

**NEWS RELEASE**

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**NOTICE TO USERS SHOULD BE CLEAR, TERMINATION AND REFUNDS SHOULD BE SIMPLE**

*KCC recommends stricter notices for telecommunications companies regarding paid affiliate services, requires making service cancellation easier*

In the future, there should be fewer users who pay unwanted monthly usage fees by unknowingly being subscribed to an affiliated service of a telecommunications company. The Korea Communications Commission (KCC, Chairman Han Sang-hyuk) announced that the process for notifying users when signing up for and cancelling paid affiliate services (which are paid for through the three major telcos) will be improved. The process to cancel such services through the telcos will also be improved.

\*Mobile phone protection services, login protection services, motion key, safety keeper, etc.

Currently, it is not easy for users to realize that they have subscribed for value-added services affiliated with telecommunication companies because they may inadvertently click on advertisements in the process of using the telco app or website, and sign up without realizing it. The payments are included in the user’s mobile subscription plan, making it even harder to discover. Consequently, there have been increasing reports of user harm and complaints on this issue.

Accordingly, the KCC reviewed the subscription, usage, cancellation and refund procedures for 21 paid additional services (11 operators) affiliated with the three telecommunication companies.

The inspection confirmed the procedures did generally include obtaining consent from users when subscribing to paid services, as well as notification about usage fees and other important information. However, the KCC also discovered cases of user harm and inconvenience at each stage of signing up, usage and cancellation.

In the **sign-up stage**, the KCC found many cases of users signing up for affiliate services by inadvertently clicking on pop-up advertisements that induce sign-up while searching for an app or website ID/password or making a payment. In the **usage stage**, it was discovered that the SMS message sent after subscribing was sometimes unclear or misleading. In the **cancellation stage**, even after the user discovered their subscription status after the fact, it was not easy to find the cancellation method provided by the value-added service provider, or the user could not cancel immediately because there is no cancellation option provided by the telecommunications operator.

To prevent this kind of harm to users, the KCC issued the following correction measures to the top three telcos and main paid value-added service providers: **minimize pop-up advertisements** that cause user confusion; **notify users by SMS about important information** such as service name, fee, cancellation procedure when subscription is completed; in addition to the value-added service provider, telecommunication companies (customer center, website, app) should **provide a cancellation function**; in the case of a refund request, **offer refunds if there was no usage history**; if there is no usage record **after seven months, do not charge fees**. In order to implement the KCC’s measures, the three telecommunication companies completed system improvements by the end of June.

The KCC anticipates that this improvement will reduce harm to users caused by major paid value-added services affiliated with the three telecommunication companies. It announced it will carefully examine and improve measures in order to protect the rights and interests of users in the future.

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The Korea Communications Commission