



Contact: Sébastien Pant | Tel: +32 (0)470 13 47 38

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Consumer groups red card Meta's latest pay-or-consent policy

The European Consumer Organisation (BEUC) has written to relevant EU enforcement authorities to share its concerns that Meta's latest pay-or-consent policy in the EU may be infringing consumer and data protection law as well as the Digital Markets Act.¹

At the end of 2024, Meta rolled out a <u>second version</u> of its pay-or-consent policy,² after last year's version caused an uproar from consumer and other civil society groups³ and triggered the opening of investigations⁴ by European authorities. In November 2023, the tech giant's original pay-or-consent mechanism required Facebook and Instagram users again to either consent to the processing of their personal data for advertising purposes by the company or pay a fee in order not to be shown advertisements based on their personal data.

The new version of Meta's pay-or-consent policy fails to address the fundamental problems consumer groups identified in the tech giant's pay-or-consent initial approach.

Agustín Reyna, Director General of the European Consumer Organisation (BEUC), said:

"European consumers should not be fooled by the cosmetic changes Meta applies to its one-year-old payor consent policy. In our view, the tech giant fails to address the fundamental issue that Facebook and Instagram users are not being presented with a fair choice and is making a weak bid to argue it is complying with EU law while still pushing users towards its behavioural ads system. It is important for consumer and data protection authorities and the European Commission to quickly investigate Meta's latest policy and, if needed, take immediate and effective measures to protect consumers."

Bureau Européen des Unions de Consommateurs AISBL | Der Europäische Verbraucherverband



¹ Meta was designated a gatekeeper under the Digital Markets Act and must comply with its rules since March 2024.

² The amended subscription model has not yet been rolled out to all users in the EU.

³ BEUC, 'Choose to Lose with Meta' coordinated action launched in November 2023 with Асоциация Активни потребители (Bulgaria), dTest (Czech Republic), Forbrugerrådet Tænk (Denmark), UFC-Que Choisir (France), EKPIZO & KEPKA (Greece), Adiconsum (Italy), Latvijas Patērētāju interešu aizstāvības asociācija (Latvia), Vartotojų aljansas (Lithuania), Consumentenbond (Netherlands), Forbrukerrådet (Norway), Federacja Konsumentów & Fundacja Konsumentów (Poland), Spoločnosť ochrany spotrebiteľov (S.O.S.) Poprad (Slovakia), ZPS (Slovenia), Asufin & CECU (Spain), Sveriges Konsumenter (Sweden), Union Luxembourgeoise des Consommateurs (Luxembourg).BEUC, 'The Meta Smokescreen' coordinated action launched in February 2024 with dTest (Czech Republic), Forbrugerrådet Tænk (Denmark), EKPIZO (Greece), UFC-Que Choisir (France), Forbrukerrådet (Norway), Spoločnosť ochrany spotrebiteľov (S.O.S.) Poprad (Slovakia), Zveza Potrošnikov Slovenije – ZPS (Slovenia) and CECU (Spain). Consumentenbond (Netherlands) sent a letter to the Dutch data protection Authority.

⁴ See for example: European Commission, 'Commission sends preliminary findings to Meta over its "Pay or Consent" model for breach of the Digital Markets Act' press release (1 July 2024) and European Commission, 'Commission coordinates action by national consumer protection authorities against Meta on 'pay or consent' model' press release (22 July 2024).

BEUC and its members consider Meta's newest pay-or-consent policy breaches EU law on numerous counts, including:

- using misleading practices and unclear terms and confusing interface design to steer users towards Meta's preferred option;
- not giving to users the possibility to consent fully freely to their data being processed, while the tech giant does not minimise the data it collects from users; and
- Meta degrades the service to users who do not consent to the use of their personal data.

Background

- October 2023: Meta announces it will introduce its first pay-or-consent policy in the EU.
- **November 2023**: BEUC and 19 of its members <u>file</u> complaints with their consumer protection authorities on grounds that Meta was engaging in unfair commercial practices.
- **February 2024**: BEUC and eight of its members <u>launch</u> complaints with data protection authorities arguing the consent Meta was obtaining from its users was likely illegal.
- July 2024: The European Commission <u>finds</u> that Meta's pay-or-consent policy does not comply
 with the Digital Markets Act. In parallel, consumer protection authorities (through the CPCNetwork) <u>raise</u> concerns against Meta's pay-or-consent model suspecting of breaching EU
 consumer law.
- **November 2024**: Meta rolls out its second version of pay-or-consent.
- January 2025: BEUC alerts authorities to adopt swift and deterrent enforcement action against Meta.

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