



Whether you see your cell phone as a convenience or a necessity, you want service that will meet your needs at the best price. This fact sheet explains your options for wireless service. It also provides tips for managing your wireless costs, protecting yourself against fraud and theft, and handling billing or service issues.

Wireless phone service

- Prepaid wireless is cellular service bought in advance and not subject to a credit check or contract. Postpaid wireless is a monthly subscription service that requires credit approval and imposes a cancellation fee if the contract is broken.
- There are two types of prepaid plans: pay-as-you-go, and monthly arrangements that require you to pay in advance for a certain number of minutes. Minutes are debited from your account as you use them and can be reloaded (purchased) as needed using a credit or debit card online or by phone.
- Phone rates depend on such things as the number of minutes you buy, when and where the minutes are used, and whom you talk to (calls between a single carrier's customers often are free). All outgoing and incoming calls use up minutes.
- Generally speaking, the more minutes you buy, the lower the per-minute rate.
- All prepaid minutes come with an expiration date. You pay less for a short-term expiration period and more for a long-term one.
- When buying prepaid wireless service, watch out for activation fees, minimum purchase requirements, daily access fees or a higher rate for the first minutes used each day, roaming (out-of-range usage) and data (texting, email and Internet access) capability and rates, international calling (if you'll be traveling), rules about unused minutes, and the per-minute rate for minutes that exceed your plan.
- If you allow your prepaid plan to expire, you may have to pay a reactivation fee. Or, the carrier may close the account, which means you lose the phone number.
- Whether you choose prepaid or postpaid service, you'll save money by finding a plan that closely matches your usage pattern. (Check past bills, if you have any.)
- Check the carrier's coverage map (in the store or online) before committing.
- Postpaid contract plans often come with a free or discounted phone. If you take advantage of a free or discounted phone upgrade after you start service, it may extend your contract.
- Ask your wireless carrier about parental controls available for kids' wireless devices. Visit www.wiredkids.org to learn more.
- Add your wireless phone number to the National Do Not Call registry (888-382-1222; www.donotcall.gov) to reduce unwanted marketing calls and text messages.

Phone number portability

- "Porting" means keeping your existing phone number when you switch to a new carrier. Under the Federal Communications Commission's (FCC) rules, you can keep this phone number as long as you remain in the same geographic area.
- To avoid losing your number, wait until the transfer is complete before canceling your old phone service.
- The FCC prohibits carriers from refusing to port a number because a consumer has not paid a porting fee. If your new carrier charges a fee, ask if it can be waived.
- Your old carrier may not refuse to port your number, even if you owe them money.
- When you switch wireless companies, you may need to buy a new phone if the companies use different technologies.

Managing your wireless phone costs

- Look for a plan that lets you buy more minutes at the same price if you run out.
- Avoid directory assistance (411) calls, which can cost up to \$2 each.
- When deciding whether a wireless phone plan is affordable, ask for an estimate of your monthly charges including taxes and surcharges. (These can add up to 20 percent to the monthly cost of a wireless plan.)
- Call your provider now and then to ask if there is some way to reduce your monthly charges, or if there are any discounts or incentives they can offer.
- If you spend most of your minutes talking with the same few people, it may save all of you money to go with a single carrier that allows unlimited free in-network calls.
- Many postpaid wireless plans offer tools for managing your family's usage—the ability to suspend or restrict minutes or block messaging, for example. A prepaid plan also can help you control family members' usage—you only load the number of minutes you choose.
- Don't make international calls without getting rates and information from your carrier first. There may be less expensive options, such as using an Internet-based calling service or using a calling card and a traditional wireline phone. Also, be aware that you may incur charges even if your phone is simply turned on and performs routine functions such as downloads and voicemail retrieval.

Handling billing disputes and service complaints

- Your cellular service contract will grant you a trial period of at least two weeks. If you're dissatisfied with your service, cancel by that date. (You will be responsible for any calls made during the time you used the service.)
- Monitor your usage (by phone or online) if you are concerned about exceeding your minutes or data allowance. Read your bill carefully to make sure you haven't been charged for unwanted services or calls you didn't make.
- If the carrier significantly modifies your service plan, they must provide at least 14 days notice and the right to cancel your contract with no early termination fee.
- If given the option, opt out of an arbitration agreement—you don't want to give up your right to sue your service provider in court or join a class action lawsuit.
- Try to resolve any problems directly with your service provider within 30 days of receiving the bill. Pay the undisputed portion of your bill by the due date.
- The Federal Communications Commission (FCC) regulates cellular/wireless service. Visit www.fcc.gov to learn more. To file a complaint with the FCC, visit <http://esupport.fcc.gov/complaints.htm>, email fccinfo@fcc.gov, or call 888-225-5322 (888-835-5322/TTY).
- You can also file a complaint with the local Better Business Bureau (find your local office at www.bbb.org) and your local and state consumer protection agencies (<http://consumeraction.gov/state.shtml>).

Preventing theft and fraud

- Be aware that it's possible for wireless phone communications to be intercepted.
- If you have a Bluetooth-enabled phone, turn Bluetooth off when not in use to reduce the risk of having your communications or data intercepted.
- Use the password security option that all or most cell phones offer.
- If your cell phone is stolen, you are responsible for all the calls that are made until you report the theft. If you can't find your phone but you're not sure it's been lost or stolen, you may have the option to put the account on hold until you find it.
- Update the phone's software frequently to protect against any new security threats.
- Erase the phone's hard drive before you sell or discard the device.

Consumer Action created the Empower U project under a grant from the California Consumer Protection Foundation. Consumer Action empowers low to moderate income and limited-English-speaking consumers nationwide to financially prosper through education and advocacy. To learn more, visit www.consumer-action.org.