



Report of the Adjudicator

Complaint number	#61664
Cited WASPA members	Yellow Dot Mobile
Notifiable WASPA members	N/A
Source of the complaint	WASPA Complaints Department
Complaint short description	Non-Compliant Service and Related Promotional Material
Date complaint lodged	2025-10-15
Date of alleged breach	2025-09-29
Applicable version of the Code	17.14
Clauses of the Code cited	5.4, 5.5, 8.8 & 15.4
Related complaints considered	60328, 60327, 60142 & 61663
Fines imposed	6 month Suspended Fines of R 15 000, R 20 000-00, R 7 500-00 and R 7 500-00 respectively.
Other sanctions	N/A
Is this report notable?	Not notable
Summary of notability	N/A

Initial complaint

The Complaint is here copied verbatim:

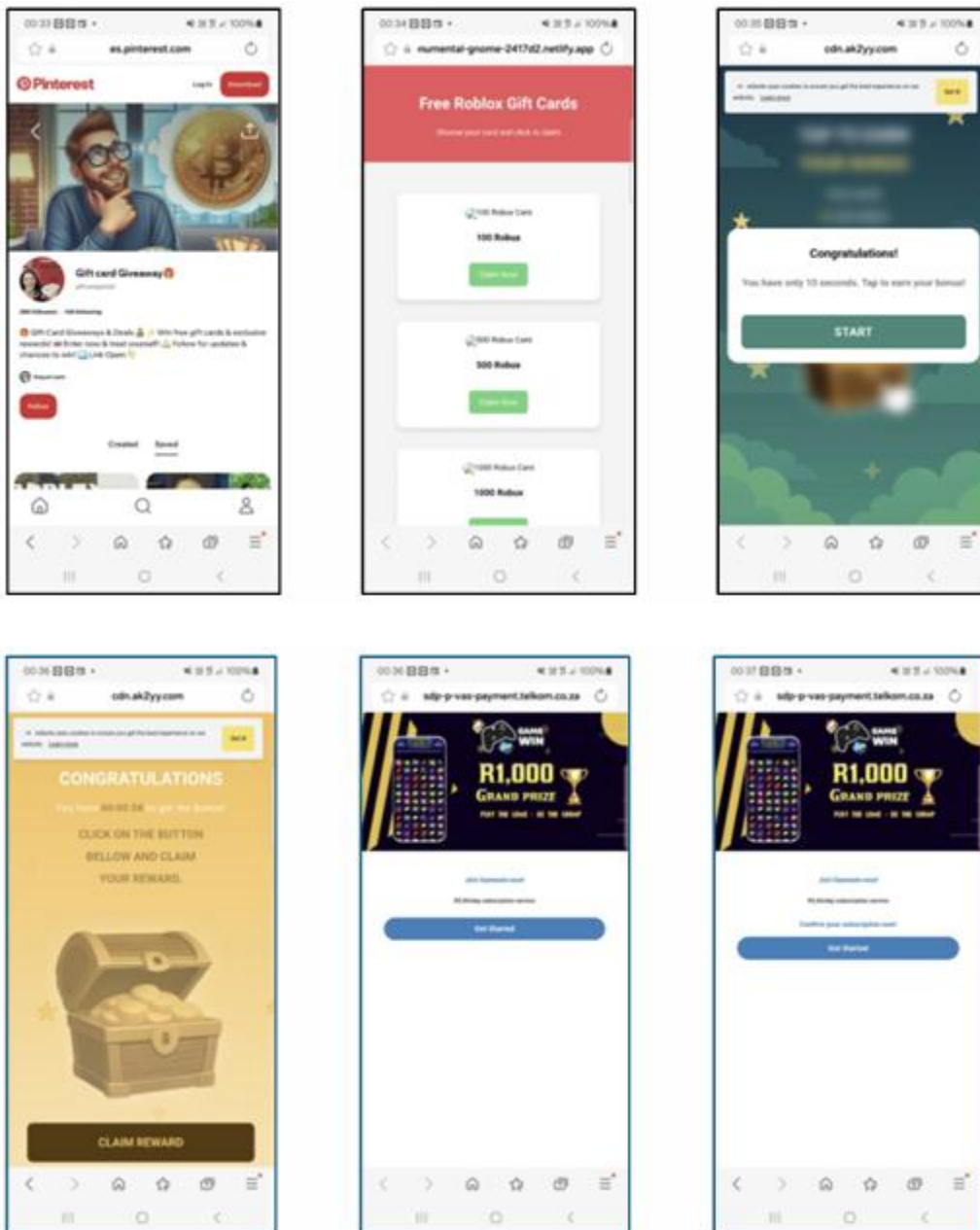
1. Whilst monitoring, testing services and conducting compliance checks of test results, the WASPA Compliance Department identified a service which do not comply with the requirements as set out in the WASPA Code of Conduct (Code). Below is an outline of the test result, together with the alleged breaches of the Code.

