

Research reveals attitudes towards mobile payment services in Australia

New ACMA research into consumer usage of mobile premium services reveals most users of premium rate SMS and MMS are satisfied with the services, but many have a strong interest in being able to more easily limit how much they spend when using these and any future mobile payment system.

The findings were made as part of the ACMA's quantitative Mobile Premium Services User Survey 2010. This research complements the ACMA's qualitative research report, *Community research into attitudes towards use of mobile payment in Australia*, which was released in July 2010.

With the increasing mobility of digital payment services, these two pieces of research provide the ACMA with important evidence of consumer behaviour and expectations, to help inform the maintenance of appropriate regulatory safeguards.

Most mobile premium services are payment mechanisms for digital content and interactivity with other services (such as television programs). These services can be viewed as the starting point for the evolution of more sophisticated and transparent models of mobile electronic payment, which may replace mobile premium services in the long-term.

'The ACMA's research shows that mobile premium services are already a popular way of purchasing information and entertainment, and that there is strong interest among consumers in being able to use mobile phone-based payments for a broader range of purchases,' said Chris Chapman, Chairman of the ACMA. 'However, the research also indicates that future mobile payment mechanisms will need to incorporate robust safeguards, particularly the ability to limit expenditure, and anti-fraud measures.'

The *Community research into attitudes towards use of mobile payment in Australia* report indicated that using a mobile phone to make a payment introduces new levels of consumer expectation around security. Respondents felt strongly that service providers should be responsible for ensuring that security and anti-fraud measures are in place. This was particularly the case with mobile premium services.

Respondents did not trust telecommunications providers as much as a bank to process payments, nor did they believe telecommunications providers offered the same level of security and fraud protection guarantees. There were concerns about adding payments to a mobile bill, which was likened to an unlimited credit card. The ability to limit expenditure (capped or linked to a debit account) on any mobile wallet service was strongly preferred. Expenditure control and ease of access to such services were issues of particular concern for parents envisaging children using these services.

The mobile premium services survey showed that one in four Australians used at least one mobile premium service, either for a one-off purchase or a subscription service, in the 12 months to April 2010. Competitions and quizzes were the most commonly used services, with news, sport and weather updates and voting for television contestants also popular. Only one in 10 users of mobile premium services indicated any level of dissatisfaction, consistent with the sharp reduction in the number of complaints about mobile premium services over the last 12 to 18 months.

Notwithstanding their popularity and overall user satisfaction, almost two-thirds of respondents reported interest in having greater control over how much they spend on mobile premium services. Parents in particular consider it important to limit how much their children spend, with most barring access to all mobile premium services or carefully checking monthly bills to control expenditure.

Of some concern is the significant number—38 per cent—of users who reported receiving an unrequested premium SMS or MMS message in the last three months, and the difficulty which 30 per cent of these users had in stopping these services. The Mobile Premium Services Code includes provisions aimed at preventing unrequested messages and ensuring that customers can easily stop a service if they wish. Commercial senders of SMS must also comply with the *Spam Act 2003*.

During coming months, the ACMA will be using the findings of this research to help inform discussion of the consumer safeguards that will be required for future mobile phone-based payment services. ☎

The *Mobile Premium Services User Survey 2010* report and *Community research into attitudes towards use of mobile payment in Australia* report are available from the ACMA website at www.acma.gov.au (go to About ACMA: Publications & research > Research > Community research into attitudes towards use of mobile payment in Australia).

