

Mobile Premium Services Complaint Drivers

Complaint Data Analysis
Telecommunications Industry Ombudsman
17 September 2008

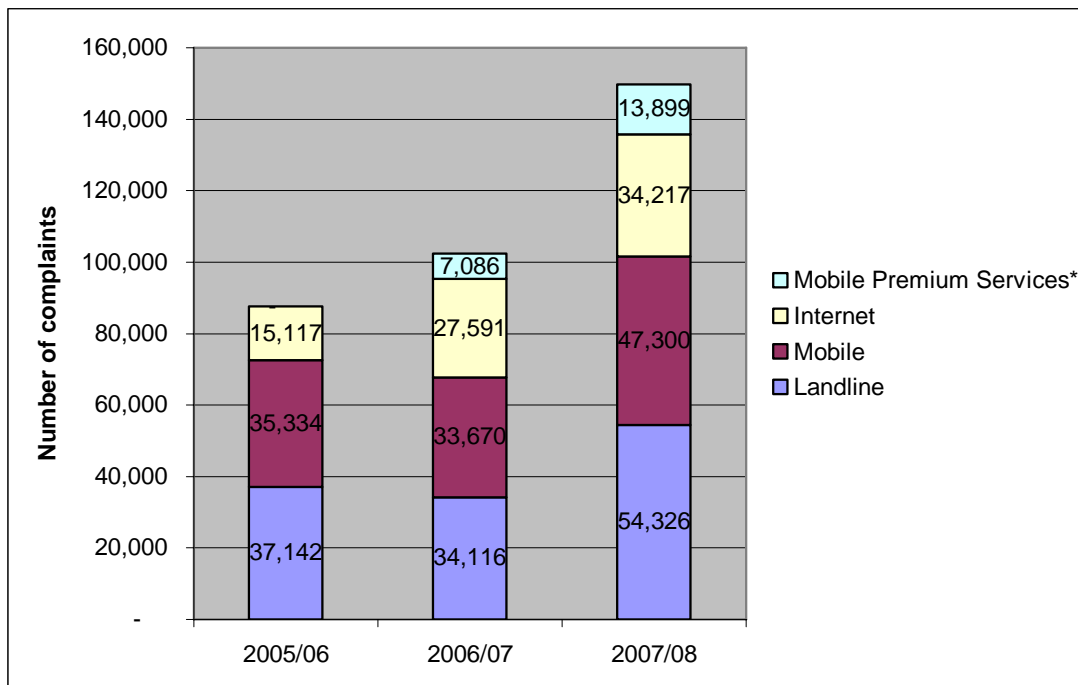
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Executive Summary

During the 2007/2008 financial year, complaints to the TIO from consumers about their telephone and internet services increased significantly, by approximately 46.1%. 9.3% of these complaints (totalling 13,900) were about Mobile Premium Services (MPS).



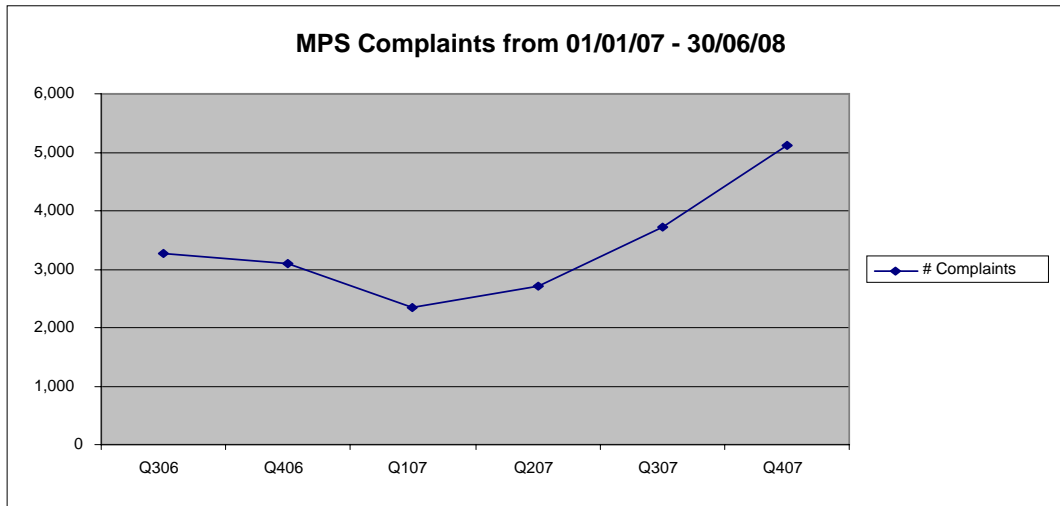
* MPS complaints for 2006/07 cover the period from December 2006 to June 2007 only

From 1 December 2006 to 30 June 2007, the TIO recorded an average of 1,012 MPS complaints per calendar month. During the 2007/08 financial year, this increased by 14% per month to an average of 1,158 MPS complaints per calendar month.

Notably, complaints increased to a monthly average of 1,708 during the fourth quarter of the 2007/2008 financial year.

96% of MPS complaints appear to have been resolved after complainants were referred to their service provider (compared with 92.5% for other types of complaints). Note that the TIO categorises complaints as “resolved” if a complainant does not contact the TIO again after referral to their service provider’s senior level of complaint.

