

Media Contact:

Mike Snyder, (202) 418-0997 michael.snyder@fcc.gov

For Immediate Release

FCC ADOPTS NEW CONSUMER PROTECTIONS AGAINST 'SLAMMING' AND 'CRAMMING'

Commission Moves to Stop Unauthorized Switches of Consumers' Chosen Telephone Company and Unauthorized Charges on Their Phone Bills

WASHINGTON, June 7, 2018—The Federal Communications Commission today approved new rules to help protect consumers from the illegal and harmful practices of slamming, which is the unauthorized change of a consumer's preferred telephone company, and cramming, which is the placement of unauthorized charges on a consumer's phone bill.

Unscrupulous phone companies target vulnerable Americans by misrepresenting themselves on sales calls or fabricating a consumer's verification to switch service providers. Others go so far as to ask consumers to answer questions on an unrelated call and splice the responses into the alleged verification. And some simply cram charges on consumers' telephone bills for services that they never authorized.

With today's action, the Commission's rules now include a clear ban on misrepresentations made during sales calls and provide that such material misrepresentations invalidate any authorization given by a consumer to switch telephone companies. The Commission's rules also now include an explicit prohibition against placing unauthorized charges on consumers' phone bills. In doing so, the Commission reaffirms for the benefit of service providers and billing companies the existing prohibition against cramming to ensure there is no misunderstanding about previous authority and enforcement of that prohibition. These clear rules come in addition to the Commission's continued strong enforcement efforts to protect consumers from fraud.

Under the new slamming rules, phone companies that abuse the third-party verification process will be suspended from using that process for five years. Suspended companies will have to use other approved methods to verify switches. This will serve as a disincentive to carriers abusing the system and create an extra check on carriers with a history of misuse.

The Commission also took action to improve the efficiency of the third-party verification process by eliminating the requirement that a phone company must obtain the authorization of a consumer for each service being sold—a time-consuming step that the Commission found can confuse consumers.

Action by the Commission June 7, 2018 by Report and Order (FCC 18-78). Chairman Pai, Commissioners O'Rielly, Carr, and Rosenworcel approving and issuing separate statements.

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