

Information Note to Service Providers

On use of the word "Free"

RegTel on an ongoing basis receives a large volume of complaints arising from confusing and/or misleading usage of the word "Free" in relation to Premium Rate Services, including services with a recurring charge. The pattern of complaints shows that Consumers find the use of the word "Free" confusing and misleading. The purpose of this Notice is to bring clarity as to how the word "Free" may be used and to reduce the level of confusion and complaints that currently prevails.

Section 6.13 of the Code of Practice States:

"No Premium Rate Service may be promoted as being "free" if it involves any charge whatsoever to a Consumer other than a reasonable delivery charge (not being a premium rate charge) which is adequately disclosed to the Consumer to the satisfaction of RegTel. No product or service may be described as "free" if it is obtainable only by the use of a Premium Rate Service involving a charge to a Consumer."

This Notice clarifies the way in which this section of the Code of Practice should be understood and applied.

- Bonus or incentive offers to encourage participation in a service which require the consumer to enter the service in order to obtain them may not be described as "free".
- Where the word "free" is used in connection with an initial free entry or trial period for a subscription service the following procedure must be followed:

At the end of a free trial period, or where the consumer has already availed of a free entry, and no less than 24 hours prior to commencement of charging, consumers must be sent a free, plain text message advising them:

1. that they are subscribed to the service;
2. that the trial period has ended and charges will commence;
3. of the amount and frequency of charging;
4. Service Provider name and contact details;
5. and that they must text "STOP" to a given Short Code in order to avoid incurring charges.

This message must not contain any WAP or Mobile Internet links.

This Notice comes into effect immediately and all Service Providers are required to amend their services to comply.

Pat Breen
Regulator
4 November 2009