



AG STRANGE ANNOUNCES SETTLEMENT WITH T-MOBILE FOR CONSUMER REFUNDS

(MONTGOMERY) –Attorney General Luther Strange announced that he and the Attorneys General of all 50 states and the District of Columbia, the Federal Trade Commission and the Federal Communications Commission, have reached a settlement with T-Mobile USA Inc. to resolve claims against the company and to provide refunds to consumers.

The agreement involves allegations that T-Mobile placed charges for third-party services on consumers' mobile telephone bills that were not authorized by the consumer, a practice known as "cramming." Consumers who have been "crammed" often complain about charges, typically \$9.99 per month, for "premium text message subscription services" (also known as PSMS subscriptions) such as horoscopes, trivia and sports scores, which the consumers had never heard of nor requested.

The Attorneys General and federal regulators allege that cramming occurred when T-Mobile placed charges from third-parties on consumers' mobile telephone bills without the consumer's knowledge or consent. T-Mobile is the second mobile telephone provider to enter into a nation-wide settlement to resolve allegations regarding cramming; Attorney General Strange announced a similar settlement with AT&T in October of this year. T-Mobile and AT&T were among the four major mobile carriers – in addition to Verizon and Sprint – that announced they would cease billing customers for commercial PSMS in the fall of 2013.

"It is simply wrong for consumers to be charged for services they never asked for and were not even aware of," said Attorney General Strange. "I am pleased that this agreement puts in place significant reforms and will provide refunds to eligible consumers."

Consumers can submit claims under the Program by visiting <http://www.t-mobilerefund.com>. On that website, consumers can submit a claim, find information about refund eligibility and how to obtain a refund, and can request a free account summary that details PSMS purchases on their accounts. Consumers who have questions about the Program can visit the Program website or call the Refund Administrator at (855) 382-6403.



Under the terms of the settlements, T-Mobile must provide each victim of cramming who files a claim under its Premium SMS Refund Program an opportunity for a full refund. The settlement terms require that T-Mobile pay at least \$67.5 million to consumers – a portion of which may be paid by forgiving debts consumers may owe T-Mobile. T-Mobile will also pay \$18 million to the Attorneys General and \$4.5 million to the Federal Communications Commission.

In addition, the settlement requires T-Mobile to stay out of the commercial PSMS business – the platform to which law enforcement agencies attribute the lion's share of the mobile cramming problem. T-Mobile must also take a number of steps designed to ensure that it only bills consumers for third-party charges that have been authorized, including the following:

- T-Mobile must obtain consumers' express consent before billing consumers for third-party charges, and must ensure that consumers are only charged for services if the consumer has been informed of all material terms and conditions of their payment;
- T-Mobile must give consumers an opportunity to obtain a full refund or credit when they are billed for unauthorized third-party charges;
- T-Mobile must inform its customers when they sign up for services that their mobile phone can be used to pay for third-party charges, and must inform consumers of how those third-party charges can be blocked if the consumer doesn't want to use their phone as a payment method for third-party products; and
- T-Mobile must present third-party charges in a dedicated section of consumers' mobile phone bills, must clearly distinguish them from T-Mobile charges, and must include in that same section information about the consumers' ability to block third-party charges.