

Ethical rules

ADOPTED BY THE ETHICAL COUNCIL FOR PREMIUM RATE CALL SERVICES (ERB)

27 AUGUST 2014

Ethical rules for Premium Rate Call Services

The Ethical Council for Premium Rate Call Services (ERB) is an independent, autonomous organ. The mandate of the Council is to prepare and uphold ethical rules regulating the content of information provided on premium rate telephone lines and the marketing of the same, in accordance with the prevailing standard agreements on the market and the articles adopted by the founders. Furthermore, the Council is to consider cases referred to it, or cases taken up on the Council's own initiative, concerning the marketing and content of such services. The aim of the rules is to create a safe, sound and distinct market for premium rate services. The Council's mandate was augmented on 1 October 2010 to include supervision of those parts of the premium rate call system that are regulated by the Code of Conduct (CoC) that was drawn up jointly by telecom operators, WyWallet, the MORGAN trade association and ERB. The Council is empowered by its statutes to require an operator or WyWallet to cancel, temporarily or permanently, the subscription contract for a service that breaches the ethical rules for premium rate call services or the rules issued in the CoC. The Council is also empowered to require an operator or WyWallet to cancel, temporarily or permanently, the subscription contract for a service if the Council finds that the content or marketing of the service is seriously violating good ethics.

The standard agreements stipulate that the parties are obliged at their own expense to provide ERB with such written or oral information as ERB considers necessary for its consideration of a case.

The Council has produced ethical rules and published them on several occasions. The most recent edition was dated 16 March 2011.

By Premium Call Rate Services is meant services for which the total charge a consumer pays to his/her operator, or WyWallet, for the service includes remuneration to the supplier of the service, content or other product or service delivered during, or as a direct consequence of the call.

These ethical rules cover services whose content is made accessible via the numbers distributed by the Swedish Post and Telecom Authority under the prefixes 0900, 0939 and 0944. The ethical rules also cover Premium Rate SMS Services, which are provided at a higher rate through the service WyWallet, created by the four major network operators, and all other mobile services that involve a separate charge.

This edition covers in all essentials the same rules as before. Additional rules are included in §§ A.1.e., B.1.a, G.1 and the new section H. ERB requests all companies and other concerned parties to thoroughly familiarise themselves with the revised rules and see to it that existing sets of rules are replaced with this edition. The rules can also be accessed in electronic form on the Council's website at www.etiskaradet.se, where it is also possible to download an English version of the ethical rules.

Stockholm, 27 August 2014

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Chairman

Joakim Rolander

Secretary

A. Instructions for the marketing of premium rate calls

1. Information on call charges, telephone number and cancellation

a. General instructions - applicable to all marketing

Call charge details must be stated on all advertisements for premium rate calls.

Charges must be specified directly adjacent to the telephone number. Premium rate call services shall always be marketed in Swedish.

b. Special rules for advertisements in newspapers/magazines

Call charge details must be printed horizontally and made clear and easy to read. The size of the font used must be no less than one-third (1/3) that of the telephone number itself.

c. Special rules for TV, Internet and other visual media¹

Call charge details must be displayed horizontally and made clear and easy to read with regard to size, colour and positioning. The charge must be displayed for at least as long as and directly adjacent to the telephone number, which must also be displayed horizontally. When such services are marketed via TV information regarding rates must also be provided in audio form if the cost of using the service could exceed 20 kronor.

d. Marketing via radio and other audio media

Call charge details must be stated clearly when information is given about, or reference made to a premium rate service via the radio, telephone or any other audio medium.

e. Call charge and cancellation

By call charge is meant the price per minute of a call, or the total "fixed price per call" cost. "Fixed price per call" means that the cost of using a premium rate service is preset.

For mobile premium rate call services², the principles used to calculate the total cost of using such a service must be specified regardless of the number of messages sent or received. As for subscription services, the cost per message and frequency must be specified and how the service can be cancelled.³

2. Direct marketing of premium rate call services

The direct marketing of premium rate call services to a telephone may not take place without the customer's explicit consent. Explicit consent must be given specifically and not included as a contractual condition for the purchase of another service. However, the service may be marketed when an established customer relationship already exists. An established customer relationship is deemed also to exist for some time after the contractual undertaking has been fulfilled, normally a minimum of six months, but not more than one year thereafter except when special reasons exist. Each message shall include a link that the consumer can click on and then immediately reject any further marketing.

