

Press Release

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Parliament falls short in ensuring Data Act brings benefits for consumers

Upcoming EU rules on data-sharing, supposed to give consumers more power to decide what happens to data generated by their connected products, could end up having only limited value. The European Parliament today unfortunately gave data holders too much leeway to restrict data sharing.

In the Data Act, it should be possible for the data generated by a smart fridge to be taken to a third-party service provider if the consumer wishes to go to a cheaper repair service, for example.

However, under the Parliament's position adopted today, if the data holder argues that the data in question was processed using 'complex proprietary algorithms', or that sharing it would undermine the security of the product, it can refuse a third party's access to the data.

In practice, this means that consumers could find they still have little control over the access and use of the data from their connected devices.

It is nevertheless positive that the Parliament wants to, amongst other improvements, ban passing on to consumers any fees that a company might charge a third party for its access to data. The Parliament also introduces a ban on the use of dark patterns which might manipulate consumers into sharing more data with unwanted companies or for purposes they would disagree with.

Ursula Pachl, Deputy Director General of the European Consumer Organisation (BEUC), said: "Today's vote means that if a company doesn't want to allow the sharing of data in certain circumstances, it can play hard ball and prevent it. That is a shame given that the very essence of the Data Act was to open up the sharing of data to increase competition, meaningful innovation and consumer control over the data they generate. Some companies may simply prefer to sit on the data they hold and exploit it for their own purposes.

"There is a risk that, in the upcoming negotiations with Member States, data holders are given even more means to obstruct data sharing. The EU legislator shouldn't lose sight of a core objective of this law which is to ensure that consumers can benefit from the data economy through the measures in the Data Act."

ENDS

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