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ZVEZA  
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SLOVENIJE

Fix our phone rights!



World Consumer Rights Day  
15 March 2014

# Unauthorized mobile services Problems with SMS clubs: the definitive solution

Boštjan Okorn, 3rd April 2014

## About us - Slovenia



20.000 km<sup>2</sup>, 2 million inhabitants in the middle of Europe

# About us - Slovenia



Very diverse country – Europe in miniature

## About us – ZPS (Zveza potrošnikov Slovenije)

- very like the country: small, very known with diverse activities
- established in 1990
- 7000 paying members (cca. 50 € / year)
- consumer magazine VIP (10 issues annually) since 1991
  
- very active in lobbying and consumer advocacy also in the field of telecommunication, lately:
  - participation in the adoption of Slovenian operators' code of service quality and compensation
  - complaints regarding misleading marketing practices
  - care for better transparency on the market
  - **SMS CLUBS**

## SMS clubs

- more than 10 years of problems due to unwanted membership
- always new methods to trick unsuspecting consumers when:
  - downloading „free“ content
  - sending puzzle solution (on the paper)
  - applying for unexpected raffle (winner of the day ...)
  - getting special coupons (shops, petrol, electronics ...)
  - ...
- the weakest links: children and elderly consumers
- most providers address consumers from foreign (other EU) countries (but advertising is in Slovenian), so they avoid proper control
- misleading messages, consumers don't know they're applying for SMS club membership
- **additional cost for consumer: from 20 to 25 € / month per club**

## SMS clubs

- one year project with CI aimed for definitive solution:
  - further raising awareness
  - working together with other non-government organizations
  - involving operators and regulator
- call to operators:
  - block the automatic receiving of commercial messages (opt-in instead of opt-out)
  - introduce additional safeguards: special interface at the operator which sends a clear message to the consumer prior joining the SMS club
- is there a legal right for operator to charge third party services?

# Administrative court judgment

- regulator (AKOS) decisions regarding SMS-clubs were to the detriment of consumers:
  - for them it was decisive that consumer received the unwanted payable messages
- together with our member we continued the process at administrative court
- regulator decision was abolished:
  - the contract between operator and paying SMS provider can't be basis for charging the end user if this is not specified in the contract between end user and operator
- the operator may charge only for services, which are agreed in subscriber contract and/or general terms and conditions

## Our main goal

- to improve the level of transparency in the telecommunication industry
- operators and providers should inform consumers adequately regarding to the services they offer AND their costs
- regulator and market inspector to establish a proactive system that will address consumer complaints as quickly as possible
- we want all the contracts be transparent and clear for every consumer – without any hidden and unexpected costs, including those charged by third party providers



Thank you!



Any questions?