

UK targets big tech to boost online consumer rights

April 25 2023



Credit: Unsplash/CC0 Public Domain

Global tech giants could face fines of up to 10 percent of their annual turnover if a British government bill to protect consumers launched on Tuesday becomes law.

The bill aims to strengthen competition in digital markets and crack down on subscription traps as well as prevent online scams such as fake reviews.

It envisages giving the Competition and Markets Authority (CMA) regulator greater powers to tackle breaches of consumer rights law directly rather than through lengthy court proceedings.

"The reforms will also heighten the consequences for wrongdoers as the CMA and the courts will have the power to impose penalties of up to 10 percent of global turnover for breaching consumer law," the government said in a statement.

"Today's bill will also enable the government to ban the practice of facilitating fake reviews or advertising consumer reviews without taking reasonable steps to check they are genuine.

"New rules will ensure consumers can exit subscriptions in a straightforward, cost-effective, and timely way and require that businesses issue a reminder to consumers when a free trial or introductory offer is coming to an end."

Other measures include handing the CMA new powers to tackle the "excessive dominance" of a small number of tech firms, which the government said had "stifled innovation and growth across the economy".

A new Digital Markets Unit within the CMA will be able to intervene to prevent businesses and consumers being "unfairly disadvantaged by the biggest players".

"If a firm is deemed to have strategic [market](#) status in key digital services, the DMU will be able to step in to set tailored rules on how

they behave and operate," it added.

A threshold for this will apply to firms with a global turnover above £25 billion or a UK turnover above £1 billion.

Tech giants in firing line

That potentially puts global tech giants such as Meta, the parent company of Facebook, as well as Google, Amazon, Apple and Microsoft in the firing line.

A Microsoft spokesperson told AFP: "We will be considering the content of the bill and look forward to engaging with policy makers during its passage through parliament."

Meta said it was not commenting for now, Google, Amazon and Apple did not respond immediately to requests for comment.

A second proposed law—the Online Safety Bill—is currently making its way through parliament.

It aims to give [internet users](#) and particularly children greater protection from exposure to pornography or harassment.

In the European Union, the Digital Markets Act, which comes into force this year, will also target anti-competitive practices by tech giants and [digital services](#).

It aims to stamp out disinformation and hateful content.

© 2023 AFP

Citation: UK targets big tech to boost online consumer rights (2023, April 25) retrieved 6 May 2024 from <https://techxplore.com/news/2023-04-uk-big-tech-boost-online.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.