ANNEXURE A (GAMEWIN):

2. On or about the 29th of September 2025 a test was conducted on the Telkom network.
3. The tester was browsing on Pinterest on the 'Gift card Giveaway' page which stated: "Gift Card Giveaways & Deals. Win free gift cards & exclusive rewards. Enter now & treat yourself!..."
4. The tester clicked on the link was directed to a 'Free Roblox Gift Cards' page, which stated: "Choose your card and click to claim..."
5. The tester selected an offer with the expectation of redeeming the free Robux gift card and was directed to a page that stated: "Congratulations! You have only 10 seconds. Tap to earn your bonus...."
6. The tester clicked on the 'START' button and was directed to a page that stated: "CONGRATULATIONS You have 00:00:58 to get the bonus! CLICK ON THE BUTTON BELLOW AND CLAIM YOUR REWARD..."
7. The tester clicked on the 'CLAIM REWARD' button, with the expectation of claiming the reward, but was directed to the landing page for an unrelated subscription service called 'Gamewin' charged at R5.00 per day.
8. The tester clicked on the 'Get Started' button and was directed to the confirmation page for the subscription service called 'Gamewin' charged at R5.00 per day.
9. The tester elected to stop the test at this point as there were breaches of the Code during the subscription acquisition flow for the 'Gamewin' subscription service.
10. In summary:
 - a. The tester was browsing on Pinterest and clicked on a link to claim a free gift and/or reward. The tester followed the prompts, which they believed were related to redeem

free gift and/or reward. The tester was however directed to the landing page for a totally unrelated subscription service charged at R5.00 per day.

b. It appeared that the tester merely had to follow the prompts to redeem the free gift and/or reward. However, it appears that they first need to subscribe to the service in order to claim the existing reward which is a breach of Clause 15.4. Alternatively, if there is no existing prize/reward, then the member is in breach of Clauses 5.4 and 5.5.



CONCLUSION:

11. The following provisions of the Code have been breached:

5.4. Members must have honest and fair dealings with their customers.

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

8.8. Content that is promoted in advertising, must be the same content that is provided to the customer as part of the advertised service. Advertising must not mislead consumers into believing that it is for an entirely different service or for different content.

15.4 A member must not require that a customer join a subscription or notification service in order to claim an existing reward, to be able to redeem existing loyalty points or to claim a similar benefit. (Example of incorrect marketing: “to claim your prize, join this service”.)

12. The member’s service has breached several clauses of the Code and should be held liable for their non-compliant service.

Member’s response

In its response, the Member stated the following, here copied verbatim:

1. YellowDot Mobile SA (Pty) Ltd (YellowDot) acknowledges receipt of WASPA Formal Complaint Notice #61664 dated 20 October 2025.

2. YellowDot further acknowledges that the complaint received is with regards to breaches of the WASPA Code of Conduct, which are all in connection with marketing of YellowDot services on Telkom.

