

Pre-Paid Phone Cards: What Consumers Should Know

On September 1, 2011, the FCC's Enforcement Bureau announced \$20 million in proposed penalties against companies believed to be involved in deceptive marketing of pre-paid calling cards. Millions of dollars were lost in alleged scams that allowed customers to use only a fraction of minutes they purchased. Consumers from low-income and minority communities were disproportionately impacted. The FCC released this tip sheet to help consumers identify, prevent and fight this type of deceptive marketing for pre-paid phone cards.

What is a pre-paid phone card?

A pre-paid phone card is a card you purchase to make long distance phone calls that usually contains a specified number of calling minutes. A toll-free access phone number and a personal identification number (PIN) are usually printed on each phone card.

What should consumers look for before purchasing a pre-paid phone card?

- Make sure you understand the instructions on how to use the card;
- Make sure you understand the rates for your particular phone card;
- Read the fine print to understand any conditions or limitations on the card;
- Check whether the advertised minutes of the card apply only to a single call or over the course of multiple calls;
- Check the expiration date to avoid losing unused minutes;
- Look for a toll-free customer service number provided with or on the card;
- Ask your friends and family to recommend cards they have used and liked.

What are common complaints to watch out for when using your pre-paid phone card?

- Access numbers and/or PINs that don't work;
- Service or access numbers that are always busy;
- Card issuers that go out of business, leaving people with useless cards;
- Rates that are higher than advertised,
- Imposition of undisclosed "post-call" fees deducted after completing a call;
- Imposition of undisclosed "maintenance" fees deducted after a call or at regular intervals;
- Cards that charge you even when your call does not go through;
- Poor quality connections;
- Cards that expire without the purchaser's knowledge; and
- Per-call fees deducted from the time.

How to take action if you suspect something is wrong with your pre-paid phone card:

First, contact the card issuer (a number is usually listed on the back of the card).

If that doesn't work, you can file a complaint with the FCC's Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; filing it online at [FCC online form](#); or writing to:

Federal Communications Commission
Consumer & Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, SW
Washington, D.C. 20554.