

FTC Consumer Alert

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

Unauthorized Charges Crammed onto Your Telephone Bill?

You May Be Eligible for a Refund

Under the terms of a recent settlement with the Federal Trade Commission (FTC) involving unauthorized charges on telephone bills, some consumers may be eligible for a refund. The charges may have been for website design, voice mail, club memberships, hospital phone rental, other “enhanced” services, or 900 number services that were “crammed” onto phone bills.

As part of the settlement, Enhanced Services Billing, Inc. (ESBI) and Billing Concepts, Inc. (BCI) have agreed to send notices to consumers whom they bill. The notice may be in the form of a phone bill insert, a message on the phone bill itself, or a separate letter. ESBI and BCI also have agreed to set up a toll-free number, 1-800-555-ESBI, that consumers can call to find out the terms and conditions for refunds.

The FTC advises consumers to review their phone bills carefully, both for unauthorized charges and for a notice about the possibility of a refund.

Refund Details

Who: According to the FTC, you are entitled to a refund if you have received or do receive a phone bill containing unauthorized charges, other than 900-numbers, between August 9, 2001 and February 9, 2002. You can ask for a refund of current and past charges, up to a total of 12 months of charges.

What: Some of these charges are one-time fees; others appear on your bill month after month. The charges may be listed under ESBI or some other company name or abbreviation, or as a 900-number charge.

Where: These unauthorized charges may appear on the same page of the bill that contains the notice; on a separate billing page that has the initials “ESBI” or the name, “Enhanced Services Billing, Inc.,” at the top; or elsewhere on your phone bill.

How: To claim a refund, call ESBI toll-free at 1-800-555-ESBI; send an email to www.billview.com; or write to ESBI at P.O. Box 29206, San Antonio, Texas 78229-0206. No particular wording is necessary to request a refund for four months of charges. Consumers seeking refunds greater than four months also must mail copies of their telephone bills containing the unauthorized charges to ESBI at P.O. Box 29206, San Antonio, Texas 78229.

When: The deadline for requesting refunds is March 9, 2002.

About 900-Number Charges

The terms and conditions for disputing 900-number charges are different than for other charges. If you find an error on your bill, follow the instructions on your statement about whom 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. And within two billing cycles, but not longer than 90 days, the company must correct the billing error and notify you of the correction, or investigate the matter and correct the error or explain the reason for not doing so.

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 consumer issues, call toll-free, 1-877-FTC-HELP, or use the complaint form at www.ftc.gov. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.



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