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## Media Release

➤ For immediate release 29<sup>th</sup> August 2013

### Calling card confusion attracts regulatory heat

The Australian Communications and Media Authority has taken action against two pre-paid calling card providers for failing to provide key information to consumers about their products.

The action follows [research by ACCAN](#), Australia's communications consumer watchdog, which revealed the pre-paid calling card industry was misleading consumers. ACCAN tested 100 pre-paid calling cards used to phone overseas in December last year and found significant problems with 40% of cards.

The ACMA [today announced](#) it had issued formal warnings against calling card providers Skink Marketing Pty Ltd, which operates the website that sells the 1300 Woolies calling card, and Lime Telecom Pty Ltd. Both failed to make critical information summaries available as required by the Telecommunications Consumer Protections Code (TCP Code).

The most significant problems found in ACCAN's research included 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.

Despite successful Federal Court cases by the ACCC, ACCAN found operators were still misleading vulnerable consumers.

None of the cards' actual per-minute rate matched the advertised per-minute rate.

"ACCAN welcomes this action by the ACMA, which sends a strong message to pre-paid calling card providers that they must comply with the same rules as the rest of the telco industry or face enforcement action from the regulator," said ACCAN CEO Teresa Corbin.

"We believe that unless regulators are prepared to pro-actively monitor the calling card industry and enforce existing consumer protections, consumers can have little confidence they are getting a good deal when they use these products."

"Pre-paid calling card providers should be required to register and meet basic requirements so that shonky operators are stamped out of Australia," said Ms Corbin. This was an effective strategy employed by regulators in the US State of Illinois.

Ms Corbin said consumers were forced down a rabbit warren of online links in order to piece together information about call rates, terms and conditions for these cards.

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#### MEDIA CONTACT

Asher Moses  
Mobile: 0438 008 616  
[asher.moses@accan.org.au](mailto:asher.moses@accan.org.au)  
Phone: 02 9288 4010  
TTY: 02 9281 5322

*The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communications consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.*

"It is no better at the physical point of sale, as the research showed 94% of salespeople couldn't give the consumer any information about calling rates."

ACCAN has released [tip sheets](#) in 8 languages explaining how to choose a pre-paid calling card.

"Consumers deserve to be told how much it's actually going to cost them to call friends and family overseas," Ms Corbin said.

**Key stats about ACCAN's pre-paid calling card research:**

- 48% of cards applied a daily service charge or fee once the card is activated
- Only 28% of 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 one minute
- A 79c flagfall for all calls

**Consumers should look out for the following:**

- Check the Critical Information Summary (CIS) at the store or online for additional charges before purchasing.
- Calls that aren't charged in regular per-minute blocks (some charge for 15 minutes even for a 1 minute call).
- Additional 'service fees' of up to 75c are charged every two days on some cards, even when not in use.
- In addition to 'flagfall' and call rates there are often additional surcharges throughout the length of the call (eg: \$1.50 after 1 minute).

**Ends**

**Media contact:** Asher Moses 0438 008 616 or [asher.moses@accan.org.au](mailto:asher.moses@accan.org.au)