

ALERT TO BULKSMS.COM USERS

Issued on: January 23, 2007

SECURITY ALERT: POSSIBLE SMS MESSAGING FRAUD RISK

Bulksms.com has become aware of a possible fraud risk to our clients that operate web-based SMS businesses. The risk is from unscrupulous Italian consumers exploiting free SMS facilities.

The risk is specific to those web-based services businesses that allow consumers to send "message terminated" (MT) SMS's to their cell phones for free. These messages include: verification codes for sign-up to repeat services, service messages responding to incorrect data entries, and requests for "message origination" (MO) confirmation as part of a website sign-up process.

Up to this point, users have had no control over the content of these messages and therefore have not presented any fraud risk to clients. However, a threat has now been reported.

In late 2006, the Italian mobile network operator H3G (3 Italia) introduced a tariff that rewarded subscribers with €0.02 for every SMS message they received. The reward was doubled to €0.04 if the cell phone number was ported from another network operator. The H3G offer is both legal and ethical and, in effect, shares its message termination revenues with its subscribers.

The problem, however, is that Italian consumers have been made aware by several websites that they can exploit the H3G's reward mechanism to get more airtime credits by taking advantage of free web-based SMS services. These services could be located in Italy or elsewhere.

The fraud occurs when consumers send themselves sign-up SMS's from the free web-based services. These consumers then earn money at the sender's expense on receipt of each text message.

Initially, the fraud was seen on an isolated individual consumer basis. More recently, the threat has increased with distributed bot networks sending anonymous messages on a large-scale, multi-site basis.

To protect your business, we recommend that web-based businesses using applications that are SMS-enabled address the risk by:

1. Limit the number of SMS messages a consumer can send themselves from your website.
2. Setting up a filter within your application to prevent messaging to Italian numbers (i.e. on country code 39) if consumers are not entitled to make use of this service.
3. Contact Bulksms.com and ask us to block your account from sending to Italy.



About BulkSMS.com

BulkSMS.com is a leading wireless application service provider offering bulk SMS solutions to the businesses, organisations, schools and individuals in South African, United Kingdom, European, and USA. BulkSMS.com is based in Cape Town, South Africa, and has been in operation since 2000.

BulkSMS.com offers bulk SMS messaging, subscription and premium rate solutions to meet the needs of business, public benefit organisations and individuals. BulkSMS.com provides messaging services via the Internet, email and BulkSMS Messenger, its desktop SMS application. BulkSMS.com is able to offer clients with white label messaging solutions and supports the integration of messaging systems with a client's applications using an e-API. BulkSMS.com also offers the WAP Content Platform which provides the platform to host and access mobile content.

Contact Details

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