



For immediate release

► *Wednesday 19th December 2012*

Media Release

PRE-PAID CALLING CARD CONFUSION: THE BEST AND WORST WAYS TO PHONE HOME THIS XMAS

Telecommunications consumer group ACCAN is today revealing the best and worst pre-paid calling cards to use to phone friends and family overseas this Christmas after a mystery shopping test it conducted found significant problems with 40% of cards.

ACCAN says it found a range of issues with almost half the cards it tested, including complex and hidden fees and charges, the number of minutes provided being significantly less than the number advertised, faulty cards and poor call quality and connections.

“There’s no real way at present to know if the phone card you’re buying is good value or not, or, in some cases, if it will even work. There are a huge amount of these products to choose from and next-to-no information available in store about rates, fees and charges,” said ACCAN spokeswoman Elise Davidson.

“The best pre-paid calling cards we found have no hidden fees, one-minute call charging and offer up to 500 minutes of value. The worst examples charge for calls in 15-minute blocks and have complex, hidden fees and charges, including in one case, a \$2 surcharge after four minutes of call time.”

“Our research shows that there are definitely issues with the way these products are advertised,” said Ms Davidson. “We aim to cut through some of the confusion for consumers by revealing the best and the worst cards out there, and publishing advice for consumers about how to avoid getting ripped off.”

Best and fairest cards

1. The Genuine Aussie Phonocard
2. China Gold
3. Hong Bao

Cards to avoid

1. Call Mama
2. Talk Tomato
3. Hot

...Continued over page

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SEE ALSO:**ACCAN Tip sheet: Pre-paid calling cards**About the research

Researchers purchased 100 pre-paid calling cards each worth \$10 from 30 different shops, including newsagents and supermarkets, recording what information was available about the products at the point of sale. Researchers then used the cards to make international calls, recording how many minutes of call time they received and comparing this with headline advertising claims.

In 2009, the Australian Competition & Consumer Commission (ACCC) took action against calling card providers tel.pacific, Cardcall and Boost, with the Federal Court finding that these providers engaged in false, misleading or deceptive behaviour in promoting calling card products. ACCAN says that it will be referring what it says may be repeat offenders to the ACCC for further investigation.

Key statistics about pre-paid calling cards research:

- 48% of cards applied a daily service charge or fee once the card is activated
- Only 28% cards had any sort of in-store information about rates, terms and conditions
- 94% of salespeople couldn't give the customer any information about calling rates
- 7% of cards could not be activated
- 9% had poor call quality
- With 23% of cards the number of minutes provided was significantly less than the number advertised

The worst terms & conditions we found

- Calls are charged in blocks of 15 minutes, even if it's only a one-minute call
- 75c service fee every 2 days regardless of whether you use the card or not, which cancels out the three-month expiry period (\$10 credit will be used in one month)
- A surcharge between 20c and \$1.50 after 1 minute
- A \$2 surcharge applied after 4 minutes
- A 79c flagfall for all calls

This media release is online via www.accan.org.au