Despite this higher apparent resolution rate, the steady increase in MPS complaints prompted the TIO to conduct a project to identify why consumers so frequently seek the TIO’s assistance to resolve complaints about MPS.



Other factors that prompted this project included:

- consistently higher numbers of media enquiries to the TIO about MPS, compared to other telecommunications issues, and
- expressions of concern about MPS by government departments, regulatory agencies and consumer advocacy groups, including:
 - an address on 22 July 2008 by the Minister for Broadband Communications & the Digital Economy, Senator Stephen Conroy, to the Australian Communications & Media Authority & Communications Alliance ‘Consumer Dialogue 2008’
 - the publication by the Australian Competition and Consumer Commission of a consumer fact-sheet, ‘Your consumer rights: Mobile phone premium services’.
 - the publication by the Australian Consumers Association (Choice) of its online information page, ‘Mobile Premium Services’, detailing concerns and potential problems around the provision of MPS.

The project

The TIO assembled a dedicated team of Enquiry Officers to survey complainants during their initial telephone call to the TIO about their MPS complaint.

Note that the data collected is based on complainants’ reports to the TIO at first contact. As is standard at this stage of a complaint, complainants were referred to the relevant carriage service provider’s senior level of complaint. The majority of complaints were not subsequently corroborated by formal investigation.

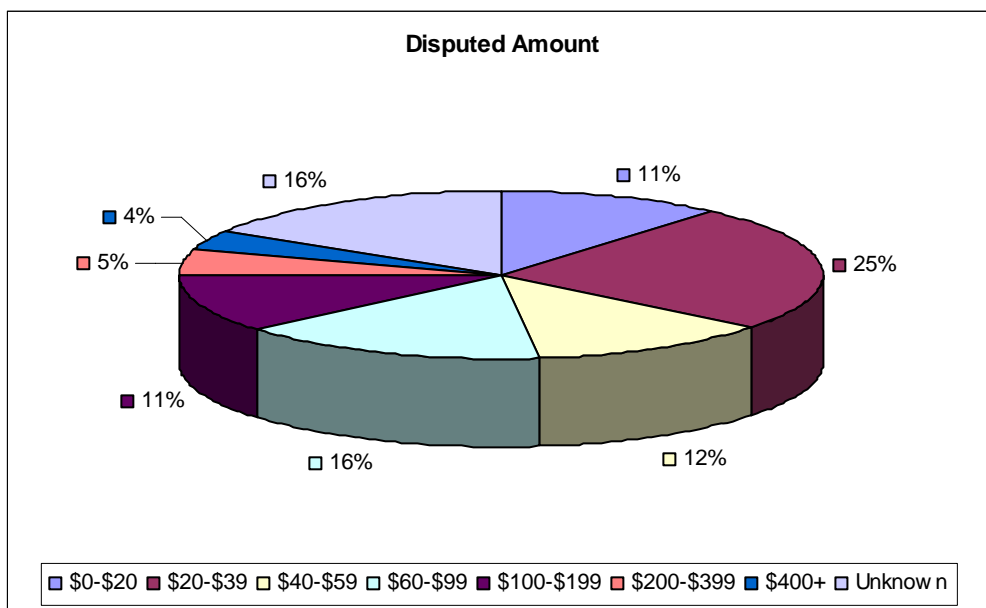
Nonetheless, given the size of the complaint sample and the consistency of complainants’ responses to the question set, the data gives a valuable insight into consumer experiences with MPS.

523 MPS complaints were recorded during a three-week period.

In summary:

- 491 complaints (96%) were about *subscription services*, involving periodic receipt by the consumer of text messages, with each message attracting an individual charge
- 97% of those 491 complainants claimed that they had not knowingly agreed to the subscription

- only 26% of complainants were able to identify how they had requested the initial premium-rate text message they had received
- of the 303 complainants who reported making attempts to stop receiving disputed MPS, 55% stated that these attempts had not been successful
- of the 453 complainants who had successfully contacted the content supplier to try to resolve their complaints, 86% reported that the content supplier had not resolved their complaints
- of the 467 complainants who advised that they had contacted their carriage service provider (CSP), 56% stated that their CSP had not resolved their complaints
- amounts in dispute ranged from \$2.75 to \$2,325.00. 186 complainants (36% of the sample) were disputing more than \$60 in charges
- the total amount of disputed charges across the complaint sample was \$12,825.



Conclusions

The TIO has drawn three conclusions from this data:

1. Consumers are confused about the concept of “subscription” Mobile Premium Services:
 - Of the 96% of complaints about *subscription services*, 97% of complainants claimed that they had not requested a subscription.
2. Mechanisms for cancelling MPS are not readily available or straightforward:
 - 55% of complainants who reported attempting to stop the MPS claimed that their attempts were unsuccessful
 - 38% of the total complaint sample (199 consumers) claimed not to have been given the option to opt-out at all.
3. Content suppliers and carriage service providers may not be addressing complaints about MPS promptly or efficiently:
 - Of the complainants who raised their complaint with a content supplier, 86% claimed that the content supplier did not subsequently resolve the complaint.
 - Of the complainants who raised their complaint with a CSP, 56% claimed that the CSP did not subsequently resolve the complaint.

