

AT&T to pay \$105 mn for unauthorized mobile charges

October 8 2014

AT&T will pay \$105 million to settle investigations that it tacked on charges to mobile phone bills for unauthorized third-party services such as horoscopes and "fun facts," officials said Wednesday.

The US mobile giant will settle probes by the Federal Trade Commission, Federal Communications Commission and the attorneys general for US states.

FTC chairwoman Edith Ramirez said AT&T agreed to the fine "to resolve allegations that it billed for monthly subscriptions that consumers never authorized and didn't want."

The settlement is the largest for so-called "cramming," a practice that adds [charges](#) to mobile phone bills in a manner that deceives consumers.

Officials said some consumers discovered the charges after receiving text messages which offered the service, and ended up billing them after they deleted the messages.

The services billed around \$10 a month for things such as ringtones, love tips, horoscopes, and "fun facts." AT&T kept at least 35 percent of those amounts, according to the FTC.

Vermont Attorney General Bill Sorrell, who joined a news conference on the case, said the settlement ends "an unfortunate scam on millions and billions of Americans."

The case is the seventh brought by the FTC on cramming, and follows a lawsuit filed by the consumer protection agency against T-Mobile.

The settlement includes \$80 million which will go the FTC for consumer refunds, a \$5 million fine to the FCC and \$20 million in penalties to the states.

The telecom giant also agreed to change its practices, and to require "express consent" before adding these kinds of premium service charges, officials said.

© 2014 AFP

Citation: AT&T to pay \$105 mn for unauthorized mobile charges (2014, October 8) retrieved 27 April 2024 from <https://phys.org/news/2014-10-att-mn-unauthorized-mobile.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.