How To Avoid 'Bill Shock' From Smartphone Use

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Americans who've been traveling abroad are all too often stunned by the size of their mobile phone bill. Even if they aren't actively using their phone, they can rack up hundreds, sometimes thousands of dollars in charges — resulting in what consumer advocates call "bill shock."

Los Angeles resident Lisa French thought she was being careful when she took her smartphone on a trip to Japan.

"I was advised not to make any phone calls, as phone calls overseas are very, very expensive," she says.

And so is text messaging — something French says she wasn't planning to do, either. She took note of an alert that popped up on her phone shortly after arriving in Japan, which warned about possible data charges. But she wasn't planning to spend a lot of time online.

"Since I had traveled to Germany and Barcelona in the past, and I really only got about $30 or $40 more on my phone bill, I thought, 'OK, it's only going to be about that much.' "

She was in for a big surprise. A few days into her trip, French checked her account online.

"I found at the very bottom — very hard to read — that I had $462 in roaming charges," she says. "It was like a slap in the face."

Tips For Travelers

Avoid making overseas calls or sending texts.
Change your settings to turn off the roaming function.
Use Wi-Fi instead of a carrier's network.
Turn your phone off when it's not in use.
Or, to be certain, buy a prepaid phone at your destination.
Use a data-tracker app to keep an eye on costs.
For tips for specific phone models, visit the CTIA blog.

Smartphones try to connect to the Internet using Wi-Fi; it's often free, so you don't incur connection charges. But if the device doesn't pick up Wi-Fi, it will use a local cellular network. And what runs up the bill is usually data.

Mike Gikas, a senior editor at Consumer Reports, explains that even when you don't think you're using the phone, the device is running in the background — retrieving email, updating apps and tracking your location.

"All of these things that happen nonchalantly on your phone," he says, "suddenly you'll be paying $5, $10,
$15 a megabyte — which you can burn through in no time."

For example, location-based restaurant reviews, even ones you don't specifically ask for, could cost $2 or $3 each. And you might get a half-dozen or more of them in a single day.

"The trick for consumers is to be informed," says William Freedman, a senior official at the Federal Communications Commission.

In 2010, the FCC proposed rules to get wireless carriers to provide timely and effective notice to consumers about these charges. But the cellphone companies countered with a voluntary standard, which the government agreed to.

"Significantly, they agreed that these alerts would be provided free of charge. And there was no opt-in" for the service, Freedman says.

While some wireless carriers are already providing consumers with alerts, carriers don't have to fully comply with the industry standard until next spring.

People traveling before then do not have to wait; there are a number of steps you can take right now. One solution is to simply buy a prepaid local phone once you reach your destination. But if you can't part with your smartphone, John Walls of industry group CTIA says, you can turn off your phone's roaming function.

That way, he says, "the only time that phone will work in a data capacity is in a Wi-Fi area that won't cost you."

You can also turn the device off completely, and turn it on only if you know you are inside a Wi-Fi hot spot. Or you can purchase a prepaid data plan. In short, Walls says, consumers have choices.

"But you do have to be proactive and, in this case, go get it," he says.

Before leaving home, Walls says, travelers should call their wireless carrier's customer service line and check the provider's website for information about its roaming policy and plans.

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