Part A: Background

(a) Co-regulatory framework

On 28 October 2006, the *Mobile Premium Services Industry Scheme* (the Scheme) came into operation as a means of providing a system of self regulation of the Mobile Premium Services (MPS) industry. The Scheme was developed pursuant to the *Telecommunications Service Provider (Mobile Premium Services) Determination 2005 No. 1*.

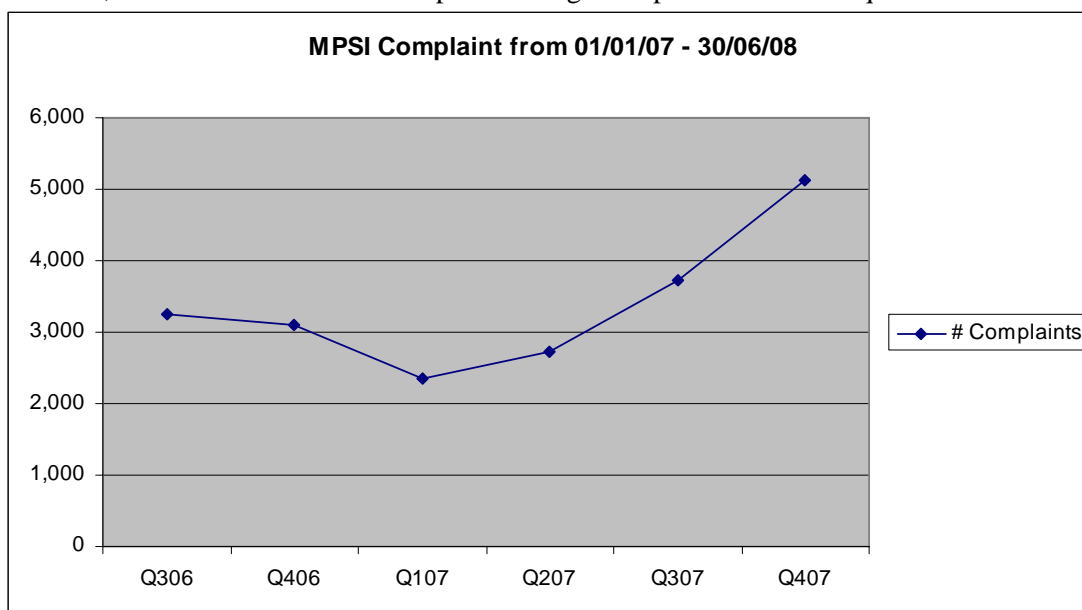
On 1 December 2006, the TIO commenced investigating complaints about MPS as the escalated complaints handling body under the Scheme¹. In addition to the Scheme, the mobile premium services industry developed a set of Guidelines to assist industry participants to comply with their legal and regulatory obligations and to help ensure ‘the safe and responsible delivery of premium mobile services, informed and satisfied customers, and a sustainable marketplace for all’².

(b) History of TIO Mobile Premium Service complaint statistics

The TIO began recording complaints as the escalated complaints handling body under the MPS Scheme on 1 December 2006. Only 7 months of MPS data is available for the 2006/07 financial year. The 2007/08 financial year is the first full 12-month period during which the TIO recorded complaints under the MPS Scheme.

In the 2007/2008 year, the TIO recorded 13,899 complaints under the MPS Scheme, compared with 7,086 recorded during the 7 months between 1 December 2006 and 30 June 2007.

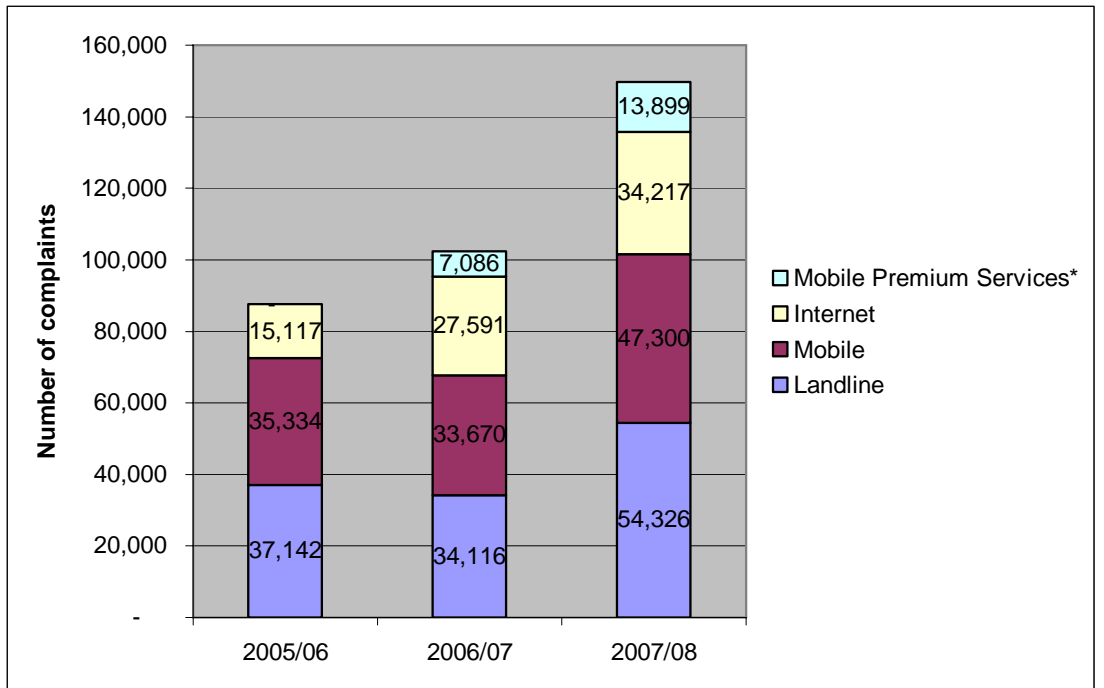
While the TIO recorded an average of 1,012 MPS complaints per calendar month from 1 December 2006 to 30 June 2007, during the 2007/08 financial year the TIO recorded an average of 1,158 MPS complaints per calendar month. This represents a 14% increase in MPS complaints across the 2007/08 financial year. However, as the graph below indicates, we observed a noticeable upturn during the April to June 2008 quarter.