¹ By which is meant, e.g. mobile phone display

² E.g. SMS, MMS or WAP

³ See also the rule under point B.1.c below.

3. Details on service provider

The service provider is responsible for ensuring that the content and marketing of the services, regardless of by whom they are produced, comply with the provisions of these rules.

By service provider is meant any company or other party which has entered into an agreement with a telecom operator or WyWallet to operate a premium rate service.

All marketing material for premium rate call services must include details of the service or content provider⁴ at all times. These details must be presented horizontally and in clear format, and are to include the company's name, office address (or P.O. box number), postal code and district. The telephone number to the service provider's customer relations unit or to the content provider's customer relations unit shall always be provided in connection with the marketing of the services.

4. Marketing directed towards children

Premium rate calls may not be marketed if the marketing material is essentially intended for children under the age of 14 and if the cost of using the service could exceed 10 kronor.

5. Advertising services of a sexual or erotic nature

a. General instructions – applicable to all media

Information intended to promote sexual services for financial gain (procurement) is prohibited. The text may not include allusions to minors (under 18 years of age). In the marketing of premium rate call services the wording shall not allude to, or in any other way present children in a sexual way or in a child pornographic context. This applies to both text and images.

<u>b. Special rules for advertisements in publications having the character of a daily</u> newspaper as well as TV, radio and direct advertising⁵

The information provided may not include allusions to or descriptions of sexual acts or circumstances. This also applies to allusions to sexual violence, sadism or cruelty.⁶

Drawings or other types of illustrations are allowed provided they are not of a sexual or erotic nature. Photographs may not, however, be used in advertisements for a premium rate call service of a sexual or erotic nature or for "personal ad" lines.

6. Advertisements for competitions

a. Advertisements must include a clear and thorough description of the competition objective and conditions. They must also include details of the judging procedures and criteria. In the case of competition programmes on TV, where the main competitive element requires the competitor to call a premium rate number, thereby becoming able to access the programme by making a random choice and then going through a further competitive element with the aim of

⁴ By content provider is meant the party on whose behalf the service is marketed

 $^{^{\}rm 5}$ By direct advertising is also meant marketing via mobile telephone or the equivalent.

⁶ ERB has prepared a list for guidance in this regard.

winning a prize, the information must make it clear that the consumer will also incur a cost for calls that do not lead to participation in the actual programme. The programme anchor must also, at the beginning of the programme and at least once every ten minutes thereafter provide information about the cost of calling the programme and that all calls will incur a charge, not only those that are allowed through to the programme. Information regarding exactly how many calls were made to the applicable telephone number during the programme shall be displayed on the TV screen continually. The information regarding the number of calls received must be displayed in a size that is at least as large as that of the premium rate call number displayed on the TV screen.

- b. Advertisements must specify how winners are selected. If a panel judges the entries, the panel members must be named.
- c. The closing date and the date by which winners will be selected must also be stated.
- d. Prizes shall be described in terms of value, brand, model and such like.
- e. Information stating that the winner might be liable to pay tax on the prize must be included.
- f. The information included in points A.6.a A.6.e must be presented in such a way that it can be expected to be accessible to all contestants.

7. Lotteries

Under the terms of the Lotteries Act (SFS 1994:1000), a specific permit is required to arrange lotteries directed at the general public. This rule also applies to premium rate call lotteries.

8. Collections for charity

In advertisements for premium rate call services used to raise funds for charity, the proportion of the donation⁷ that goes to the charity concerned must be stated clearly.

9. Professional counselling

The marketing of services which imply the provision of professional counselling must include information on the consultant's business name, or, in the case of a physical person, the name and profession of the person(s) providing the counselling. By professional counselling is meant the consultancy services provided by doctors, solicitors, engineers, craftsmen, etc.

10. Multi-number services

A service or content provider may not market the same service in any one newspaper using one or more advertisements that list different telephone numbers without stating that all numbers connect to the same service. This rule also applies to marketing on TV or other media when such marketing has the same effect.

⁷ Refers to the charge for the call and any additional contribution.

11. All legal rules must be followed

In addition to the provisions of paragraphs 1-10, all marketing of premium rate call services must comply with current marketing legislation and may not be in breach of the aim of the ethical rules.

