



Via Fax and Mail
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13th June 2007

Attn: Mr. Andrew Haire
Deputy Director-General (Telecoms)
Infocomm Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower Three
Singapore 038988

RE: Proposed Code of Practice for Provision of Premium Rate Service Section

Dear Sir,

I would like to comment on the above mentioned section 2.5.2 (a) where it says:

“a premium rate service provider who provides a premium rate service referred to in section 2.5.1(a) shall send a reminder message to the end user via the same medium by which the end user subscribed for the service or by SMS by no later than 24 hours before the end of each subscription period and, where the length of the subscription period is more than a week, shall in addition send a reminder message to the end user at least once a week during the subscription period commencing from the date of his subscription to the service; and”

I find that this clause has impact on a few things:

- 1) CP will have to bear more costs on reminding their subscribers for subscription services that is bi-weekly, monthly and quarterly subscriptions.
- 2) Public will just get annoyed further by having constant reminder and I think they will just be agitated and in the end just unsubscribe to the service causing lost of revenues to Service providers.

The basis of why I want to comment on the above clause is because of the following:



- 1) In Singapore, The premium rate business is no longer can be called “premium”. Why? This is due to price wars, availability of various, branded products and many players in the industry. Content Providers are working with Service Providers to sell content that is already only be able to be sold at a rate that is at all time low.
- 2) Having reminders weekly, additional costs are incurred to CP and Service providers while Telco still maintains their 40-45% revenue share while all costs are still being bore by Service Providers and CPs. This is just thinning the industry margin even further unnecessarily and in the end, there is really nothing to look for in this industry moving forward.
- 3) Many of our customer service calls are also having public to dispute that they either never read the reminder or even ignore the reminder that is being sent to them in the first place and they insisted that it is still our fault and they dispute their charges.
- 4) Why is it that we can’t take a subscription service as what a normal subscription service as is. When do I get a reminder that my Maxonline subscription is about to expire? Do I use this service extensively? No. But do I have to still pay at the end of the month? Yes. The same goes for any other subscription service. Take online website subscription services for example like IGN.com, Fileplanet.com, there is no reminder given to customer. All we know is that we are charged at the end of the month and its really our own (public) due diligence to check their bills and terminate services that is not used.
- 5) Since we have been in the business for 6 years, we can also let you know that a lot of times we have to “give-in” to ridiculous and absurd customers who will come up with out-of-this-world excuses and to avoid further misunderstanding and unnecessary problems.

“2.11.1 A premium rate service provider shall not charge any person for any service that he did not specifically take action to purchase or subscribe for. In particular, no premium rate service provider shall engage in any practice or scheme that is objectively likely to increase the likelihood of consumers inadvertently or unknowingly purchasing or subscribing for a service which they did not intend to purchase or subscribe for.”

- 1) We would like IDA to consider that that there were many times customers dispute on the charge knowing that they have the right to complain and that as long as they are persistent enough, and many a times, they take advantage of the situation. With regards to



the phrase “he did not specifically take action to purchase” should be treated on a case by case basis.

The following are non-exhaustive examples of “he did not specifically take action to purchase” and which we think the code should reconsider on the cases below for us not charging the customer-

Example A: Customer used the service but claimed someone else (son, cousin, friend etc) used his handphone without his knowledge. We think that each handphone user should be a responsible caretaker of their own belongings. Take for instance; the money of the elder sister was taken by the younger sister without the former’s knowledge to buy some branded goods. Isn’t it absurd for the elder sister to come knocking at the branded goods store to ask for a refund just because that was an unintended purchase? We think the responsibility of the purchaser is the factor to look into, and it is oblivious to the content provider.

Example B: Customer claimed lost of handphone and demanded for refund. So far, for such a case, we do give refund upon the receipt of a police report and the notification of termination of line from the Telco that the purchaser has to furnish us with. However there were also instances where the lost handphone was reported say a month later to the police after an extensive use of service. The gap between the date the handphone was found to be lost and the date when the handphone was reported to be lost posed an irregular response from someone who has lost the handphone. Thus, for such a case, we could still refund, but strictly on case by case basis.

“2.12.1 A premium rate service provider shall not collect payment, and shall ensure that the relevant billing network operator does not collect payment, from any person who is charged for a premium rate service (referred to in this section as the “person charged”) where that person notifies the premium rate service provider that he reasonably believes the charge to be incorrect.”

- 1) The phrase “believes the charge to be incorrect”. We would like the code to define what is correct. If we have furnished the right details on when the consumption is made, we ensured all advertisements are within guidelines, then, what is wrong? Should every aspect with regards to billing and advertisements ethics be correct and yet the customer still believes that we are wrong, and then it is unfair to say that a premium rate service provider shall not collect payment from the purchaser who thinks he is “right”. We believe that the customer’s moral ethics should also be looked into as sometimes it has

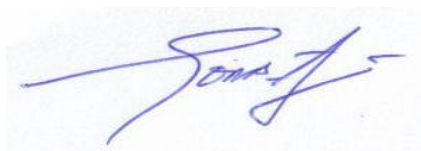
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got nothing to do with the level of customer service skills, but more of an issue of the customer's moral values into taking advantage of the situation that the code might have perpetuated, and there needs to be attempt to refine the clause further in order to avoid perpetuating more irresponsible users and putting premium rate service providers in the dark light.

Therefore, we would like you to re-consider some of the cases we mentioned above and hope that the code can be modified to be more of a win-win situation to all parties.

Yours Sincerely,



Torres Arifin Oey
COO
eFusion Pte Ltd