¹ The TIO had, prior to the commencement of the Scheme, investigated most MPS complaints under its general jurisdiction in respect of billing.

² Introduction, *Guideline to the Mobile Premium Services Industry Scheme, Version – July 2007*.

Across all complaint categories (i.e. landline, mobile, Internet and MPS), complaints to the TIO increased just over 46% during the 2007/08 financial year. While the 14% increase in MPS complaints across the same period is not as significant an increase as the general growth in complaints across the industry, MPS complaints nonetheless increased to a monthly average of 1,708 during the period 1 April 2008 to 30 June 2008, and comprised almost 9.3% of all complaints to the TIO during the 2007/08 financial year.



MPS complaints for 2006/07 cover the period from December 2006 to June 2007 only.

MPS complaints generally have a low escalation rate, in that the majority appear to be resolved after the TIO refers consumers back to their carriage service providers (CSPs), and comparatively few require detailed investigation by the TIO.

Of the MPS complaints received between 1 April and 30 June 2008, only 3.6% of MPS complaints remained unresolved following referral to the CSP in accordance with TIO procedures. By way of comparison the escalation rate from Level 1 to Level 2 for complaints associated with mobile phones more generally is 7.5%.

This relatively low escalation rate may indicate that it is within the capabilities of the CSP to reach agreement with the consumer about how to satisfactorily resolve their complaint. Based on feedback the TIO received from complainants in the sample whose complaints were subsequently resolved, it appears that CSPs readily propose withdrawing MPS charges in order to resolve disputes.

(c) MPS complaint drivers

While the TIO has recorded large numbers of individual MPS complaints, to date the TIO has had no broad visibility of what might be driving them and what consumers experience when they seek redress. Although the TIO collates data periodically on how many MPS complaints it receives and which CSPs the complaints are recorded against, it had not captured specific data on, for example, whether the complaint was associated with a subscription service. The primary focus at Level 1 is to resolve the dispute by giving the CSP a final opportunity to resolve the complaint directly with the consumer. At this point the TIO typically only records the broad details of the complaint, such as the name of the

CSP requesting payment for the disputed MPS charge(s), the amount in dispute and what attempts the complainant has made to resolve their complaint. While the TIO may obtain this information during the course of a more formal investigation, this information is not always captured during the first conversation with a consumer.

(d) Providers of MPS content

The supply of MPS to consumers via their mobile handsets can often involve several companies. While some content services are provided directly by CSPs to their customers, the complaints that the TIO received during this study were almost exclusively about content services which originated from third party suppliers. The supply chain can involve a number of participants. It is the TIO's understanding that in its most basic form, other than where the CSP supplies a content service, the supply chain generally comprises the content creator, the content aggregator, the CSP and finally the consumer. Consumers surveyed during the 3-week project said it is not always clear at first glance where MPS charges have originated from. A common theme was that the complainants could not identify what the MPS charges were and that it was only after querying with their CSP that they learned the charges had originated from one or more third party suppliers.

For the purposes of this report, the term 'content suppliers' is used to denote the companies that complainants contacted, either because the company name appeared on their bill or because their carriage service provider referred them to the company. The content supplier could either be a content creator or a content aggregator. A content aggregator is a company that obtains the rights from one or more content creators (e.g. studios) to resell and distribute through communication channels such as websites or mobile networks. A content aggregator typically receives and reformats media content, stores or forwards the media content, controls and/or encodes the media for security purposes, accounts for the delivery of media and distributes the media to the systems that sell and provide the media to customers³. In the supply chain, the TIO understands that content aggregators have commercial agreements with CSPs to distribute content services to consumers via their mobile handsets, with the charges for such content appearing on the CSP's bill.

Content suppliers are not members of the TIO Scheme and are not required to be. It is the CSP that bills the consumer for each MPS they receive. Accordingly, the TIO refers to Clause 3.1 of its Constitution in investigating MPS complaints⁴, and raises such matters with the complainant's CSP.

³ Definition from *iptvwatch.com*

⁴ 3.1 The functions of the TIO are:

- (1) to investigate, make determinations relating to, and give directions relating to, complaints about:
 - b. billing by members for the supply of content services provided by means of a carriage service.

