

## Prepaid Phone Cards: What Consumers Should Know

Prepaid phone cards can be purchased and used for a flat fee to make long distance telephone calls. Cards provide you a specified amount of call time to certain destinations. For example, advertisements for these cards may offer "\$5 for 1000 Minutes to Guatemala."

After purchasing a card, you use it by calling an access number, which can be either a local telephone number or a toll-free number. You will then be prompted to provide your personal identification number, usually listed on the card you purchased, and the telephone number you wish to call. An automated voice may tell you how much time you have left on your card, as well as give you other information or options.

### What should I look for before purchasing a prepaid phone card?

When buying a prepaid phone card, be sure you fully understand all of the instructions, fees, terms and conditions. Make sure you:

- Read the fine print on the packaging or back of the card to understand any conditions or limitations on the use of the card.
- Understand the rates for your particular phone card and any fees that may be assessed to use the card. In some cases the card's value will be reduced by "post-call," "disconnect" or "hang-up" fees after each time you use the card, or by a "maintenance" fee charged after you use the card for the first time and again at regular intervals.
- Check whether the advertised minutes for the card apply only to a single call or if the minutes can be used for multiple calls.
- Check the card's expiration date to avoid losing unused minutes.
- Look for a toll-free customer service number provided with or on the card, and make sure you will not be charged for calling it.
- Ask your friends and family to recommend cards they liked using.

### Beware of false advertising

Ads from certain prepaid card providers claim that buyers can make hundreds or thousands of minutes of calls to certain advertised destinations for just a few dollars. In reality, a consumer using these particular cards could make calls for only a fraction of those minutes due to multiple hidden fees and surcharges. In 2015, the FCC fined six companies \$30 million for deceptive marketing of calling cards.

### Common complaints associated with prepaid phone cards

As prepaid phone cards increase in popularity, some common complaints are:

- Access numbers and/or PINs don't work.
- Service or access numbers are always busy.
- Card issuers go out of business, leaving people with useless cards.
- Rates are higher than advertised, or contain undisclosed fees.
- Undisclosed "post-call" fees deducted after a call's completion.
- Undisclosed "maintenance" fees deducted after a call or at regular intervals.
- Cards charge you even when your call does not go through.
- Poor quality connections.

- Cards expire without the purchaser's knowledge.
- Per-call fees deducted from the call time.

### **What should I do if I have a problem with a prepaid phone card?**

First, try calling the customer service number listed on the card. If you're unable to contact the card issuer, you can file a complaint with the FCC.

### **Filing a complaint**

You have multiple options for filing a complaint with the FCC:

- File a complaint online at <https://consumercomplaints.fcc.gov>
- By phone: 1-888-CALL-FCC (1-888-225-5322); TTY: 1-888-TELL-FCC (1-888-835-5322); ASL: 1-844-432-2275
- By mail (please include your name, address, contact information and as much detail about your complaint as possible):

Federal Communications Commission  
Consumer and Governmental Affairs Bureau  
Consumer Inquiries and Complaints Division  
445 12th Street, S.W.  
Washington, DC 20554

### **Other problems?**

If you are having a problem with the local retailer from which you purchased the card, try calling or writing your local Consumer Affairs or Better Business Bureau or state Attorney General. These phone numbers are often found in the blue pages or government section of your local telephone directory.

Prepaid phone cards are often marketed by companies other than the telephone company or service provider. If you have concerns about deceptive or false advertising or marketing practices, you can contact the Federal Trade Commission:

- For more information, visit [www.consumer.ftc.gov](http://www.consumer.ftc.gov).
- Submit a complaint to the FTC online at: <https://www.ftccomplaintassistant.gov>.
- By phone: 1-877-382-4357 (voice) or 1-866-653-4261 (TTY)
- By mail:

Federal Trade Commission  
600 Pennsylvania Ave., NW  
Washington, DC 20580

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