B. Code of Practice concerning the content of premium rate call services

1. Information on call charges

- a. Every premium rate call that could cost more than 20 kronor must start by informing the customer of the call charge price per minute within the first ten seconds, via recorded voice, operator or otherwise.
- b. When a fixed price per call (see point A.1.e) is applied, the total cost of the call must be stated instead.
- c. For mobile premium rate call services, the principles used to calculate the total cost of using such a service must be specified regardless of the number of messages sent or received. A text message shall be sent to the user every time a user is charged for a mobile premium rate call service that might cost more than 10 kronor. This text message shall contain information on the service and about the amount charged.

As for subscription services or chat services, the cost per message and frequency must be specified in the first message and details of how the service can be cancelled. Each message must give a URL or telephone number to the service- or content provider responsible, where information is provided on the service and cancellation procedures. If the number of messages is not clearly decided in advance, it may not exceed ten before the customer re-confirms that he/she would like to receive further messages. The cancellation of a subscription service may not incur costs over and above the normal tariff.

2. Unnecessary delays to services

A service that is offered in a premium rate call should not be unnecessarily prolonged, delayed or extended by the provision of irrelevant information or otherwise.

3. Services of a sexual or erotic nature

- a. Information intended to promote sexual relationships for financial gain (procurement) is prohibited.
- b. Minors, by which is meant persons under the age of 18, or others claiming to be minors, may not figure in descriptions of a sexual or erotic nature.
- c. Descriptions of sexual violence, sadism or cruelty are prohibited.
- d. Sexual descriptions may not include animals.

⁸ May not be a foreign number or a premium rate call number.

e. The rules in points B.3.a-d also apply to the use of premium rate calls for the indirect provision of services.

4. Personal ads

- a. Personal ads on premium rate lines may not contain information on the name of the person placing the advert or any other details, such as address or telephone number, that could be used to identify him/her.
- b. Persons under the age of 18, or others claiming to be under 18, must not figure in contact ad services which include advertisements of an erotic or sexual nature, or which are marketed in a context that could indicate that such contact ads are included in the service (e.g. in a pornographic magazine).

5. Professional counselling

Services that imply the provision of professional counselling must begin with the name and profession of the person(s) providing the consultancy service.

6. Competitions

- a. Competitions using premium rate calls must be conducted in the way stated in the marketing.
- b. The results of the competition must be presented in such a way that the contestants can easily access the information. It is insufficient merely to inform the winners. Information must be provided on where and when the names of the winners will be publicised.
- c. Prizes are to be sent to the winners within 21 days of the competition closing date, or within 21 days of the selection of the winners.

C. Special rules for services involving direct calls between operator and customer (personal reply)⁹

Company: A company that has entered into an agreement with a telecom operator or WyWallet to provide the above service.

Operator: Telephonist, employed by or working for the company.

Customer: The caller.

1. The customer must be informed at the start of the service of the rates charged via recorded voice, operator or otherwise (cf point B.1).

⁹ These rules apply regardless of whether the service is marketed under a different name, such as chatline, chatbox or the like. The rules also apply to premium rate services such as SMS-chat, WAP-GPRS chat or the like.

- 2. Direct calls between operator and customer are prohibited if the purpose of the call could be assumed to be to offer the customer sexual stimulation.
- 3. While on duty, an operator may not disclose his/her private address or telephone number, nor provide information that could serve to identify a colleague.
- 4. Operators or other persons employed by the company may not contact, allow themselves to be contacted by, or meet customers.
- 5. Persons employed as operators must be at least 18 years of age.
- 6. All marketing of the above service shall clearly state that the call is made through an operator.
- 7. The call must be cut off immediately if the operator suspects that the customer is not an authorised user of the telephone from which the call is being made.
- 8. Points C.1-7 also apply to the use of premium rate calls for the indirect provision of services.
- 9. Points C.3-5 do not apply in the case of professional counselling (cf points A.8 and B.5).

D. Special rules for services involving direct calls between two or more customers (conference lines)¹⁰

Company: A company that has entered into an agreement with a telecom operator or WyWallet to provide the above service.

Operator: Telephonist, employed by or working for the company.

Customer: The caller.

- 1. The customer must be informed within 10 seconds of making the call of the applicable rate, via recorded voice, operator or otherwise (cf point B.1).
- 2. Calls that can be assumed to be intended to offer the customer sexual stimulation are prohibited.
- 3. The conference line is to be monitored by an operator and the customer immediately informed accordingly. The operator must be constantly available to answer questions concerning the service.
- 4. If the operator intends to participate in a call on the conference line, each customer shall be informed accordingly, in which case the rules in points C.2-4 also apply.
- 5. It is the duty of the operator to ensure that nothing occurs within the scope of this service that constitutes a breach of Swedish law or of ERB's ethical rules.

