WASPA
WIRELESS APPLICATION SERVICE PROVIDERS' ASSOCIATION

Report of the Adjudicator

Complaint number	**#62092**
Cited WASPA members	**Digitalabs** **Membership no: 2133**
Notifiable WASPA members	**N/A**
Source of the complaint	**WASPA Compliance Department**
Complaint short description	**Fraudulent / unauthorised subscription** **Non-compliant pricing and acquisition flow** **Auto-subscription of subscription service**
Date complaint lodged	**2026-03-17**
Date of alleged breach	**2023-03-11**
Applicable version of the Code	***17.14***
Clauses of the Code cited	**4.2; 4.11; 5.4; 5.5; 12.1 read with 8.9; 15.8B; 15.9; 15.10; 23A.5**
Related complaints considered	**N/A**

Fines imposed	**The member breached clauses 4.11, 5.4, 5.5; 12.1 (read with 8.9), 15.8B, 15.9 and 15.10.** **the member is fined:** **a) R10,000.00 for the breach of clause 4.11;** **b) R2,500.00 for the breach of clauses 5.4 and 5.5;** **c) R5,000.00 for the breaches of clauses 12.1 (read with clause 8.9), 15.8B,15.9 and 15.10** **Total fine: R17,500, payable to WASPA within 14 days of publication and receipt of this adjudication.**
Other sanctions	**1) The member is ordered to identify, unsubscribe and refund all customers subscribed to Gamma Games through the impugned flow, from 10 March 2026 to the date of publication of this adjudication, if not already done so.** **2) The member is ordered to terminate and not reactivate Gama Games for a period of three months from the date of publication of this adjudication, and not thereafter unless it has corrected the breaches of the Code and implemented effective fraud-prevention controls.** **3) The WASPA Secretariat is instructed to inform all networks not to process any new subscription requests emanating from the Gama Games services for three months from the date of publication of this adjudication.** **4) Within 14 days of publication of this adjudication, the member must provide WASPA with a written compliance report confirming and evidencing:** **- the number of affected subscribers identified;** **- the refunds processed;** **- the steps taken to prevent unauthorised third-party traffic or endpoint exploitation;** **- the affiliate, publisher and ad-network monitoring controls implemented; and** **- confirmation that the services will not be reactivated until the three-month period has expired and the relevant controls are operational.**

Is this report notable?	**Not Notable**
Summary of notability	**N/A**

1. Initial complaint

1.1 This complaint was lodged by the WASPA Compliance Department ("the complainant") on 17 March 2026. The member was notified the same day through the emergency process. The emergency process was later withdrawn after the member stopped the source and marketing activities associated with the service, whereafter the matter proceeded a a formal complaint as per the normal process.

1.2 The complaint is based on a manual compliance test conducted by a complainant tester ("the tester") on 11 March 2026 at approximately 15:05 on the MTN network. The tester downloaded and installed the "AI Phone Clean" application from the Google Play Store and enabled notification access to the application. Thereafter, the tester selected "English-en" on the language selector page and clicked "Start". Shortly after installation, the tester received a welcome message confirming subscription to the "Gamma Games" service at R7.00 per day.

1.3 The essence of the complaint is that the tester was auto-subscribed to Gamma Games without engaging with promotional material, without being shown a landing page, without visible pricing adjacent to a call-to-action, and without any confirmation step or network-hosted confirmation page. The complainant further contends that the member's fraud prevention and mitigation mechanisms were absent or insufficient.

2. Member's response

2.1 The member's initial emergency response was that Gamma Games had been promoted by the content provider through in-house Google and Meta campaigns for some months without issue, but that when those campaigns stopped converting after 19 February 2026, a third-party traffic provider regarded as trusted at the time was hired to check whether subscription was functioning properly between 10 March and 16 March 2026. The member states that this most likely resulted in the impugned auto-subscription events.

2.2 The member further stated that all subscriptions after 10 March 2026 would be reversed and billing of those new subscriptions cancelled, that its relationship with the third-party traffic provider had been terminated, and that it would resume only with in-house traffic. The member also confirmed, when specifically asked by the Secretariat, that the source had been completely blocked and that all marketing activities had been stopped.

2.3 In its formal response to the formal complaint, the member stated that it had been notified by Worldplay on 16 March 2026 that the service had been flagged due to abnormal activity detected through fraud monitoring systems and MCP controls. It said its internal investigation identified a specific third-party traffic source, namely “Vertads”, as the origin of the anomalous activity, and that preliminary findings indicated malware associated with a third-party application, leading to unintended auto-subscription events. The member states that this activity was neither intentionally initiated nor authorised by it.

