



**FTCNewsLine** is an on-line quarterly newsletter of the **FAIR TRADING COMMISSION** that contains information on competition matters dealt with by competition agencies from around the world. The aim is to provide insights into some of the matters that are prosecuted in other jurisdictions; and to assist persons in better identifying issues that may pose competition concerns.

Competition legislations are specific to each jurisdiction and activities that are prohibited in one jurisdiction are not necessarily prohibited in other jurisdictions. For information on the prohibitions under the Jamaica's competition legislation, the **FAIR COMPETITION ACT**, please visit our website at [www.jftc.gov.jm](http://www.jftc.gov.jm).

*In this Issue we feature matters being handled by the FTC.*

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### **FTC launches investigation into LIME's 'Digi-Switch' Promotion**

The Fair Trading Commission (FTC) has launched an investigation into LIME's '*Digi-Switch*' promotion, after receiving several complaints regarding a change to the promotional offer. The promotion, when launched allowed for persons to receive for free 1000 minutes per month over a three-month period to call any LIME mobile and LIME landline numbers.

Several consumers, who have taken up the promotional offer, complained to the FTC alleging that LIME has adjusted the promotion by restricting the free minutes to be used for calls to LIME mobile numbers only. This means that subscribers who had signed up for the original offer would be required to pay for calls to LIME landlines numbers, even though they would not have exhausted their free minutes.

The complaints raise issues that could constitute the offence of *Misleading Advertising* in breach of section 37 of the Fair Competition Act (FCA).

### **Claro readjusts its credit validity periods after FTC intervention**

During the FTC's investigation into Claro's policy change regarding call credit validity periods, Claro readjusted those periods to allow for unused call credits to last for a longer duration.

In April 2010, Claro reduced the validity periods for all denominations of its call credit. For example, the validity period of a \$100 credit was reduced from 30 days to 7 days. This means that instead of having up to 30 days to use this credit, a subscriber would have to use it within 7 days. Following from several complaints from consumers claiming that their credit 'disappeared' even though they have not reached the expiry date, the FTC commenced an investigation, under section 37 of the FCA to determine (i) whether Claro had changed its validity periods; (ii) and if it had whether sufficient notice was given to alert subscribers of the

change in validity periods; and (iii) whether the policy change applied to subscribers with unused credit.

Section 37 of the FCA addresses misleading advertising; and makes the omission of material information an offence. Subsequent to a series of meetings between Claro's representatives and the Staff of the FTC, Claro reverted to the original validity periods for its call credit, and in some cases offers a longer period than originally offered. Claro also committed, upon condition, to giving each of its customers \$100 bonus credit monthly for a period of one year.

The FTC is satisfied with Claro's action in this regard, and therefore has closed the investigation without any further action. Consumers are reminded to be extremely vigilant, particularly regarding the terms and conditions under which they purchase products.

### **FTC issues press advisories to telecom providers**

On July 9 and 16 the FTC issued press advisories to all telecommunication service providers to (i) inform of its intention to vigorously pursue as breaches of the FCA, advertisements which use the word 'unlimited' in a manner which does not convey its ordinary meaning; and (ii) to inform of its guidelines with respect to the changing of terms and conditions under which pre-existing services are offered. Both advisories are available at [www.jftc.gov.jm](http://www.jftc.gov.jm).

### **FTC assesses complaints against 'fast cash' loan providers**

The FTC has been receiving complaints regarding the excessive interest rates and burdensome terms and conditions attached to loans provided by enterprises which specialize in offering fast cash and sometimes non-collateral loans.

The complaints relate to incorrect calculation of interest payments; uncertainty as to the disbursement of loan after the payment of a non-refundable processing fee and confirmation of approval of loan; and very high interest rates and default charges. One entity offers loan at an annualized interest rate of 416%. Consumers are urged to shop around for the best rates and terms and conditions of accessing these loans.

The FTC is now assessing the formal complaints received to determine whether the enterprises are operating in contravention of the FCA.

## **OTHER NEWS**

### **New Website**

FTC's more user-friendly website, [www.jftc.gov.jm](http://www.jftc.gov.jm), went live on October 1, 2010. The new site is easier to navigate as information is organized so that visitors can readily identify what they need. There are nine major categories on the website: news, about us, legislation, competition protection, consumer protection, publications, public register, research and reports.

From the homepage, consumers/businesses can now conveniently submit complaints to the FTC. A new feature, also present on the homepage is the 'request for information' tab which allows persons the ease and flexibility to request information from the FTC on matters relating to competition law and policy.