

T-Mobile fined \$48M over slowing 'unlimited' data plans

October 19 2016, by Tali Arbel



In this Wednesday, Oct. 14, 2015, file photo, a person passes a T-Mobile store in New York. T-Mobile, the country's No. 3 wireless carrier, has been fined \$48 million for not clearly telling customers how "unlimited" data plans weren't really, well, unlimited. The Federal Communications Commission said Tuesday, Oct. 18, 2016, that T-Mobile had a policy to slow down the speeds of customers who were the heaviest data users. But the company didn't let customers know what amount of data used would trigger the lower speed. The FCC says T-Mobile started doing a better job with disclosures in June 2015. (AP Photo/Richard Drew, File)

T-Mobile, the country's No. 3 wireless carrier, will pay \$48 million for not clearly telling customers how "unlimited" data plans weren't really, well, unlimited.

The Federal Communications Commission said Wednesday that T-Mobile had a policy to slow down the speeds of customers who were the heaviest data users. But the agency said the company didn't let customers know how much data used would trigger the lower speed.

The FCC says T-Mobile started doing a better job with disclosures in June 2015.

The carrier now says in small print on its website that slower speeds may result for customers using more than 26 gigabytes a month if the network is congested.

Asked about changes to company policy, T-Mobile spokesman Clint Patterson referred to CEO John Legere's tweet that it was a "good settlement with the FCC" and that the company "believes more info is best for customers." Patterson did not answer if T-Mobile was making any further changes in its ads or policies.

This isn't the first time the agency has gone after the limits of unlimited plans. It fined AT&T \$100 million last year for misleading customers on the mechanics of its unlimited plans—the carrier had been slowing speeds significantly after users hit a certain data threshold, even if there was no bottleneck. AT&T has contested the fine.

Today, AT&T says on its website (also in small print) that it slows down heavy users' data speeds after 22 GB are used in a month if there is network congestion.

In its settlement with the FCC, T-Mobile will pay a \$7.5 million penalty

while \$35.5 million will go to customers in the form of discounts or data upgrades. And \$5 million will go toward expanding access to the internet for poorer children. T-Mobile will provide free internet service on devices for children in low-income school districts. The children can take the devices home to help them do their homework.

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