

Paris, 2 August 2006

Free condemns the latest upsurge in slamming and has provided a freephone number for subscribers who have been victims of this practice

In the last three months, at least 517 cases of legal action have been brought by Free subscribers against telcos which have used these underhand tactics

Since the beginning of this year, Free has noticed a considerable increase in occurrences of slamming - a phenomenon suffered by its subscribers since 2004. The term "slamming" describes the underhand tactics employed by certain unscrupulous telephone companies in order to switch the provision of telephone services over to them without the subscribers' consent.

Slamming (the unauthorised switching of telephone provider) occurs when a telco orders the transfer of a telephone line without the consent of the person who pays the bill for the line. As a result of this illicit practice, all the subscriber's services (telephone, Internet access, television) are cut off.

The methods used by these telephone companies are always the same:

- They obtain names, addresses and telephone numbers from directory listings, and then, as this information is initially all that is needed, the subscriber is signed up and isn't aware of the fact until the first bill arrives!
- They employ underhand tactics to obtain the signature of their victims, in addition to the subscriber's name, address and telephone number. One method is to stop people on their way out of a supermarket, for instance, and to ask them to fill in a competition entry form or a request for information to be sent to them later by post. Free advises consumers to be extremely wary, following an upsurge in such tactics in shopping centres at beach resorts since the beginning of the summer. Also, May and June both saw a large number of such cases at shows, trade fairs and exhibitions. For example, Free estimates that some 20,000 cases of slamming occurred at the Foire de Paris trade fair. Between 5,000 and 10,000 cases of slamming will routinely take place at a regional show or fair.
- They also carry out mis-selling over the phone, a practice which is particularly aimed at vulnerable members of society.

These telcos tend to use other companies as a front for their "business", and more often than not will claim that the action taken is the result of a mistake by a third party.

The problem lies in being able to identify a case of slamming, as the subscriber generally thinks that the problem has been caused by his/her telephone provider.

Once they become aware of the problem, it then takes time for the victims to cancel the switched subscription, suspend any payment collection procedures which have been initiated and restore their original service. Unfortunately, this is all too much trouble for most victims of

this practice, so they tend to give up and stay with the new telephone provider, even though their subscription has been switched improperly.

Free has never used such tactics, and only signs up new subscribers through its website, without using any direct sales techniques.

However, there has been a substantial increase in the number of instances of slamming. In the last three months, at least 517 cases of legal action have been brought by Free subscribers against such telcos which have interrupted their services.

Free condemns this practice and advises consumers to be very wary. Any Free subscribers who have suffered slamming are advised to call the freephone number specifically set up by Free for this purpose:

Slamming SOS freephone number: 0805 92 55 55

(calls are free from a landline and will be answered between 8 a.m. and 10.30 p.m., Monday to Friday, and from 9 a.m. to 8 p.m. on Saturdays and Sundays)

In its position as the leading alternative operator on the residential broadband market, Free has taken a number of measures to combat the slamming menace:

- First, it set up a specific procedure in January 2005 designed to speed up and ensure the successful completion of the operations necessary to restore telephone services slammed by unprincipled telcos, providing a special form on the account management pages of its website which victims of slamming can use to obtain the restoration of their service as quickly as possible.
- Second, it has alerted the regulator and the authorities to these practices, which can cause considerable inconvenience or worse for the subscribers concerned, resulting as they do in a total loss of services, including in particular the telephone service (which means that no calls can be made or received, including emergency calls).

With respect to the latter point, Free regrets that the action taken in the last eighteen months has not, so far, had any tangible result, in that the regulator has not challenged France Télécom's refusal to continue, in the context of its obligations relating to its wholesale broadband and unbundling service offerings, to carry out a proper check to ensure that the subscriber has consented to the change of provider.

A Free subscriber whose line had been slammed was recently awarded nearly 3,000 euros in compensation.

Free estimates that there will be approximately 500,000 cases of mis-selling in France this year. In view of the extent of this problem, Free would like the authorities to ban all forms of active door-to-door and telephone selling of telecommunications services.

Free is a subsidiary of Iliad.

The Iliad Group is a major player in the Internet and telecommunications markets in France through its subsidiaries Free (the leading alternative broadband operator with 1,905,000 broadband subscribers as at 30/06/2006), Onetel and Iliad Telecom (fixed telephony operators) and Kertel (prepaid phone cards), as well as IFW (wireless local loop). The Iliad Group was established in 1991 and currently has more than 1,300 employees. The Iliad Group is listed on the Euronext Paris Eurolist under the mnemonic code ILLD.