2.4 The member stated that it suspended all advertising and traffic acquisition associated with the service, terminated its relationship with Vertads, reviewed all conversions generated during the affected period from 10 March 2026 to 16 March 2026, provided subscriber logs to Worldplay, and coordinated with Worldplay to ensure that impacted users were unsubscribed and refunded where applicable. The member also stated that Gamma Games had generated approximately ZAR 306,141.36 in revenue over the preceding four months from a subscriber base of 27,797 users, and contended that this was an isolated incident linked specifically to the identified traffic source rather than systemic non-compliance.

2.5 The member further submitted that, although the root cause appears to have been external malicious activity, it acknowledges its obligation to ensure partner and traffic-source compliance, remains committed to cooperating with Worldplay and complying with WASPA requirements, and has implemented immediate corrective measures while reviewing further safeguards to prevent recurrence.

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3. Complainant’s further response

3.1 The complainant’s response was that the member’s remedial actions, including suspension of advertising, termination of the traffic source, refunds and coordination with Worldplay, were noted but were reactive in nature and did not demonstrate that adequate preventative or compliance mechanisms had been in place before the breaches were identified.

3.2 The complainant further submitted that the WASPA code of conduct (“the Code”) places a positive obligation on members to ensure proactive compliance, including through affiliates, partners and traffic sources, and that reliance on post-incident containment measures does not absolve liability for breaches observed during testing. It maintained that the service was non-compliant at the time of testing and that the member should be held liable accordingly.

4. Member's further response

4.1 In its final response, the member accepted WASPA's distinction between reactive and proactive compliance, but sought to clarify that the remedial actions taken were executed within an existing compliance framework, and that the non-compliant activity appeared to have originated from traffic that deviated from the approved setup and circumvented both the member's and the affiliate's controls. The member confirmed that the third-party traffic source had been terminated, that refunds for affected users had been fully applied, and that compliance controls had been further strengthened.

4.2 The member elaborated that it had a compliance and monitoring framework which included pre-launch compliance validation of service flows, ongoing traffic monitoring, affiliate onboarding procedures, and the ability to suspend campaigns in real time. It also relied on attached Google Ads campaign data, attached logs, and a pre-launch testing video to contend that all advertising under its direct control followed a compliant approved journey. The Google Ads material reflects an approved flow moving from a display banner to a Gamma Games landing page, then to an MTN consent page, then to successful subscription and the content portal.

4.3 The member nevertheless expressly acknowledged that breaches occurred at the time of testing, but submitted that it was limited in scope, promptly addressed, and did not reflect a lack of compliance intent or absence of preventative measures. It asked that the steps taken before and after the incident be taken into account in determining the appropriate outcome.

5. Sections of the Code considered

5.1 As the conduct complained of took place on or about 11 March 2026, version 17.14 of the Code applies.

5.2 It is alleged that the member infringed clauses 4.2, 4.11, 5.4, 5.5, 12.1 read with 8.9, 15.8B, 15.9, 15.10 and 23A.5 of the Code. The clauses read as follows:

> ***4.2.*** *Members must at all times conduct themselves in a professional manner in their dealings with the public, customers, other service providers and WASPA.*
>
> ***4.11.*** *Members must take reasonable steps to prevent their networks and systems from being used in a fraudulent manner, and must comply with WASPA's published best practices for fraud prevention.*
>
> ***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.*

8.9. *A “call-to-action” is any link, input box, short-code, or any other component of an advert which triggers the confirmation step for a transaction or a service. In the case where a mobile network operator provides a two-stage confirmation process for the service, the first page of this confirmation process may be considered to be the call-to-action.*

12.1. *For any web page, pricing information must be displayed for premium-rated services or when a mobile network operator prescribes specific advice of charge requirements. For these services, where there is a call-to-action, pricing information must be clearly and prominently displayed adjacent to the call-to-action.*

15.8B. *A customer must not be subscribed to any subscription or notification service without completing a confirmation step.*

15.9. *The confirmation step for any subscription service must require an explicit response from the customer of that service. The confirmation step may not be performed in an automated manner in such a way that the process is hidden from the customer.*

15.10. *For all subscription services initiated via a web page, there must be an additional specific confirmation step before the customer is billed. This confirmation step must be provided in one of three ways:*

(i) The customer's mobile carrier may implement the confirmation step.
(ii) The member can provide the customer with a “confirmation page”.
(iii) The member can send a “confirmation message” to the customer. The customer must not be charged for the confirmation message.

