

German watchdog raps Google over user data practices

January 11 2023



Google and other US tech giants have been under intense scrutiny in Europe over their business practices.

Germany's antitrust regulator on Wednesday criticised the way Google handles users' data and threatened action against the US tech giant.

Data collected by Google was used to "create very detailed user profiles which the company can exploit for advertising and other purposes", the Federal Cartel Authority said.

Based on a preliminary assessment, the watchdog determined that users were not given sufficient clarity on the "far-reaching processing of their data across services" by the tech company.

"General and indiscriminate data retention... is not permissible" without giving users choice, the watchdog said.

The Federal Cartel Authority was therefore "currently planning to oblige the company to change the choices offered", it said, adding that it expected to issue its final decision this year.

"Google's business model relies heavily on the processing of user data," said the authority's chief Andreas Mundt.

The digital giant had "access to relevant data gathered from a large number of different services" which meant it enjoyed "a strategic advantage over other companies", Mundt said in a statement.

Google said in a statement it would continue its "constructive dialogue" with the Authority "in order to address their concerns".

The warning comes after Google was classified as a company of "paramount significance across markets" in 2021.

The designation gives Germany's regulators the option to intervene earlier against potentially uncompetitive practices by huge digital companies.

The watchdog has also opened probes into other US tech giants such as

Amazon and Facebook.

At the end of last year, the regulator shelved a separate investigation into Google's News Showcase service, after the firm made "important adjustments" to ease competition concerns.

Big tech companies have been facing increasing scrutiny around the globe over their dominant positions as well as their tax practices.

In July 2022, the European Parliament adopted the Digital Markets Act to curb the market dominance of big tech companies, with violators facing fines of up to 10 percent of their annual global sales.

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Citation: German watchdog raps Google over user data practices (2023, January 11) retrieved 23 April 2024 from <https://techxplore.com/news/2023-01-german-watchdog-raps-google-user.html>

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