

Misleading Ads and Telephone Service



Communities for Telecom Rights

What is a misleading ad?

There are many companies that want your business. These companies often advertise on television, radio, and in magazines and newspapers to get your attention. In addition, a lot of money is spent on advertising in many different languages. Some of these advertisements can be deceptive or misleading. Many times, the advertisement leaves out important information (such as additional charges) that you need to understand in order to make informed decisions. Sometimes, important information is in very small print.

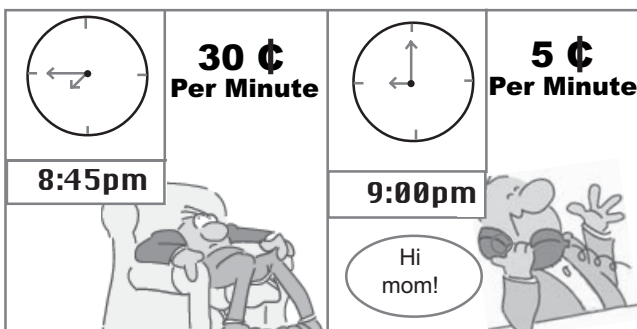
Examples of misleading ads for telephone service

Monthly Fees: An ad may state that long-distance calls are only 10¢ per minute. However, what is not mentioned clearly in the ad is that there is also a \$5.95 monthly fee.

Minimum Charges: An ad may state that long-distance calls cost only 5¢ per minute. However, there may be a minimum charge of \$1 for every call, even if the call is very short. Therefore a call that lasts only one minute will still cost \$1.

Climbing Rates*: An ad says that calls up to 20 minutes are only \$1. However, the rate for the call is 10¢ for each additional minute after the first 20 minutes.

Time Restrictions: An ad states that a rate for long-distance is 5¢ per minute for “off-peak*” calls. However, this rate is only available between 9 p.m. and 6 a.m. (the “off-peak” time period).



* refer to the glossary on the next page

Geographic Restrictions*: An ad states that long-distance calls within the U.S. are 5¢ per minute. However, this is only the rate for state-to-state calls. The rate for calls within the state may be higher.

For Example: If you are in California and make calls outside of California, that is a state-to-state call. You will be charged 5¢ per minute. If you make call inside California, these calls are within the state. The rates for calls within the state may be higher.

Promotional Restrictions*: An ad states that long-distance calls are only 5¢ per minute. However, this rate is only a promotional rate good for only 60 days after you sign up for service. After the 60 days pass, the rates for long-distance calls get much more expensive. Be sure you understand if a rate is only promotional!

Comparisons of Rates. An ad compares its rates with the rates of its competitors. The comparison shows that the company has much lower rates. However, the ad may be using competitors’ rates under

Continued...

Contact your local Community Based Organization(CBO)

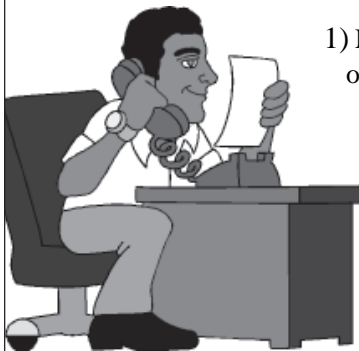
Take Action!

different calling plans or the rates the ad uses for competitors are old.

Nationwide Network. Some cell phone companies advertise nationwide services. However, the services may be limited to some states within the US and even further limited to specific cities within those states.

What can I do if I have been tricked by a misleading ad?

If you respond to an ad for telephone service, and you believe that the ad was misleading, here are some things that you can do:



- 1) Make sure you keep a copy of the ad. You may need it as evidence later.
- 2) Contact the CBO listed on this fact sheet.
- 3) Every phone company should have a phone number for you

to call to make complaints. Contact the company and find out if you can get a refund, if you can get your service canceled or if you can get credit for future service.

Glossary

Climbing rates - Charges for phone calls that get more expensive after the call lasts a certain amount of time.

Off-Peak - "Off-peak" hours are when less telephone calls are made. Usually off-peak hours are after 9:00 p.m. and before 6:00 a.m. on weekdays, and all-day on the weekends. Sometimes calls are cheaper during off-peak hours.

Geographic restrictions- Sometime advertised rates are only valid when you call certain parts of the country.

Promotional rates - These are rates that a company offers in order to get more business. The rates may only be valid for a limited time.

General tips to avoid being misled by ads.

- ◆ **Pay attention to all of the information in an ad.** Do not just focus on the advertised rate or the headline. Smaller print on ads may contain additional charges that you will have to pay or restrictions on the advertised rate.
- ◆ **Keep the ad.** Keep the ad that led you to sign up for service.
- ◆ **Keep all written material.** Keep any written material you were given when you started service.
- ◆ **Keep your bills for several months.** You may need this information to show that an ad was misleading.
- ◆ **Talk to a customer service representative with the company you are going to use before you sign up for service.**
- ◆ **Ask for information in writing.**
- ◆ **Ask if the company offers information in your native language.**