23A.5. *Subscription services must have a landing page prior to the confirmation step. An advert for a subscription service may not send a customer directly to a confirmation page but must link the customer to a landing page for the service. A landing page:*

(a) must clearly show the pricing information for the service;
(b) must contain a link to, or the URL of, the Ts&Cs for the service;
(c) must use only “subscribe” or “join” as the call-to-action, and may include additional words following “subscribe” or “join” which are not considered to be “intervening text” for the purpose of displaying pricing information;
(d) must not mislead by presenting examples of content not available as part of the service;
(e) must state the name of the service; and
(f) must include a description that makes the nature of the service clear to the customer.

This clause does not apply to adverts delivered via MTN's platform, managed by MTN or to advertising/services approved by MTN for use on Google, Meta or TikTok advertising platforms.

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6. Decision

6.1 Before considering the specific clauses cited in the complaint, it is necessary to consider clauses 3.5, 3.6 and 3.7 of the Code. These clauses are relevant because the member’s response is, in substance, that the conduct complained of may have arisen through a third-party traffic source acting outside the scope of its approved setup and compliance requirements.

6.2 Clause 3.5 requires members to ensure that any client, supplier, affiliate or sub-contractor who is not a WASPA member, but who provides or markets services covered by the Code, is aware of the Code's requirements. Clause 3.6 requires members to ensure that such third parties provide and market those services consistently with the Code. Clause 3.7 then provides that a member is liable for breaches of the Code resulting from services offered or marketed by a non-member client, supplier, affiliate or sub-contractor, although reasonable steps taken by the member may be considered as mitigation when determining liability or sanction.

6.3 These clauses do not mean that every third-party act automatically creates liability for a member in every possible circumstance. However, where a member's subscription services, systems, traffic sources, publishers or publicly reachable endpoints are used or technically exploited in a manner that results in unauthorised or non-compliant subscriptions, the member cannot avoid liability merely by pointing to third-party conduct. The question remains whether the service, as tested, complied with the Code, and whether the member had taken reasonable preventative steps. The member's evidence regarding its approved compliant journey and its post-incident steps is relevant, but it does not erase non-compliance at the time of testing.

6.4 Having reviewed the complaint and responses from the complainant and member, I have reached the conclusions set out below wherein I deal with the relevant clauses of the Code, in order.

Clause 4.2

6.5 Clause 4.2 requires members to conduct themselves professionally in dealings with the public, customers, other service providers and WASPA.

6.6 I do not consider it appropriate to find a separate breach of clause 4.2 merely because other, more specific clauses of the Code have been breached. Clause 4.2 is a broad standard of professional conduct and should not be used to duplicate liability where the conduct complained of is more precisely addressed elsewhere in the Code.

6.7 In this matter, the member's service flow was non-compliant and resulted in serious consumer-facing harm. However, the member responded promptly once notified, stopped the source and marketing activities, cooperated with the emergency process, provided fuller explanations in the formal process, and accepted that a breach occurred at the time of testing.

6.8 On that basis, while the underlying subscription flow was defective and non-compliant, I do not find that the member's conduct separately amounts to unprofessional conduct for purposes of clause 4.2.

6.9 Accordingly, I do not find a breach of clause 4.2.

Clause 4.11

6.10 Clause 4.11 requires members to take reasonable steps to prevent their networks and systems from being used fraudulently and to comply with WASPA's published best practices for fraud prevention.

6.11 The member contends that it had an existing compliance and monitoring framework, including pre-launch validation, traffic monitoring, affiliate onboarding requirements and the ability to suspend campaigns in real time. It also produced evidence of an approved compliant advertising flow under its direct control.

6.12 Those matters are relevant and do distinguish this case from one where no preventative framework at all is asserted. However, the incident and test show that, at the relevant time, the member's service or traffic chain was still capable of being used to create an unauthorised subscription to Gamma Games without a customer-facing confirmation process. The member's own explanation is that a third-party traffic source caused the problem between 10 March and 16 March 2026.

6.13 While I accept that the member did have some framework in place, I am not satisfied that the steps taken were reasonable and sufficiently effective to prevent the service from being used fraudulently in the circumstances that actually arose. Clause 4.11 is concerned with effective prevention, not merely the existence of processes in principle.

