

# FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

## When Minutes Matter: Choosing a Pre-paid Phone Card

When you buy a pre-paid phone card, it means you are paying in advance for telephone calling time. The cards generally cost from \$2 to \$20 for local or long-distance calling time; the rate charged per minute determines the amount of calling time you're buying.

Pre-paid phone cards can be very convenient. But the Federal Trade Commission (FTC), the nation's consumer protection agency, and the Federal Communications Commission (FCC), the nation's telecommunications agency, caution that some pre-paid phone cards have hidden costs or other problems, like bad connections, access numbers that are almost always busy, and personal identification numbers (PINs) that don't work.

Some calling cards come with fees that can take a big bite out of the calling time you've bought. As a result, the cards don't deliver the call time they advertise. And because you've paid in advance, you may be out of pocket – and out of luck – if you discover a problem.

If you're considering buying a calling card, read the poster, flyer, website or other advertisement for it – including any fine print – before you buy. Keep these questions in mind:

- Are fees going to diminish the value of the card? Common fees to look and listen for:
  - **“Post-Call,” “Disconnect” or “Hang-Up” fees:** charges deducted each time you hang up the phone after using the card.
  - **“Maintenance” fees:** charges deducted shortly after you use the card and at regular intervals.
  - **“Pay phone surcharges”:** charges deducted if you use the card at a pay phone.
- Do the advertised minutes apply only for a single call? Some cards lose a lot of value if you try to make more than one call, regardless of the number of minutes advertised.
- Do the advertised minutes apply only if you use the “local access” number? Some cards charge higher rates if you use the “toll-free access” number to place your call.
- Is there an expiration date for minutes?
- Do the advertised minutes apply to calls to a cell phone? In most cases, cards charge higher per-minute rates for international calls to cell phones.
- Does the explanation of fees make sense to you? If it seems unreasonable, buy another card. Ask the retailer for a card with no fees or fewer fees. If you're buying the card online, check a different website.
- Is there a toll-free customer service number?

Finally, think about buying a card of a small denomination – say, \$2 – first. It may provide the best value because if something goes wrong, your loss is limited.

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If your pre-paid phone card doesn't work as advertised – even after you've called the customer service number – contact:

**The Federal Communications Commission**

[esupport.fcc.gov/complaints.htm](http://esupport.fcc.gov/complaints.htm)

1-888-CALL-FCC (1-888-225-5322); TTY: 1-888-TELL-FCC (1-888-835-5322)

The FCC regulates interstate and international communications by radio, television, wire, satellite, and cable.

**The Federal Trade Commission**

[ftc.gov/complaint](http://ftc.gov/complaint)

1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261

The FTC works 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 get free information on consumer issues, visit [ftc.gov](http://ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. Watch a new video, *How to File a Complaint*, at [ftc.gov/video](http://ftc.gov/video) to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

FEDERAL TRADE COMMISSION	<a href="http://ftc.gov">ftc.gov</a>
1-877-FTC-HELP	FOR THE CONSUMER