

SMS psychic advice service issued direction to comply

The ACMA is continuing its crackdown on mobile premium services that disregard rules designed to safeguard their users. Provider of SMS-based psychic advice, Crystal's Gifted Psychics Pty Ltd, has been issued with a formal direction to comply with industry rules governing these services.



'This formal direction is the first action taken by the ACMA against a provider of a mobile premium service for breaching industry rules introduced in July 2009,' said Chris Chapman, Chairman of the ACMA. 'The direction is a warning to providers of mobile premium services who fail to provide required safeguards, that the ACMA is serious about industry addressing this conduct.'

The ACMA's investigation into Crystal Gifted Psychics found the company failed to comply with industry rules governing mobile premium services. Specifically, they did not include their helpline in advertisements and failed to register with the industry body, Communications Alliance, prior to supplying a mobile premium service to the public.

The ACMA monitors compliance with the Mobile Premium Services Code and undertakes investigations when it considers activities may be in breach of obligations under the code.

The code states that the supplier of a mobile premium service must include a helpline number in advertisements for its service. A helpline number is an important safeguard for users of mobile premium services, providing a point of contact for problems or complaints.

Advertisements are also required to include clear, prominent and legible information in plain language on price (including sign-up costs and the basis for calculating charges) and whether the service is a subscription service.

Suppliers of mobile premium services are also required to register with Communications Alliance before they supply any mobile premium service to the public.

A direction to comply is the strongest action available to the ACMA in response to a breach of an obligation under an industry code.

The ACMA may request the Federal Court to impose penalties of up to \$250,000 if direction to comply under section 121 of the *Telecommunications Act 1997* is contravened.

In addition to its compliance monitoring, the ACMA is introducing new rules to complement the Mobile Premium Services Code, including a requirement that mobile carriage service providers offer a capability to bar mobile premium services from July 2010. ☎

More information on premium SMS services for industry is available from the ACMA website at www.acma.gov.au (go to For licensees & industry: Licensing & regulation > Telecommunications: Premium phone services in Australia > Mobile premium services—information for industry).

More information for consumers about premium SMS is available on the ACMA website at www.acma.gov.au/premiumsms.

Since the introduction of the new code in July 2009, the ACMA has been monitoring and auditing individual services to identify shoddy practices. This has resulted in eight completed investigations, with further investigations currently underway. Through these investigations, the ACMA is focussing on both advertising practices and the way in which providers supply information to their customers about charges and subscriptions. Activities such as these, combined with the tough rules under the code, are having an effect with complaint issues recorded by the Telecommunications Industry Ombudsman about mobile premium services falling by 56 per cent in the period since the new rules were introduced.