6.14 Accordingly, I find a breach of clause 4.11.

Clause 5.4

6.15 Clause 5.4 requires members to have honest and fair dealings with their customers.

6.16 A customer who downloads a phone-cleaning application, enables notification access, selects a language option, and clicks "Start" would not reasonably expect that doing so would result in a premium-rated daily subscription service being activated.

6.17 The member's explanation that this occurred through a third-party traffic source and was not intentionally initiated by it is noted. However, from the customer's perspective, the result was that a recurring paid service was activated without informed consent and without the disclosures and confirmation steps required by the Code.

6.18 I therefore find that the service, as experienced by the tester, did not constitute fair dealing with the customer.

6.19 Accordingly, I find a breach of clause 5.4.

Clause 5.5

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

6.21 The word “knowingly” must be considered carefully. However, in this matter, the member cannot avoid the application of clause 5.5 by asserting that the conduct may have arisen through a third-party publisher or advertising-network partner. In terms of clauses 3.5, 3.6 and 3.7 of the Code, the member remains responsible for the manner in which its services are marketed, promoted, accessed and subscribed to through non-member third parties.

6.22 In this matter, the deception lies not in a proved misleading banner or landing page shown to the tester, but in the customer-facing journey that omitted the material fact that the customer was being subscribed to a paid daily service. The tester was subscribed without being shown any compliant landing page, pricing disclosure, service explanation or confirmation step before subscription occurred.

6.23 This was deceptive by omission. The customer-facing process concealed, or at least failed to disclose, the material fact that the customer was being subscribed to paid daily services. The omission was not minor or technical. It went to the core of the transaction.The member was responsible for the service flow and for ensuring that any third-party traffic source did not result in customers being misled or subscribed without proper disclosure.

6.24 Accordingly, I find a breach of clause 5.5.

Clause 12.1 read with 8.9

6.25 Clause 12.1 requires pricing information to be displayed for premium-rated services and, where there is a call-to-action, for that pricing information to be clearly and prominently displayed adjacent to the call-to-action. Clause 8.9 defines a call-to-action as the component of an advert which triggers the confirmation step for a transaction or service.

6.26 The evidence is that the tester was subscribed after using the “AI Phone Clean” application. There was no visible pricing information for Gamma Games displayed adjacent to any call-to-action before the subscription occurred. The tester only saw the pricing after receiving the welcome message.

6.27 Accordingly, I find a breach of clause 12.1 read with clause 8.9.

Clause 15.8B

6.28 The evidence shows that, after the tester installed and used the “AI Phone Clean” application, the tester received a welcome message confirming that Gamma Games had already been activated. The tester had not, on the evidence before me, completed any confirmation step in relation to the Gamma Games service.

6.29 The member’s responses and attached material seek to show that its approved compliant journey ordinarily included a landing page and MTN consent page. However, that does not rebut the complainant’s evidence as to what happened in the test in question. Indeed, the member expressly acknowledges that a breach occurred at the time of testing.

6.30 That is insufficient to rebut the complainant's evidence. On the evidence before me, the tester was subscribed to a subscription service without completing a confirmation step.

6.31 Accordingly, I find a breach of clause 15.8B.

<u>Clause 15.9</u>

6.32 Clause 15.9 requires an explicit response from the customer and prohibits the confirmation step from being performed in an automated manner where the process is hidden from the customer.

6.33 The tester did not knowingly or explicitly respond to any Gamma Games confirmation step. The subscription event appears to have occurred automatically, or at least in a manner hidden from the tester, who only became aware of the subscription after receiving the welcome message.

6.34 Accordingly, I find a breach of clause 15.9.

<u>Clause 15.10</u>

6.35 Clause 15.10 requires an additional specific confirmation step before billing for all subscription services initiated via a web page. This may be provided by the mobile carrier, by a confirmation page, or by a confirmation message.

6.36 There is no evidence before me that the tester was presented with any such additional specific confirmation step before being billed or subscribed. The approved compliant flow shown by the member is relevant as to intended setup, but it does not establish that such a step was displayed or completed in this instance.

6.37 Accordingly, I find a breach of clause 15.10.

<u>Clause 23A.5</u>

6.38 Clause 23A.5 requires subscription services to have a landing page before the confirmation step. It further provides that an advert for a subscription service may not send a customer directly to a confirmation page, but must link the customer to a landing page containing the required pricing, terms, call-to-action, service name and service description.

