

# FTC FACTS for Consumers

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## Numbers

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## FTC Rule Helps Consumers

**B**efore making a 900 number call, you need to know how much the call will cost, what you will get for your money, and what will happen if you have a billing dispute.

The Federal Trade Commission's 900 Number Rule took the guesswork out of these calls by requiring certain information in ads and preambles for 900 number services. You also have protections under the Federal Communication Commission's own 900 Number Rule that governs the practices of telephone companies.

# Facts for Consumers

## **900 Number Ads**

All print, radio, and television advertisements for 900 number services must include:

- \* the total cost of the call if there's a flat fee;
- \* the per-minute rate if the call is charged by the minute, as well as any minimum charge. If the length of the program is known in advance, the ad also must state the total cost of the complete program;
- \* the range of fees if there are different rates for different options. The ad also must state the initial cost of the call and any minimum charges;
- \* the cost of any other 900 number to which you may be transferred; and
- \* any other fees the service might charge.

This information can't be hidden in small print: The cost of the call must be next to the 900 number and printed in a size that's at least half the size of the 900 number. In a television ad, an audio cost disclosure must also be made.

## **What You Should Hear First**

When you dial a 900 number that costs more than \$2, you should hear an introductory message or "preamble." You can't be charged for this message. It must briefly describe the service, the name of the company providing the service, and the cost of the call. It also must state that anyone under age 18 needs parental permission to complete the call. Once this information is provided, you must be given three seconds to hang up without incurring a charge.

## **Exceptions to the Rule**

The 900 Number Rule does not apply if you have a pre-existing contractual agreement

with an information service. Be very careful about entering such an arrangement. If you do, your calls to the service — and resulting bills — will not be subject to the Rule's requirements.

The Rule also excludes calls charged to a credit card. However, the bills for such calls would be covered by the dispute resolution procedures of the Fair Credit Billing Act.

## **Billing Errors and Disputes**

The 900 Number Rule has procedures for resolving billing disputes. Always check your telephone bill for 900 number charges. For each 900 call, your statement should include the date, time, and, for services that have per-minute rates, the length of the call. These charges must appear separately from local and long distance charges. Your statement also must include a local or toll-free number for questions about your pay-per-call charges.

Under FCC regulations, the phone company cannot disconnect your regular local or long-distance service if you don't pay a 900 number charge. However, you could be blocked from making future calls to 900 numbers if you don't pay legitimate 900 number charges.

If you find an error on your bill, follow the instructions on your statement. They will tell you who to call or write to dispute the charge. In most cases, it will be your local or long-distance telephone company, but it could be the 900 number company or an independent firm that provides billing services for that company.

You must notify the company listed on your bill within 60 days from the date the first statement containing the error was sent. The company must acknowledge your notice in writing within 40 days unless it has resolved

the dispute by that time. Within two billing cycles, but no longer than 90 days, the company must:

- \* correct the billing error and notify you of the correction, or
- \* investigate the matter and either correct the error or explain the reason for not doing so.

A company cannot charge you to investigate or respond to a billing dispute. No one can try to collect the disputed charge from you — or report it to a credit bureau — until the company handling the dispute either has corrected the error or explained its reason for not doing so. Companies that don't comply with these rules lose their right to collect up to \$50 of each disputed charge.

However, even if the 900 number charge is removed from your bill, the service provider might pursue the charge some other way, such as through a collection agency. If so, you have additional rights under the Fair Debt Collection Practices Act.

## Sweepstakes and Federal Programs

The Rule also covers 900 number services that promote sweepstakes or offer information about government programs. For example, some services offer the chance to enter a sweepstakes and win a prize simply by dialing a 900 number and, in some cases, entering a code. The Rule requires ads for sweepstakes to state the odds of winning or how odds will be calculated.

In addition, the ad or preamble must tell you there's a free way to enter the sweepstakes, how to enter, or how to get that information. You shouldn't have to call — and incur a charge — to enter. This provision doesn't

apply to contests where you have to demonstrate a skill, such as answer a question correctly.

Other 900 numbers provide information about federal programs even though they're not affiliated with a government agency. This could mislead some consumers. Under the Rule, the ad and preamble must state that such services are not authorized, endorsed, or approved by a federal agency.

## Children

The Rule essentially prohibits companies from promoting 900 numbers to young children. Some companies have promoted 900 numbers to children, encouraging them to pick up the phone to talk to a cartoon character. Under the FTC 900 Number Rule, companies are prohibited from advertising or offering pay-per-call services to children under age 12, unless the services are truly educational in nature.

If ads are directed to young people under age 18, they must state that parental permission is required to make the call. Preambles for all 900 number services must contain that statement.

## Toll-Free Numbers

The Rule generally prohibits:

- \* using 800, 888, or other toll-free numbers for pay-per-call services, unless you have a pre-existing agreement with the company or you charge the call to a credit card;
- \* connecting you directly from an 800, 888, or other toll-free number to a 900 number; and
- \* a collect call back if you have dialed an 800, 888, or other toll-free number.

## **FCC Rules on Collect Calls**

Under FCC regulations, pay-per-call services can't make collect calls to you if the charge would be more than — or in addition to — the regular long distance charge for the call. Services that don't impose this additional charge can call collect. However, you can't be charged for the call unless you have clearly indicated that you'll accept the charge.

## **Tips for Avoiding 900 Number Problems**

Scams involving 900 numbers are constantly changing. To help protect yourself:

- \* Deal only with reputable companies. Some companies or organizations sponsor 900 number services for opinion surveys, information, entertainment or other services. Before you call a 900 number, be sure you understand the cost of the call and the nature of the information or service you'll receive.
- \* Think twice before calling a 900 number for a "free" gift. Television ads, postcards and telemarketers may urge you to call a 900 number to get a "free" prize. But you pay for the so-called free gift by making the 900 number call. The provider of the service usually makes money on a per-minute basis, so there's an incentive to keep you on the line.
- \* Don't confuse 900 numbers with 800 or 888 numbers. You pay for a 900 number call. The company pays for most 800, 888, or other toll-free number calls.
- \* Talk with your children. Make sure they understand they shouldn't call 900 numbers without your permission. You can have the phone company block 900 number calls from your phone. The FCC requires local phone companies to make blocking available — where technically feasible — for a "reasonable" fee. However, any subscriber with a new number can request free blocking within 60 days after service begins.

## **For More Information**

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint, or to get free information on any of 150 consumer topics, call toll-free, **1-877-FTC-HELP** (1-877-382-4357), or use the complaint form at [www.ftc.gov](http://www.ftc.gov). The FTC enters Internet, telemarketing, and other fraud-related complaints into **Consumer Sentinel**, a secure, online database available to hundreds of civil and criminal law enforcement agencies worldwide.



**Federal Trade Commission**  
Bureau of Consumer Protection  
Office of Consumer and Business Education