



Contact:Pauline Constant: press@beuc.euDate:30/04/2021Reference:BEUC-PR-2021-014

BEUC welcomes EU Commission's formal charges against Apple for distorting competition in music streaming

BEUC welcomes the European Commission's <u>decision</u> to file formal charges against Apple for using its App Store rules to distort competition for music streaming services in the EU's Single Market. The Commission's preliminary view is that in doing so, Apple has broken EU antitrust rules, restricting consumers' choice of services at competitive prices. The charges – filed today – follow an in-depth <u>investigation</u> opened by the Commission in June 2020.

Monique Goyens, Director General of The European Consumer Organisation, commented:

"Europe's consumers expect and deserve access to a full range of music streaming services without their choices being restricted or prices being inflated unfairly by internet gatekeepers. BEUC therefore welcomes that the Commission has filed formal antitrust charges against Apple for its App Store practices and looks forward to a final decision that will benefit consumers as soon as possible."

The Commission has filed charges that Apple has distorted competition by requiring companies that wish to distribute apps to users of Apple devices to:

- use Apple's own proprietary in-app purchase system "IAP" for the distribution of paid digital content, which requires app developers to pay Apple a 30% commission on all subscription fees through IAP. The Commission's investigation has shown that most streaming providers passed this fee on to end users by raising prices.

- refrain from informing users of alternative purchasing possibilities outside of apps (e.g. via the app developer's own website). While Apple allows users to use music subscriptions purchased elsewhere, its rules prevent developers from informing users about such purchasing possibilities, which are usually cheaper. The Commission is concerned that users of Apple devices pay significantly higher prices for their music subscription services or they are prevented from buying certain subscriptions directly in their apps.

The Commission's preliminary view is that Apple has used these App Store rules to unfairly favour its own music streaming services. The Commission investigation has found that Apple's App Store disadvantages competing music streaming services, thereby depriving users of cheaper music streaming choices and distorting competition. If the Commission's preliminary view of Apple's practices were confirmed, they would be in breach of EU Treaty antitrust rules' ban on abuse of monopoly power.

ENDS

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