see https://www.thetimes.co.uk/article/mobile-phone-firms-make-millions-from-services-that-trick-customers-g2x98mjq7

Mobile phone firms make millions from services that trick customers

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More than 34,000 complaints were recieved by regulator PSA last year, with 90 per cent related to unwanted subscription services
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Mobile phone operators have been accused of profiting from fraud as tens of thousands of customers report being unwittingly signed up to premium-rate services paid for through their bills.

Networks are making tens of millions of pounds a year by collecting payments on behalf of third parties for subscription services such as competitions, diet plans and adult content. Many of the subscriptions are legitimate but the industry regulator is receiving thousands of complaints a month from customers who say they are being charged for services they did not agree to join or realise they had joined.

The first time they notice is when a charge appears on their bill. If they do not check their bills regularly they can end up paying hundreds of pounds a year without realising. Customers say that when they complain to their network operators they are often told that nothing can be done because the fees are levied by separate companies.

David Hickson, of the Fair Telecoms Campaign, said: "We are concerned, given the significant revenue this type of business is generating for mobile phone companies, about whether they are doing all they can to help customers who have been scammed. They could and should do more to help. There is no reason the phone companies can't be proactive in cleaning up this industry."

Questions are also being raised about the effectiveness of the regulator. Last year the Phone-paid Services Authority (PSA) received almost half a million inquiries and more than 34,000 complaints, of which 90 per cent were about unwanted subscription services.

In one case seen by *The Times*, a customer was being charged more than £50 a month for two unwanted subscription services on his Vodafone bill. The network said it could not help and the regulator said it did not have enough evidence to act.

The customer, who paid £850 before the charges suddenly stopped, said: "It was a nightmare. Vodafone took no responsibility and seemingly was unable to stop it, and then the regulator left me dangling. I felt totally helpless. How the networks vet these companies I have no idea. In my opinion, Vodafone is profiting from fraud."

Figures from the regulator show that the phone-paid services market is worth more than £700 million a year. A significant proportion of this is made up of subscription services. A recent report by Deloitte, the accountancy firm, said that networks typically took about 15 per cent of every subscription charge.

Campaigners say that customers often inadvertently sign up by clicking on an advert or link while browsing the internet on their phone.

The PSA issued £5 million in fines last year and banned seven companies from the market, but says it cannot act against operators without a significant weight of evidence, and nor can it process individual refund applications.

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BEN STANSALL/AFP/GETTY IMAGES

Kevin Pratt, a consumer affairs expert at MoneySupermarket, said: "The onus should be on the network provider rather than consumer to solve this because they are much closer to the technology and should have better awareness of what is flowing through their systems."

The Times understands that senior figures at the regulator are concerned about the scale of the problem and are looking at toughening up the rules.

Vodafone said: "We are very sorry our customer had this experience. There are many registered third-party service providers who provide legitimate services for which there is a clear demand, but unfortunately there are also some that don't always follow the rules. All providers are obliged to be clear and transparent about the service they are providing and the charges applied. We believe that this wasn't the case on this occasion." The company said it would reimburse the charges as a "gesture of goodwill" and would raise the matter with the regulator.

Q&A

What is direct-carrier billing?
Direct-carrier billing allows mobile phone networks to act as payment platforms by adding the cost of services bought online to a phone bill.

Sounds convenient, what's the problem?
Thousands of people a month are reporting that money is being debited from their account for services they did not sign up to or did not realise they had signed up to.

How can that happen?
Some customers appear to be getting signed up by just clicking on an advert they see while browsing the internet on their phone. This is against the regulator's code of conduct, which says that companies must make clear the cost and length of a subscription and that signing up must be a two-step process.

In some cases fraudsters appear to be billing people without them even having visited a website or clicking on an advert.

What type of services are we talking about?
Often these are subscriptions to weekly prize draws or online games and quizzes. Some subscriptions offer access to content such as diet plans or pornographic material.

What can I do if I notice an unwanted charge on my bill?
In the first instance try to contact the company charging you: say that you do not want the service and they should cancel the subscription. If you cannot find their details, your network operator should help. If the charges keep coming you can ask your network provider to block all premium rate services but this will also stop you donating to charities by text message. If the charges continue, you can approach the Phone-paid Services Authority to ask them to investigate.