

Skype Settles Class Action Over Expiration of Credits

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Skype, a service that lets consumers make phone calls online, agreed to settle a class action that challenged the company's policy of expiring credits that were older than 180 days. While Skype is free for consumers who call each other over the internet, there are fees associated with various additional features. To use these features, consumer can purchase "credits." However, if a consumer's account remains inactive for more than 180 days, the credit is wiped out.

The plaintiffs argued that the Skype credit is essentially a gift card, and that imposing an expiration date or inactivity fees violates laws in various states. As part of the settlement, Skype will pay \$1.8 million toward a settlement fund, which will provide eligible class members with electronic vouchers for Skype credit of up to \$4 each. Skype also agreed to do away with its 180-day expiration policy. More information about the settlement is available on this [website](#).

If your company sells credits for your services, check with your legal counsel before imposing expiration dates on the credits or using any mechanism that could deplete the number of credits in a consumer's account. Gift card laws in certain states may be broad enough to apply to your credits and could restrict your ability to deplete or expire the credits.