3. YellowDot wishes to assure WASPA that it conducts fair and honest business practices in the telecommunications industry in South Africa and will always endeavour to adhere to all rules and regulations that govern the industry in which we operate.

4. Regarding the misleading advertising cited in the Formal Complaint, YellowDot has communicated with the responsible service provider to address the flows identified as misleading. We reiterated our strict requirement that only approved marketing materials and flows be used in line with the WASPA Code of Conduct.

5. We have deployed additional measures, including MCP Insights and Evina solutions, to proactively monitor and manage subscription queries (SYCG) and flag any irregular activity as it arises.

6. YellowDot has signed an agreement with Evina, a global leader in anti-fraud services. Both the DCB Protect and Brand Protect solutions were successfully deployed. These systems are actively preventing fraudulent activity, including auto-subscriptions, misleading advertising, and other forms of abuse. Their deployment forms a critical part of our long-term strategy to ensure regulatory compliance and consumer protection.

7. Additionally, we have issued formal warnings to all marketing partners, reminding them of our zero-tolerance policy toward misleading tactics and reaffirming that any further non-compliance will result in immediate termination of partnership agreements.

Additionally, the Member also provided screenshots of its preventative measures and communications with the third party.

Complainant's response

In its response, the Complainant stated the following, here copied verbatim:

1. We refer to the abovementioned matter.
2. We have reviewed the original complaint, including the two independent tests performed on the 29th of September 2025, as well as the Respondent's formal submission dated the 31st of October 2025.
3. Our response below deals with the material issues raised and the applicable provisions of the WASPA Code of Conduct ("Code"). Any omission to respond to a specific point should not be construed as an admission of any sort.

Member Liability for Third-Party Marketing (Clauses 3.5 – 3.7)

4. The complaint arises directly from misleading advertising and subscription acquisition flows used to promote the Respondent's "Game Win" subscription service, as documented in the original complaint and test results.
5. Clauses 3.5, 3.6 and 3.7 of the Code impose a positive obligation on the Respondent to ensure that any client, supplier, affiliate or sub-contractor - including its chosen third-party marketing supplier - is aware of the Code (clause 3.5), markets services in accordance with the Code (clause 3.6), and where the supplier is not a WASPA member, the Respondent remains liable for any resulting breaches (clause 3.7).
6. The Respondent's submission implies that the misconduct originated with the third-party marketing agency. However, in terms of clause 3.7, liability remains with the Respondent, irrespective of which party executed or implemented the marketing material.

7. No evidence was provided demonstrating that the Respondent implemented sufficient pre-emptive oversight, prior-approval processes, or ongoing screening controls that would constitute “reasonable steps” under clause 3.7 to mitigate liability.

Use of MCP, Evina and Other Monitoring Tools

8. The Respondent highlights the deployment of MCP Insights, Evina DCB Protect, and Brand Protect solutions as evidence of enhanced monitoring and compliance controls. WASPA acknowledges the value of such tools and encourages their use.

9. However, implementing third-party monitoring or anti-fraud solutions does not absolve a member of liability when non-compliant marketing is discovered. These systems are assistive - not a substitute for required Code-aligned internal oversight, manual approval processes, and proactive monitoring obligations.

10. At the time the test was conducted (29 September 2025), the misleading and deceptive acquisition flows remained active and accessible to consumers. Accordingly, the breach occurred regardless of any later corrective action or technology deployments.

Remedial Action Recognised, But Liability Remains

11. The Respondent notes that it has:

- a. communicated warnings to marketing partners,
- b. reiterated requirements for use of approved flows,
- c. terminated the non-compliant agency, and d. implemented strengthened fraud and brand protection tools.

12. While these steps are positive and are taken into account as mitigating factors, they do not negate the fact that breaches occurred nor remove liability for the period in which the non-compliant acquisition flows were operational.

