

EU investigates Facebook's proposed purchase of Kustomer

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In this March 29, 2018, file photo, the Facebook logo is seen on screen at the Nasdaq MarketSite, in New York's Times Square. European Union regulators are opening an in-depth investigation of Facebook's plan to buy Kustomer over concerns that the deal would stifle competition for customer relationship management software. The EU Commission said Monday, Aug. 2, 2021 that it's also investigating because its worried Facebook would get more data for personalized ads, which would give it even more of an advantage in the online advertising market. Credit: AP Photo/Richard Drew, File

European Union regulators are opening an in-depth investigation of Facebook's plan to buy Kustomer over concerns that the deal would stifle competition for customer relationship management software.

The [EU Commission said](#) Monday it's also investigating the acquisition because of worries that Facebook would get more data for personalized ads, handing it even more of an advantage in the online advertising market.

The social network announced the deal in November as it seeks to make more money from its WhatsApp and Messenger chat services, which have thrived during the pandemic, by adding ways for businesses to interact with customers. Kustomer provides software that help companies manage online conversations with customers over various channels by putting them into a single dashboard.

"Our investigation aims to ensure that the transaction will not harm businesses or consumers, and that any data that Facebook gets access to does not distort competition," EU Executive Vice President Margrethe Vestager, the bloc's top competition watchdog, said in a press statement.

Facebook pledged to fully cooperate with the European Commission, and said the transaction is "pro-competitive" and will result in more innovation.

"More people will benefit from [customer service](#) that is faster, richer and available whenever and however they need it," Facebook said.

The U.K. competition watchdog began looking into the deal last week over concerns it would result in a "substantial lessening" of competition.

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