Part B: Project Outline

(a) The 'MPS Complaint Drivers' project

The TIO has become increasingly concerned in recent months about potential consumer detriment associated with MPS. While the TIO was concerned by strong growth of MPS complaints during the last two quarters of the 2007/08 financial year⁵, we were also well aware of those concerns expressed by a number of key stakeholders in relation to MPS. In recent months, concerns about MPS have been raised by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, consumer advocacy groups and government regulators. In this respect the TIO notes:

- Senator Conroy's address to the Australian Communications & Media Authority & Communications Alliance 'Consumer Dialogue 2008', on 22nd July
- *Choice's* on-line information page, *Mobile Premium Services*, detailing concerns and potential problems around the provision of MPS
- a recent publication by the Australian Competition and Consumer Commission, '*Your consumer rights: Mobile phone premium services*'.

The TIO has also received a high level of media enquiries about MPS, surpassing all other areas of media interest over the past year.

Despite the increase in complaint numbers, because most MPS complaints are resolved quickly by the CSP and comparatively few actually proceed to investigation stage, the TIO has not had broad visibility of the main complaint drivers. While the low escalation rate of MPS complaints is in some respects encouraging, the TIO remains concerned by the numerical growth of first contact enquiries and complaints to our office. The TIO was concerned that one or more factors might be driving this growth and the fact that the vast majority of MPS complaints appear to be resolved at an early stage has not served to alleviate its concerns about what may be driving the complaints to begin with. Therefore, for a period of 3 weeks, we decided to isolate as many MPS complaints as possible and to use these complaints to gather pertinent data to determine whether there are one or more root causes of consumer dissatisfaction regarding MPS.

(b) Methodology

To capture more specific information about consumer experiences in relation to MPS complaints, we placed a recorded voice announcement on our 1800 062 058 complaint number that directed consumers complaining about MPS to a dedicated team of four Enquiry Officers. The Enquiry Officers recorded all MPS complaints they received during the three-week period. For the purposes of this project, we have not separated complaints by CSP because the aim of the project was to identify whether the MPS complaints that were captured pointed to one or more likely drivers.

The project was conducted from 9 July 2008 to 25 July 2008 during which time the four Enquiry Officers recorded 523 complaints⁶. In addition to capturing general information, the Enquiry Officers also asked the complainants a number of targeted questions designed to identify what the cause(s) of the MPS complaints were in each of the individual cases:

⁵ See the *MPS Complaints graph* on page 6 of this report.

⁶ The TIO actually received 1,105 MPS complaints during this period. However, due to some complainants not choosing the dedicated queue to register their MPS complaints, they were not captured in the project sample.

- Was the complainant the legal lessee of the service?
- Was the complainant over 18?
- Did the complaint concern a subscription service?
- Had the complainant knowingly subscribed to the service?
- Had the complainant been given the option to 'opt out'?
- Had they made attempts to stop the MPS?
- Had they been successful in their attempts to stop the MPS?
- What was the name of the product?
- Had they been able to contact the content supplier?
- Had the content supplier assisted them in resolving their complaint?
- Had the CSP assisted them in resolving their complaint?
- What was the cost of the product?
- What was the amount in dispute?
- Had the complainant received a notification when their level of expenditure had reached \$30 (as provided in section 3.2 of the MPSI Guideline)?

Part C: Project Findings

As the TIO has not formally investigated these complaints, the data collected is based on the claims of the consumers lodging the complaints. The TIO has not tested these claims by gathering evidence or by inviting a response from the CSP in each particular case. However, the TIO accepts the claims in good faith and, given the size of the complaint sample and the consistency of the information we have recorded, we believe the data gives a valuable insight into the consumer experience in receiving and disputing MPS. The data also gives an insight into the consumer experience in trying to resolve their complaints with content suppliers and CSPs.

i) Was it a subscription service?

Subscription services deliver content to a mobile phone on a periodic basis. A MPS subscription sees the consumer paying for each individual piece of content they receive (e.g. ring-tone, wall-paper etc) via an SMS message. They are “premium” because they cost more than a normal SMS (which is usually around 25c). Consumers can sign up to subscription services via SMS, websites and m-sites (websites configured for mobile phones).

Of the 523 complaints received, 491 complainants (or 96%) were able to confirm whether or not their complaint related to a subscription service; the other 32 complainants were unsure. Of the 491 complainants who did know whether their complaint stemmed from a subscription service, 473 (or 96.3%) stated that their complaints were about subscription services. The remaining 18 (or 3.7%) advised that their complaint was not related to a subscription service. However, a closer inspection of this group of 18 indicates that some of them may in fact have stemmed from subscriptions, suggesting that some consumers are not at all familiar with the concept of receiving on-going premium-rate services. For example, one pre-paid user who stated that his complaint was not about a subscription service also reported the following:

The complainant claimed he was being charged for unwanted text messages. He stated that he tried to call the content supplier and could only get a voicemail message. He claims that on 26/06/08 he recharged his service but realised the credit had diminished by \$11 after 2 days. He said that his CSP advised they are MPS charges and that they could not help him. He claimed he had been unable to establish contact with the content supplier and the messages had not stopped.

ii) Had the complainant knowingly subscribed to the subscription service?