¹⁰ See note 9.

- 6. Operators or other persons employed by the company may not contact, allow themselves to be contacted by, or meet customers.
- 7. Persons employed as operators must be at least 18 years of age.
- 8. The call must be cut off immediately if the operator suspects that the customer is not an authorised user of the telephone from which the call is being made.
- 9. If two customers are connected to a single call, the rules in section E also apply.
- 10. Points D.1-9 also apply to the use of premium rate calls for the indirect provision of services.

E. Special rules for services involving direct calls between two customers (one-to-one services). The rules also apply to premium rate calls connected to a free service or another telephone number¹¹

Company: A company that has entered into an agreement with a telecom operator or WyWallet to provide the above service.

Operator: Telephonist, employed by or working for the company.

Customer: The caller.

- 1. The customer must be informed within 10 seconds of the applicable rates (cf. point B.1).
- 2. Lines that are used for one-to-one services must be monitored by an operator, whose duty is to ensure compliance with the rules stated in points E.4–7 below. Customers using a premium rate line, or a line that is connected to a premium rate line, must be informed immediately that calls on the line are monitored.
- 3. Persons employed as operators must be at least 18 years of age.
- 4. Minors (persons under the age of 18) may not make use of one-to-one services, either directly or through connection via an operator.
- 5. The call must be cut off immediately if the operator suspects that the customer is not an authorised user of the telephone from which the call is being made, or does not satisfy the conditions rules of point E.4.
- 6. Calls that can be assumed to be intended to offer the customer sexual stimulation are prohibited.

¹¹ These rules apply regardless of whether the service is marketed under a different name, such as one-to-one, one+one, chat direct, or the like. The rules also apply to premium rate services such as SMS-chat, WAP-GPRS chat or the like.

- 7. Information that is intended to promote sexual relationships for financial gain (procurement) is prohibited.
- 8. Points E.1-7 also apply to the use of premium rate calls for the indirect provision of services

F. Special rules for the use of Premium Rate Calls for the provision of services via the Internet or other visual media.

- 1. Premium rate calls may not be used to provide, directly or indirectly, interactive or otherwise directly transmitted video and/or audio clips if the purpose of the clip can be assumed to be to offer the customer sexual stimulation.
- 2. When a customer is to make a premium rate call, he/she must first be informed of the telephone number to be called and the rate charged, and give his/her explicit consent to the call. Tariff details must be permanently displayed on the screen throughout a premium rate call.

The software used to connect to premium rate services must be designed in such a way that the customer is unable to pass on to other Internet sites without first being disconnected so that he/she can continue to surf using their normal Internet provider. Software used for connecting to premium rate services may not be so designed that it becomes permanently installed on the customer's computer.

G .Special rules for customer service

- 1. The service provider shall provide customer service for all services. The customer service unit shall be accessible between 9.00 am and 4.00 pm on weekdays (excluding public holidays). The unit shall have a Swedish phone number and shall be reachable from a landline or mobile phone. Customer service personnel shall be fluent in written and spoken Swedish. When the unit is closed, information regarding opening hours shall be provided in Swedish on an answering machine. No extra charge, over and above the operator's normal call charge, may be imposed for calls to the service provider's customer service unit.
- 2. Complaints shall be dealt with within one day of being received. All complaints shall be dealt with individually. If the complaint does not result in the action required by the user being taken, the user shall be notified in writing of the reason why. The notification shall also include the complaint in full.
- 3. If the customer service unit cannot answer a telephone call within 10 minutes the user shall be given the opportunity to record a message on a telephone answering machine, or provide contact information using an IVR solution. In the answering service/IVR solution, the service provider shall request the user to say how he/she wishes to be contacted and ask the user to provide contact information. The telephone answering message or the IVR solution shall be in Swedish. The message shall be replied to within 24 hours or on the next weekday. This service shall also be available when the customer service unit in closed.

H. The aim of the ethical rules

In addition to what follows sections A-G above, neither the content of information provided on premium rate services nor the marketing of the same may be in clear breach of the aim of the ethical rules, which is to create a safe, sound and distinct market for premium rate services.

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