



REPORT OF THE ADJUDICATOR

WASPA Member (SP)	Strike Media
Information Provider (IP) (if any)	Akazoo
Service Type	Subscription
Source of Complaints	WASPA Monitor
Complaint Number	11096
Date received	11 November 2010
Code of Conduct version	10.0

Complaint

On 9 November 2010, the WASPA Monitor conducted a comprehensive test of the Akazoo subscription service as advertised at the URL:
http://www.akazoo.co.za/clpsv2?msisdententry.aspx?application=v2_akazoomp3plain&uculture=en-za.

The Monitor entered their cellphone number and ticked the box provided on the landing page. They then received a pin number via an SMS which was entered on the webpage in the box provided.

Another 2 messages were subsequently received, one with a user name and password to be used to login to the site, and the other a confirmation message. An amount of R30.00 was deducted from the Monitor's account.

The given username and password was used to access their profile on the website. As per the promotional offer from the landing page, the Monitor then chose 3 free tracks.

Under the “music” tab on the site, the pricing for each item is stated in euro’s and rands. New subscribers are also given a number of tokens to be used on the site but the token value for each item is not specified. The user does not, therefore, know how many tokens are needed to download a particular item.

One song was downloaded from the website and the Monitor then accessed the WAP site to download the other two. Upon accessing the WAP site, they could not find the chosen songs. The Monitor tried on numerous occasions to phone the helpline number during operating hours. However the call was not answered.

The Monitor found a link to the WASPA site but the link was not operational.

The Monitor believes that the pricing information on the website is not clear enough. The use of euros on a South Africa website (i.e. www.akazoo.co.za) as well as rands and the lack of clarity on the token value needed for each item available for download needs to be remedied.

The Monitor also states that when trying to purchase an MP3, a consumer is not made aware that you are able to do so with credits, only pricing in both Euros and Rands are shown. The consumer isn’t made aware that he/she is able to purchase the intended MP3 via credits/tokens unless he/she clicks on one step further and the token option is then available.

The Monitor also alleges that section 4.1.2 has been contravened by the use of a landing page for an mp3 service to be subscribed to a social network service where music is available for download.

Furthermore, section 4.1.9 and 4.1.12 have been contravened because the telephonic support and link to the WASPA website are both non-operational.

SP’s response

The SP has stated in response to the complaints of the Monitor regarding pricing that each content item in the Akazoo Community can be downloaded by paying money

(credit card use) or by using Akazoo credits. Each subscribed user gets 500 credits on a weekly basis as a result of his subscription. Additionally, when a user is subscribed to Akazoo for the first time he gets a bonus of 900 credits. With the 900 bonus credits the user has the option to download any 3 MP3 songs he prefers. So, as far as a user has credits at his disposal there is no need to pay additional money.

When a user clicks on the MP3 he wants to download he has to choose if he wants to spend Akazoo credits or use his credit card.

The SP denies that there has been a breach of section 4.1.2. The site is not misleading and offers what it says it offers. The fact that it promotes other offerings from the same site should not be an issue.

The social network is free and optional and is not part of the subscription service. Nothing in the code to prevent promoting a social networking site by using music downloads as a hook.

The SP states that its call centre operates from Monday to Friday from 08h30 to 17h00. If a call is not answered after 6 rings it is diverted to voice mail.

The SP states that the IP is not a member of WASPA and is not obliged to provide a link.

Sections of the Code considered

4.1.1. Members must have honest and fair dealings with their customers. In particular, pricing information for services must be clearly and accurately conveyed to customers and potential customers.

4.1.2. Members must not knowingly disseminate information that is false or deceptive, or that is likely to mislead by inaccuracy, ambiguity, exaggeration or omission.

4.1.9. Any telephonic support must be provided via a South African telephone number and must function effectively. Should the member be unable to provide immediate support, a customer should be provided with the ability to leave a message. Support numbers may not forward to full voice mailboxes.

4.1.12. Members' web sites must include a link to the WASPA web site and/or this Code of Conduct.

Decision

I have noted the Monitor's concerns as well as the SP's response and find as follows:

1. The pricing on a South African website offering services to South African consumers must be quoted in rands only. There is no need for prices to be quoted in euro's.
2. The mechanism for using tokens or credits which are offered as part of the initial promotion and from the subscription must be easy for consumers to follow. I agree with the Monitor that the credit value for each content item should be listed with the price in rands.
3. The extra step that is currently needed to use credits to "buy" content is unnecessarily burdensome on the consumer and may prevent them from making use of such credits, thereby limiting their full enjoyment of their subscription.
4. I see no problem with the IP offering a music download service in conjunction with a social networking service, provided that the provisions of sections 11.1.1 and 11.2.1 are complied with. I therefore do not agree with the Monitor that the service contravenes section 4.1.2 of the Code.
5. I cannot make a finding on the operability of the SP's helpline number on the basis of the information before me. However, the Monitor is invited to test the number again in future and to refer the matter back to me with further details regarding the dates and times that such calls were made.

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6. I have noted the SP's response regarding the alleged contravention of section 4.1.12. However if a link to the WASPA website is provided, it should be operational.

The complaint is partially upheld as aforesaid.

Sanction

I have taken into account the previous complaints against the SP relating to the same subscription service and web-based promotion (see complaints 10447 and 11065), as well as to the SP's advices that the IP is currently working on changes to its website and that this particular promotion has not been running since September 2010.

With this in mind, the SP is hereby issued with a formal warning to ensure that the following changes are made to the IP's website and/or other promotional material for subscription services in South Africa before it is relaunched:

- a) All pricing information must be stated in rands and any reference to euros must be removed;
- b) The equivalent number of credits for each item available for download must be clearly shown together with the pricing in rands; and
- c) An operational link to the WASPA website must be provided.