Of the 491 complainants who were able to confirm whether or not their complaint was associated with a subscription service, 477 or 97% advised that they had not ‘knowingly’ subscribed to the service. Section 5 of the Scheme defines the rules aimed at ensuring that customers are sufficiently informed of the costs, terms and conditions associated with use of both single transaction and subscription-based premium content services, and specifies that:

5.1.1 Content Service Providers shall implement appropriate mechanisms to inform customers, before accessing a service, of the actual charges to be incurred for acquiring the premium content service, in a clear and unambiguous manner.

5.1.2 Where applicable, the mechanism used under clause 5.1.1 must include a clear message advising customers that, in using the service, they may become liable for additional charges, such as data carriage charges, for delivery of the service.

Although the TIO is not in a position to determine with certainty whether or not complainants in the sample did or did not knowingly subscribe to MPS, we are concerned that a figure of 96% may highlight consistent shortfalls in the adequacy and clarity of information being presented to consumers in relation to these types of services. In this respect, one complainant offered the following information when asked whether or not she had subscribed to an on-going service:

The complainant claimed she spoke to her CSP and it advised her to call the content supplier. She claimed she had not subscribed to any service but had been billed approximately \$20. She claimed she could only think that she entered a competition on the TV but she also acknowledged having done a quiz on the Internet. She said she did not know that she would receive the subsequent text messages.

iii) **Source of the Mobile Premium Service**

Of the 523 complaints, only 138 or 26% were able to advise the TIO by what means they may have requested the initial MPS:

- 76 via the Internet
- 23 via SMS
- 21 via TV
- 18 via other sources (for example print media)

The information gathered as part of the complaint sample indicates to us that the sources of MPS are perhaps becoming more diverse. While the vast majority of complaints recorded as part of the project sample were about MPS stemming from more 'traditional' sources such as television advertising and web-sites, one complainant reported that her husband began receiving text messages after receiving a 'scratch card' which instructed him to text a specified number to see if he had won a prize. There were several additional complaints about scratch cards in the sample.

iv) **Had the complainants been given the option to 'opt out'?**

Of the 523 complainants surveyed, 472 were able to answer whether or not they had been provided with the option to 'opt out' of the subscription service. 199 complainants (or 38% of the total project sample) advised that they had not been given the option to 'opt out' of the service. The TIO is particularly concerned by this statistic given that Section 6 of the Scheme makes provisions in respect of opt-out mechanisms. Clause 6.1.1 states:

Content Service Providers shall implement appropriate mechanisms to enable customers to readily and conveniently discontinue a premium content service subscription at anytime.

Analysis of the complaint sample indicates to the TIO that, where consumers do try to opt-out, they claim they are often not able to reach the content supplier and instead go back to their CSP for assistance. One complainant, who had also claimed to have received a scratch card, reported having made the following attempts to unsubscribe:

The complainant said he had received a scratch card in the post and that he had to text a number to see if he'd won a prize. He claims the message said 'you have received 7 free ring tones and to unsubscribe send STOP'. He claims he immediately sent 'STOP' by SMS but that nearly every 2 weeks he was receiving unwanted messages. He claimed the phone number on his bill was non-contactable and that it took him 4 attempts before the messages ceased.

v) **Had attempts been made to stop the Mobile Premium Service?**

Of the 523 complaints surveyed, 475 were able to advise whether or not they had made attempts to stop the MPS. Of these, 304 (or 64%) advised that they had made attempts to stop receiving the MPS.

Based on feedback during the study, perhaps the most common reason given by those who had not made attempts to stop the MPS was that they did not know how to do so. A number of complainants who approached the TIO during the course of the project indicated that they had a limited understanding of what a MPS subscription is and how it operates. A number of complainants advised that they opened the initial MPS text message out of curiosity and then deleted it believing that the act of deleting the message would resolve the matter.

Other complainants advised that it was not until they received their mobile telephone bills that they realised they had been billed for MPS. A small portion of the complaint sample comprised pre-paid users, several of whom claimed that it was not until they contacted their CSP to query why their credit had unexpectedly expired that they became aware that they had been charged for MPS.

vi) **Were these attempts successful?**

Of the 304 complainants that reported making attempts to stop the MPS, 166 (or 55%) indicated they were unsuccessful in their attempts. Those complainants who did successfully cancel the subscription generally reported to the TIO that the issue of the MPS charges that had accrued prior to cancellation remained unresolved. Consideration of complaints in the sample indicates that consumers made multiple attempts to unsubscribe from unwanted MPS. In some examples, the complainants advised that when they texted the word 'STOP' as instructed, they would receive a response stating the number was invalid. Clause 6.2 of the Scheme features provisions relevant to the format in which a consumer may unsubscribe from a MPS. Clause 6.2.1 states:

Premium messaging services shall be configured to allow customers to make a request to discontinue subscription to the service by entering the word 'STOP' in a message sent from the customer's handset to a destination number or address associated with the particular service. Where practical the configuration should enable customers to send the 'STOP' message in reply to the message providing the relevant service.

We are concerned that, while Clause 6.2.1 of the Scheme is clear enough in its requirement that MPS are configured in a manner that allows consumers to cancel subscriptions easily, 55% of complainants who reported making attempts to stop the services claim to have been unsuccessful. In this respect, one complainant who stated he had received an unsolicited SMS warning of a subscription service reported the following:

The complainant claimed he had received a SMS which read 'free reminder FYI - you are subscribed to Star SMS. The cost is \$6.60 per week until you SMS 'stop''. The complainant claimed he called the help-line and was told 3 times that the helpline was unavailable. He denied requesting the messages.

vii) **Did the Content Supplier or the Carriage Service Provider assist the consumer in resolving their complaint?**

453 complainants were able to advise whether or not they had been successful in contacting the content supplier to discuss their complaint. Of those 453 complainants, 388 (or 86%) advised that the content supplier did not assist them in resolving their complaint.

