T-Mobile: FTC Charges 'Unfounded and Without Merit'

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T-Mobile Tuesday refuted charges by the Federal Trade Commission (FTC) that it had bilked customers for hundreds of millions of dollars in erroneous SMS charges.

In a post on T-Mobile's website, CEO John Legere called the complaints "unfounded and without merit."

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 charge $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.

Legere noted that T-Mobile has been fighting to add more transparency to the industry.

"We exited this business late last year, and announced an aggressive program to take care of customers and we are disappointed that the FTC has instead chosen to file this sensationalized legal action," Legere wrote. "We are the first to take action for the consumer and I am calling for the entire industry to do the same."

Legere said that T-Mobile had put into place procedures to to protect its customers from unauthorized charges but didn't specify what those were.

"Unfortunately, not all of these third party providers acted responsibly—an issue the entire industry faced," Legere said. "We believe those providers should be held accountable, and the FTC's lawsuit seeking to hold T-Mobile responsible for their acts is not only factually and legally unfounded, but also misdirected."

The FCC also issued a statement Tuesday on the matter, saying it is working in collaboration with the FTC to investigate the complaints charged against T-Mobile.

"Consumers should not be charged for services that they did not order," said Travis LeBlanc, Acting Chief the FCC's Enforcement Bureau, in statement. "We will coordinate our investigation with the FTC, and use our independent enforcement authority to ensure a thorough, swift, and just resolution of the numerous complaints against T-Mobile."

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