

Consumers to be better protected under new rules for premium SMS

New rules to come into effect on 1 July 2010 will give consumers the choice to bar all premium SMS from their mobile phones and therefore prevent unwanted premium SMS charges.

'This is the latest in a package of measures we have put in place so mobile users can feel confident they will only receive and pay for services they actually want,' said Chris Chapman, Chairman of the ACMA.

Other parts of the package include the ACMA's registration of the Mobile Premium Services Code, which took effect in July 2009; a rolling program of audits of compliance with the code which began in August 2009;

Following the measures introduced by the ACMA last year, complaints to the Telecommunication Industry Ombudsman about premium SMS services have decreased by 50 per cent.

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'That is a dramatic turnaround,' said Mr Chapman. 'The ACMA will be monitoring the industry closely over the next 12 months to ensure that consumer concerns are being adequately addressed and that this trend is maintained.'

'This will be a great option for parents who want to make sure their kids don't sign up for something without understanding the charges. And people trying to manage their phone budget can stop premium charges by barring these services from their phone.'

and proposed new rules to enhance incentives for compliance with the code and provide a further option for enforcing the code (see article below).

Mobile premium services are called premium because customers are charged a premium for using the service—that is, they cost more than a standard SMS (text message) or MMS (multimedia message).

'The ACMA will pursue, to the full extent of its powers, providers of premium SMS services who repeatedly operate in breach of rules governing these services,' said Mr Chapman. ☎

'If you don't want these services, you can simply contact your phone company and ask for them to be turned off,' said Mr Chapman.

The ACMA believes mobile phone companies should move towards enabling consumers to request barring quickly and easily via SMS and will meet with senior representatives from mobile phone companies to discuss the introduction of this capability for consumers.

For more information on mobile premium services visit the ACMA website at www.acma.gov.au (go to For the public: Content & advertising > Telecommunications: Mobile premium services – Information for consumers).

Proposed new rules to promote greater compliance with mobile premium services obligations

The ACMA is proposing further new rules to address problems with mobile premium services. The proposed new rules will:

- > Require mobile carriage service providers not to contract with mobile content suppliers or aggregators who have not registered with the industry body Communications Alliance Ltd, and similarly require aggregators not to contract with content suppliers who have not registered.
- > Permit the ACMA to order mobile carriage service providers to suspend

billing customers for the services of content suppliers or aggregators who have been found by the ACMA to have breached the Mobile Premium Services Code and to have behaved in a way that is significantly detrimental to the interests of consumers.

Throughout March and the beginning of April, the ACMA invited submissions from the public and industry on these proposed new rules. The ACMA also requested comments on whether to repeal the existing rules dating from

2004, which are largely superseded by the recent decision on premium SMS barring. Submissions, which closed on 9 April 2010, will be used to determine whether to make a service provider determination under section 99 of the *Telecommunications Act 1997*, and the final contents of that determination. ☎

To access a copy of the proposed new rules, visit the ACMA website at www.acma.gov.au (go to About ACMA: News & media centre > Issues for comment > IFC 05/2010).