13. The test results confirm that consumers were misled into believing they were redeeming free games, free spins or rewards, and were instead routed to the “Game Win” subscription page at R5.00/day without clear, fair, or accurate marketing. This conduct is explicitly prohibited under clauses 5.4, 5.5, 8.8, and 15.4 of the Code, as set out in the original complaint findings.

Breaches of the WASPA Code of Conduct

14. The documented tests demonstrate violations of the clauses as set out in the original complaint. The Respondent’s submission does not dispute that these acquisition flows occurred.

Instead, it attributes them to the actions of a third-party marketing agency. For completeness, WASPA reiterates that clause 3.7 explicitly rejects such a defence.

Conclusion

15. Based on the evidence in the original complaint and the Respondent's submission, the "Game Win" subscription service was in breach of the Code at the time of testing.

16. The Respondent remains liable for all breaches arising from the conduct of its third-party marketing supplier and for failing to ensure Code-compliant acquisition flows, as required by clauses 3.5 to 3.7. Remedial actions taken after the fact are noted and may be considered in mitigation, but they do not extinguish liability.

17. We trust that the above clarifies the position and confirms the basis upon which the Respondent should be held liable for operating a non-compliant service.

Member's further response

The Member was provided with a final opportunity to respond, however did not do so in the time frame provided.

Sections of the Code considered

Service levels

5.4. Members must have honest and fair dealings with their customers.

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

Accuracy of services and content advertised

8.8. Content that is promoted in advertising, must be the same content that is provided to the customer as part of the advertised service. Advertising must not mislead consumers into believing that it is for an entirely different service or for different content.

15.4. A member must not require that a customer join a subscription or notification service in order to claim an existing reward, to be able to redeem existing loyalty points or to claim a similar benefit. (Example of incorrect marketing: "to claim your prize, join this service".)

Decision

After having considered all the information provided by both the Complainant and Member in this matter, the Adjudicator is of the opinion that the Member, not having denied the alleged breaches, and having acknowledged some, is liable as per section 3.7 of the WASPA Code of Conduct, for the breaches of sections 5.4, 5.5, 8.8 and 15.4 committed by its contracted agency.

The Adjudicator therefore concurs with the Complainant's assessment that sections 3.5, 3.6 and 3.7 of the Code impose a positive obligation on the Member to ensure that any client, supplier, affiliate or sub-contractor - including its chosen third-party marketing supplier - is aware of the Code (section 3.5), markets services in accordance with the Code (section 3.6), and where the supplier is not a WASPA member, the Member remains liable for any resulting breaches (section 3.7).

The Adjudicator further concurs, as per clause 9 of the Complainant's Response, that reimplementing third-party monitoring or anti-fraud solutions, does not absolve a member of liability when non-compliant marketing is discovered.

The Complainant also, in the opinion of the Adjudicator, correctly stated that these systems are assistive - not a substitute for required Code-aligned internal oversight, manual approval processes, and proactive monitoring obligations.

The Complaint is therefore upheld.

Sanctions

In determining appropriate sanctions against the Member, the following factors have been taken into consideration:

- any previous successful complaints made against the Member in the past three years;
- any previous successful complaints of a similar nature;
- the nature and severity of the breach; and
- any efforts made by the Member to resolve the matter.

The Adjudicator has taken note of the fact that the Member has on several occasions stated its intention of hammering out breaches by its third parties, but the record indicates that such breaches remain.

However, due to the fact that the Member has already been fined by this Adjudicator for exactly the same breach in Adjudication 61663 over the same period of time, albeit in respect of a different service, the Member is handed a suspended fine.

Therefore, a fine of:

- R 15 000-00 is levied against the Member for its breach of section 5.4,
- R 20 000-00 is levied against the Member for its breach of section 5.5,
- R 7 500-00 is levied against the Member for its breach of section 8.8 and
- R 7 500-00 is levied against the Member for its breach of section 15.4,

but suspended for a period of 6 months after having received notice hereof.

Any breach of any of these sections within this period will cause the suspension to lapse and the Member will be liable for the fines issued above.

Matters referred back to WASPA

None
