

FTC Consumer Alert

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

HIDE AND GO SEEK

Finding the Disclosures in “Free” Internet Service Offers

Washington, DC – You’ve probably seen the ads for “free” Internet service trial periods. Maybe you’ve even received a CD-ROM in the mail that promises hundreds of hours of free Internet service.

If you’re in the market for Internet service, the Federal Trade Commission (FTC) wants you to know that some “free” offers may end up being high cost, long-term items. That’s because important restrictions and conditions on these offers are not always disclosed clearly or conspicuously.

Most offers for “free” Internet service are valid for only one month. At the end of the “free” month, many providers automatically sign you up for their service, unless you cancel at the end of the free month. Unfortunately, you may not know that you have to cancel because some service providers hide this information — or don’t tell you how to cancel should you want to.

Costs add up in other ways, too. For example, if you sign up for service and the Internet service provider (ISP) doesn’t offer a local phone number for you to dial in to, you’ll have to pay long distance telephone charges to access the Internet. Some ISPs offer a “toll free” (800, 888 or 877) number to connect to the Internet. The FTC has found that some consumers have been charged five or six dollars an hour to use a “toll free” number.

FTC officials caution consumers to ask the ISP some key questions about their service and related conditions before using any “free” offers.

- Does the free access to the Internet last longer than one month? Offers for an advertised 500 free hours of Internet service in one month would require you to be online for more than 16 hours a day to use all the free hours in a month.
- When does the one month of free service start? When you sign up? When you start using the service?
- Does the ISP automatically subscribe you to their service at the end of the free trial period? Do you have to cancel before the end of the free trial period to avoid being charged for service?
- How do you cancel service? Can you cancel online or by calling the service provider’s phone number?
- Is there a local phone number for you to use to access the Internet? When you get the number to dial from the ISP, ask your local phone company if it’s a local or long distance number. Make sure the back-up phone number you choose is local, too. If you have to call long distance for Internet service, chances are you will rack up big charges.
- If you sign up for service, are you committing to paying for the service for a year? Longer? Some ISPs require you to agree to pay for their service for at least one year and may charge a fee to cancel the service before your subscription has ended.

- If you sign up for service, when are you billed each month? If you decide to cancel service, you may want to do so before your billing date so you don't incur a monthly charge for service you don't plan to use. Remember that ISPs bill you before you use the service.
- If you cancel your service, does the ISP send you a notice? Get verification (e.g. cancellation number, email or letter) that your account has been canceled and check your next credit card statement to make sure you aren't still being billed by the ISP.

If you think you've been misled about an offer of free Internet service, contact the Federal Trade Commission. 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. 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.