

Case Reference	R/E/I/059
Title	M1's Failure to Publish Full Terms of Fair Use Policy for Broadband Service in its Advertisements
Case Opened	18 December 2006
Case Closed	12 March 2007
Complainant	IDA initiated enforcement proceeding
Respondent	MobileOne Ltd (" M1 ")
Case Summary	<p>On 6 December 2006, M1 advertised the price plans for its Broadband Service as 'unlimited'. M1 stated in its advertisements that the 'unlimited' Broadband plans were subject to a Fair Use Policy ("FUP").</p> <p>Under the terms of the FUP, End Users could be charged a rate of \$0.01 per KB, in blocks of 10KB; or have their Broadband Service suspended or terminated if they downloaded or uploaded more than 2GB each month.</p> <p>On 9 December 2006, the Straits Times published an article entitled "<i>M1's limit on 'unlimited' broadband plan upsets users</i>" which highlighted several End Users who noted that they were misled by M1's advertisements and were not aware of the terms of the FUP when they initially signed up for M1's Broadband Service.</p>
IDA's Determination	<p>Based on IDA's investigation, IDA determined that M1 had breached Section 3.2.2 of the Telecoms Competition Code ("Code") which states that:</p> <p><i>"[p]rior to providing any telecommunications service to an End User, a Licensee must disclose to that End User the prices, terms and conditions on which the Licensee provides such telecommunication service. In addition, a Licensee must also publish, in a form available to the public, the prices, terms and conditions of its standard telecommunication services. The information must be published in a manner that is readily available, current and easy-to-understand."</i></p> <p>With M1's deliberate use of the word 'unlimited', it would not be apparent to End Users that the Broadband Service was actually not unlimited even when M1 referred to the word "Fair Use Policy" without providing details upfront in the advertisement. In particular, End Users would not realise that they could be charged or have their services suspended or terminated if they downloaded or uploaded more than 2GB each month. As these terms materially qualified M1's claim that the service was "unlimited", M1</p>

should have spelt out the full terms of the FUP in the advertising material themselves in order to satisfy its duty of disclosure under Section 3.2.2 of the Code.

Based on the above, IDA concluded that M1 had breached Sections 3.2.2 of the Code. IDA considered the following mitigating factors:

(a) M1 had not imposed any charges on End Users whose data usage had exceeded the FUP cap of 2GB a month; and

(b) M1 has since 28 February 2007 ceased using the word 'unlimited' to describe its Broadband service, and that the material prices and terms relating to End Users' usage of the Broadband service are now stated upfront in M1's pricing plan.

Under these premises, IDA issued a warning to M1 for its contravention of the Code and reminded M1 that it should ensure that in all future advertisements, the prices, terms and conditions of its telecommunications services are disclosed in a clear and easy-to-understand manner. M1 was also warned that IDA would not hesitate to take more severe enforcement measures against M1 should the contravention be repeated in the future.