Typically, complainants reported that they could either not contact the content supplier or, in circumstances where they could, while the subscriptions were usually cancelled by the content supplier, they were told their claims for the waiver of charges would need to be referred back to their CSP.

467 complainants advised that they had been successful in contacting their CSP about their complaint. (Complainants in the sample typically reported having contacted their CSP first to query what the MPS charges were). However, of the 467, 262 (or 56%) stated that their CSP did not assist them in stopping the subscription. A number of consumers reported that, even in circumstances where the CSP had agreed to waive the disputed MPS charges and resolve the financial aspect of the complaint, the CSP had not been able to offer a satisfactory level of assistance in getting the subscription cancelled.

A regular theme borne out in the complaint sample was that the complainants were referred by the CSP to the content supplier and vice versa, with neither party appearing to take responsibility for resolving complaints in their entirety. A number of complainants advised that when they first contacted their telephone company to dispute MPS charges, they were told to contact the content supplier. However, while Section 10 of the Scheme requires CSPs to refer consumers to the content supplier in the first instance, this did not happen in all cases. We observed some cases where complainants had gone to their CSPs for assistance, they were advised to raise the matter with the respective content supplier but were not offered pertinent contact details. This appears in some cases to have caused delays in the cancellation of the subscription.

Further, feedback from complainants in the course of conducting the study indicated that those who were provided with the content supplier's contact details were often not able to speak to a customer service representative to discuss their complaint.

viii) **Was the complainant notified when their MPS expenditure reached \$30?**

According to Clauses 3.3.2 & 3.3.3 of the MPS Guideline⁷, if a customer exceeds \$30 of usage within a calendar month, a \$30 notification must be sent. Of the 523 complainants surveyed, 381 were able to confirm whether or not they did receive the \$30 notice (and should have received the notice as the amount in dispute exceeded \$30). Of the 381, 226 (or 60%) stated that they did not receive the notification.

Further, even in circumstances where a \$30 notification was sent, some complainants reported having difficulty cancelling the subscription. For example, one complainant called the TIO about his mother's mobile service and reported the following:

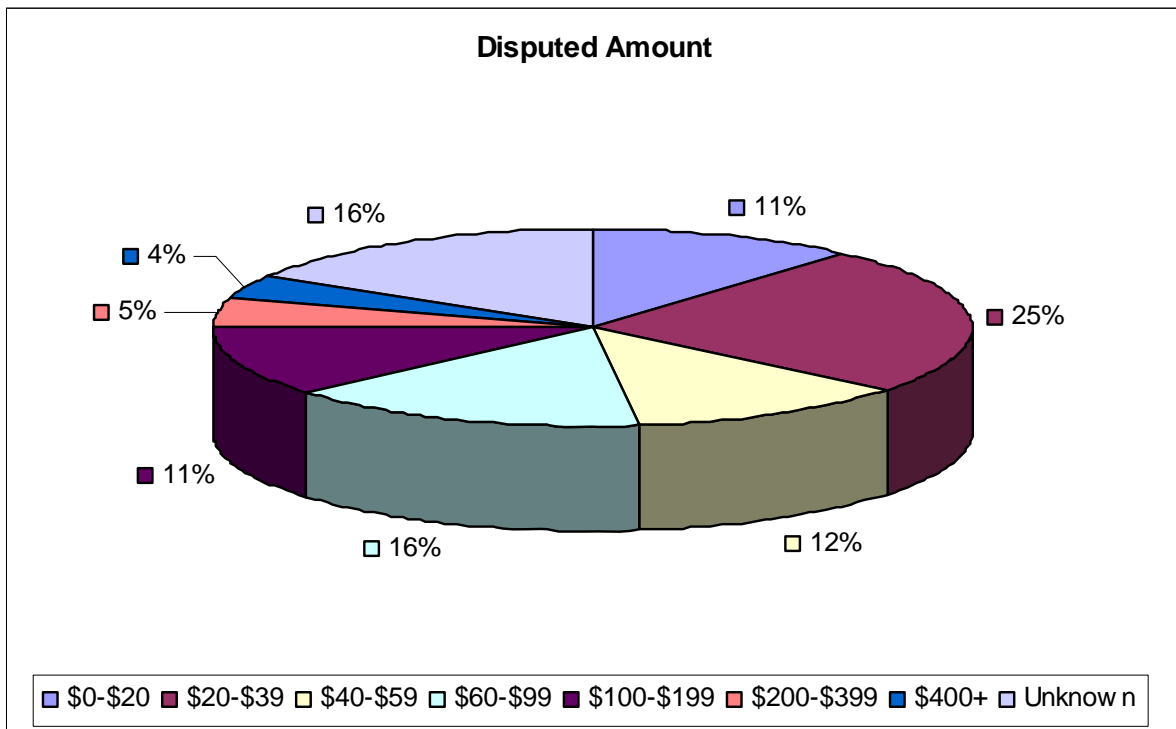
The complainant said his mother had been receiving some random unwanted text messages. He claimed they were both confused as to how the messages have come to be on her phone. He said one of the first text messages read '(Free Reminder) FYI - You are subscribed cost \$6.60 p/w. until you SMS STOP'. He claimed to have texted STOP from her phone on 01-07-2008 and received a message stating

⁷ The Guideline is a "companion document" developed to accompany the MPSI Scheme rules. To some degree its provisions overlap with the Scheme, but they also flesh out the Scheme Rules.

