

FTC Alleges T-Mobile Made “Hundreds of Millions” From Bogus SMS Charges

Ben Munson

The Federal Trade Commission today [filed a complaint against T-Mobile alleging the carrier made “hundreds of millions” from fraudulent “premium” text message services](#) [1].

T-Mobile is accused of “cramming,” a practice of placing third-party services on a consumers bill and collecting a portion of the charge.

The FTC claims that T-Mobile took in 35 to 45 percent of the revenue from SMS services like “flirting tips, horoscope information or celebrity gossip” that typically charges \$10 monthly. The Commission also alleges that T-Mobile continued collecting money off these charges even after it had reason to believe the charges were fraudulent.

“It’s wrong for a company like T-Mobile to profit from scams against its customers when there were clear warning signs the charges it was imposing were fraudulent,” FTC Chairwoman Edith Ramirez said in a statement. “The FTC’s goal is to ensure that T-Mobile repays all its customers for these crammed charges.”

The complaint further asserts that T-Mobile claimed, without any proof, that consumers had authorized the services.

The FTC is seeking a court order to stop the alleged cramming and obtain “refunds for consumers and disgorgement of T-Mobile’s ill-gotten gains.”

We’ve reached out to T-Mobile for comment and will update the story when they issue a statement.

EXCERPTS FROM AN ACTUAL T-Mobile BILL

Page 1 hides unauthorized 3rd party charges:

Summary	
Item	Amount
Previous Balance	96.71
Prnt Rec'd - Thank You	(96.71)
	-
Monthly Recurring Chgs	73.32
Credits & Adjustments	(10.00)
<u>Usage Charges</u>	<u>9.99</u>
Other Charges	4.83
Taxes & Surcharges	14.97
INCLUDES UNAUTHORIZED CHARGES FOR TRIVIA TEXT ALERTS	
Total Current Charges	\$93.11
Current Charges Due By	2/07/13
Grand Total	\$93.11



123 pages later . . .

PREMIUM SERVICES						
Date	Content Provider	Time	Description	Usage Charges	Total	
OTHER SERVICE PROVIDER CHARGES						
1/11/13	Shaboom Media	6:59pm	8888906150 BrnStorm23918	9.99	9.99	
SUBTOTAL					9.99	

SAYS NOTHING ABOUT TRIVIA TEXT ALERTS

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<http://www.wirelessweek.com/news/2014/07/ftc-alleges-t-mobile->

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Links:

[1] <http://www.ftc.gov/news-events/press-releases/2014/07/ftc-alleges-t-mobile-crammed-bogus-charges-customers-phone-bills>