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ACCC scolds TPG for false advertising

Fine print puts dint in unlimited mobile cap.

Darren Pauli (Computerworld) 11/02/2009 13:21:00

TPG Internet has been chided by the trade regulator for falsely advertising a high capacity mobile phone plan as unlimited.

The Australian Competition and Consumer Commission (ACCC) said the telco flouted sections 52 and 53 of the Trade Practices Act by advertising the offending \$60 plan as an unlimited cap, despite the fact it excluded premium voice and text services.

ACCC chairman Grahame Samuel said in a statement the fine print exclusions negated the claim that the plan is unlimited.

"The Trade Practices Act demands that advertising be honest and accurate and not mislead consumers as to the true nature of the offer," Samuel said.

"Companies advertising mobile phone plans should be particularly cautious when using absolute terms such as 'unlimited' for plans to which some limits do apply.

"To avoid misleading consumers, any qualifications of an offer of 'unlimited' calls or text must be prominently stated and not so significant that they negate the headline message."

The plan excluded international voice and SMS/MMS, voicemail, calls to 1800, 13, 1300 and MobileSat numbers. The telco charged these services at its standard mobile rates.

TPG was also scolded for excluding the \$20 SIM card fee from the advertised purchase price.

The telco has been order to not repeat the offence for three years, publish a correction on its Web site and train staff in trade practices law compliance.

Telsyte telco analyst Warren Chaisatien said in a previous story "unlimited" high bandwidth plans are sustainable, but telcos will need to utilise excess capacity to attract customers.

"There is no problem from an engineering perspective; however, from a business angle these unlimited plans will heat up competition and cannibalise revenue," Chaisatien said.

"The key to 3G success is business; carriers will have to come up with something more exciting to increase margins — they should ask themselves 'how can we capitalise on this excess [3G bandwidth] capacity'?"

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