'Your request has been processed. You will not receive any further traffic from this shortcode'. However, on 04-07-2008, he advised he received a message which read 'You are subscribed FYI only, you've passed \$30 spend on this service. To cancel txt 'STOP' or contact Helpline' (1300 number given).

ix) **The amounts in dispute**

The monetary amounts in dispute ranged from a minimum amount of \$2.75 to a maximum amount of \$2,325, with a wide variation in between. The cost of individual MPS products in the sample ranged from \$2.00 to \$7.00, however we were concerned that as many as 186 complainants (or 36%) reported wanting to dispute more than \$60.00 in MPS charges. The total amount of money in dispute across the complaint sample was \$12,825.00.



x) **Name of Mobile Premium Service products**

There was no single product that appeared to dominate the complaint sample. However, the TIO did observe trends in relation to the identities of the content suppliers supplying the services and also in the manner in which CSPs handled complaints from their customers. Based on feedback from complainants during the course of the project, and as highlighted in the sample invoice below, it can be difficult for consumers to determine what product they have been billed for or which content supplier was responsible for supplying it.

Scrutiny of invoices supplied to the TIO during the investigation of other MPS complaints separate to the sample suggests why this might be the case. It appears that if a consumer were to rely solely on the information supplied on their bill, it may not be possible to determine the identity of the content supplier or the type of content that has generated the charges:

THIRD PARTY CHARGES (GST Taxable)				
Date	Time	Number Dialed	Duration	Cost
01-Apr-08	21:46:28	3rd PartyPromo/Download	SMS	\$6.000
03-Apr-08	12:30:59	3rd PartyPromo/Download	SMS	\$6.000
08-Apr-08	11:32:41	3rd PartyPromo/Download	SMS	\$6.000
10-Apr-08	12:04:57	3rd PartyPromo/Download	SMS	\$6.000
15-Apr-08	11:31:07	3rd PartyPromo/Download	SMS	\$6.000
17-Apr-08	11:39:57	3rd PartyPromo/Download	SMS	\$6.000
22-Apr-08	11:31:34	3rd PartyPromo/Download	SMS	\$6.000
24-Apr-08	11:31:17	3rd PartyPromo/Download	SMS	\$6.000
29-Apr-08	11:31:16	3rd PartyPromo/Download	SMS	\$6.000
Total Calls 9			Sub total	\$54.00

xi) **Was the recipient of the Mobile Premium Service over 18?**

Of the 523 complainants surveyed, 476 (or 91%) confirmed that they were over 18. It is with caution that the TIO suggests that this statistic indicates that either (a) MPS perhaps do not affect young consumers as much as is commonly thought to be the case, or (b) that young people are under-represented in the complaint sample because they are not aware of their rights to complain either to their CSP or to the TIO.

Those 6 complainants who advised that they were contacting the TIO on behalf of a minor were all parents contacting the TIO on behalf of their children. The phones were registered in the complainant's (parent) name while the user of the mobile service was the child.

Part D: Summary of Findings and TIO Conclusions

Having considered the data captured during the ‘MPS Complaint Drivers’ project, the TIO can report the following key findings:

- 491 (or 96%) of complaints were about *subscription services*;
- Of those 491 complainants, 97% claimed they had not knowingly agreed to the subscription;
- Only 26% of complainants were able to identify how they had requested the initial premium-rate text message they had received;
- Of the 303 complainants who reported making attempts to stop the MPS, 55% stated that their attempts were unsuccessful;
- Of the 453 complainants who had successfully contacted the content supplier to try to resolve their complaints, 86% reported that the content supplier did not resolve their complaints;
- Of the 467 complainants who advised that they had contacted their CSP, 56% stated that their CSP had not resolved their complaints.

The TIO has drawn a number of conclusions in respect of MPS noting that, from our perspective, the scale of the complaint sample and the consistent nature of the complaints mean that the statistical data is reliable, and signals that complainants were acting in good faith and were not simply attempting to have charges waived.

Accordingly, the TIO offers the following conclusions:

1. 96% of complaints were about *subscription services*. Given 96% of these were from consumers who denied having requested a subscription, and given the consistent level of confusion exhibited by the complainants, the concept of a subscription MPS gives rise to difficulties for consumers;
2. Given 55% of complainants who reported attempting to stop the MPS said their attempts were unsuccessful, and given 38% of the total complaint sample (199 consumers) said they had not been given the option to opt-out at all, mechanisms for cancelling MPS must be straightforward and readily available; and
3. Given 86% of complainants who contacted the content supplier reported that the contact supplier did not resolve their complaint and, given 56% of complainants who contacted their CSP said that their complaint was not resolved, the issue of prompt and efficient complaint resolution is clearly one that warrants attention.