

‘CALL 4 CASH UNCLAIMED PRIZE DRAW’

A statement from PhonepayPlus, the phone-paid services regulator

13 December 2007

PhonepayPlus, the phone-paid services regulator, has launched an investigation into the ‘Call 4 Cash Unclaimed Prize Draw’ service following complaints from members of the public.

Due to the serious nature of the alleged breaches of its Code of Practice, PhonepayPlus has invoked its emergency procedure to bar access to the service with immediate effect. The bar on access applies to all numbers on which the service has been operating. In addition, all revenue generated by the service to date has been withheld at network level, pending the outcome of the investigation.

PhonepayPlus regulates premium rate service providers as defined in paragraph 11.3.6 of the PhonepayPlus Code of Practice (Eleventh Edition). In this case, the service provider is Stealthnet Ltd.

BACKGROUND

The service involved a series of unsolicited ‘mailshot’ promotions that were sent to members of the public informing them that they had been selected and entered into an unclaimed prize draw. The prizes ranged from £15,000 and £5,000 cash to a Mini Cooper car and a 50” plasma screen TV.

Each mailshot contained a ‘personal allocation code’ and featured two different premium rate numbers. The first number, charged at £1.50 per minute, was for recipients to use to identify their personal allocation code which corresponded to a prize. Callers then obtained a specific claim number so that they could complete a separate claim form to obtain their prize.

The second number (on the reverse of the mailshot), charged at £1.00 per call, was for recipients to remove themselves from the service provider’s database and opt out of all future offers.

OUR CONCERNS

We have received a number of direct and indirect complaints about the ‘Call 4 Cash Unclaimed Prize Draw’ service.

Our investigation centres on the following paragraphs of the PhonepayPlus Code of Practice (11th Edition):

- **Paragraph 3.3.3**
“Service providers must use all reasonable endeavours to ensure that all of their services are of an adequate technical quality.”
- **Paragraph 5.3.1(a)**
*“Services and promotional material must not, or must not be likely to:
(a) result in any unreasonable invasion of privacy,”*

- **Paragraph 5.4.1(a)**
*Services and promotional material must not:
(a) mislead, or be likely to mislead in any way,*
- **Paragraph 5.4.1(b)**
*Services and promotional material must not:
(b) take unfair advantage of any characteristic or circumstance which may make consumers vulnerable*
- **Paragraph 7.6.3(b)**
*“Promotional material must clearly state any information which is likely to affect a decision to participate, in particular:
(b) an adequate description of prizes and other items offered to all or a substantial majority of participants, including the number of major prizes and details of any restriction on their availability or use,”*

NEXT STEPS

We have written to Stealthnet Ltd setting out our concerns and, under paragraph 8.1.3 of the Code of Practice, have also requested further information from them to assist our investigation. Stealthnet has until Friday 21 December to respond.

We aim to adjudicate on all investigations dealt with under the emergency procedure within 10 working days of the service provider’s response to the alleged breaches raised. However, this timeframe may vary depending on the complexity of the case and on whether there is a need to request more information.