any problems
- > avoid signing up for the service if you do not know the full cost
- > look for a way to unsubscribe if you do not want to receive advertising messages
- > check to see if your phone company can arrange to bar premium cost services. 📞