6.39 Clause 23A.5 also provides that it does not apply to adverts delivered via MTN's platform, managed by MTN, or to advertising/services approved by MTN for use on Google, Meta or TikTok advertising platforms.

6.40 The incident occurred on the MTN network. That fact alone does not automatically bring the matter within the exclusion. The exclusion applies to specific categories of adverts or advertising/services: adverts delivered via MTN's platform, adverts managed by MTN, or advertising/services approved by MTN for use on Google, Meta or TikTok advertising platforms.

6.41 On the evidence before me, the complained-of activity arose from the “AI Phone Clean” application and the member suggests that the activity may have involved unauthorised third-party activity. There is no evidence that the relevant advert or service flow was delivered via MTN’s platform, managed by MTN, or approved by MTN for use on Google, Meta or TikTok advertising platforms.

6.42 However, there is also a difficulty with applying clause 23A.5 on these facts. The complainant’s case is not that a non-compliant advert sent the tester directly to a confirmation page without a landing page. The case is more serious: the tester was subscribed without seeing any advert, landing page, pricing display or confirmation page at all. Clause 23A.5 is aimed at landing-page requirements for subscription-service advertising flows. The present facts are better addressed under clauses 12.1, 15.8B, 15.9 and 15.10.

6.43 Accordingly, while the facts demonstrate that no compliant landing page was shown to the tester, I do not impose a separate finding under clause 23A.5. The non-compliance is sufficiently and more accurately captured under clauses 12.1, 15.8B, 15.9 and 15.10.

6.44 Accordingly, I do not find a breach of clause 23A.5.

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7. Sanctions

7.1 Before determining sanction, it is necessary to consider the seriousness of the breaches, the member’s prior conduct, the potential and actual consumer harm, the member’s response once notified, and the need for deterrence.

7.2 The aggravating factors are:

7.2.1 the breaches concern core consumer-protection mechanisms of the Code: pricing disclosure, informed consent, confirmation before billing, and fraud prevention; and

7.2.4 the member’s own explanation confirms that the issue arose through a third-party traffic source used in connection with the service during a defined affected period. If the member’s version is accepted at its highest, its systems were still capable of being used in precisely the fraudulent or unauthorised manner that clause 4.11 is intended to prevent.

7.3 The mitigating factors are:

7.3.1 the member responded, acted and engaged promptly after notification of the complaint;

7.3.2 the member undertook to reverse all subscriptions after 10 March 2026 and later confirmed that refunds for affected users had been fully applied;

7.3.3 the member provided a fuller explanation and supporting material aimed at showing that its approved traffic under direct control ordinarily followed a compliant journey;

7.3.4 the member has no previous formal complaints initiated or upheld against them with WASPA;

7.3.5 there is no evidence before me that the member continued the impugned flow after notification;

7.3.6 the member’s engagement in this matter was more responsive and constructive than would ordinarily justify the highest level of sanction; and

7.3.7 the available evidence does not establish a broader ongoing campaign after notification of the complaint.

7.4 I find that the member breached clauses 4.11, 5.4, 5.5, 12.1 read with 8.9, 15.8B, 15.9 and 15.10.

7.5 Taking the above into account, I fine the member:

a) **R10,000.00** for the breach of clause 4.11;

b) **R2,500.00** for the breach of clauses 5.4 and 5.5;

c) **R5,000.00** for the breaches of clauses 12.1 (read with clause 8.9), 15.8B,15.9 and 15.10

7.6 The total fine imposed is therefore **R17,500.00**.

7.7 The member is ordered to identify, unsubscribe and refund all customers subscribed to Gamma Games through the impugned flow, from 10 March 2026 to the date of publication of this adjudication, if not already done so.

7.8 The member is ordered not to reactivate Gamma Games for a period of three months from the date of publication of this adjudication, and not thereafter unless it has corrected the breaches of the Code and implemented effective fraud-prevention controls.

7.9 The WASPA Secretariat is instructed to inform all networks not to process any new subscription requests emanating from the Gama Games service for three months from the date of publication of this adjudication.

7.10 Within 14 days of publication of this adjudication, the member must provide WASPA with a written compliance report confirming:

7.10.1 the number of affected subscribers identified;

7.10.2 the refunds processed;

7.10.3 the steps taken to prevent unauthorised third-party traffic or endpoint exploitation;

7.10.4 the affiliate, publisher and ad-network monitoring controls implemented; and

7.10.5 confirmation that the services will not be reactivated until the three-month period has expired and the relevant controls are operational.

8. Matters referred back to WASPA

N/a