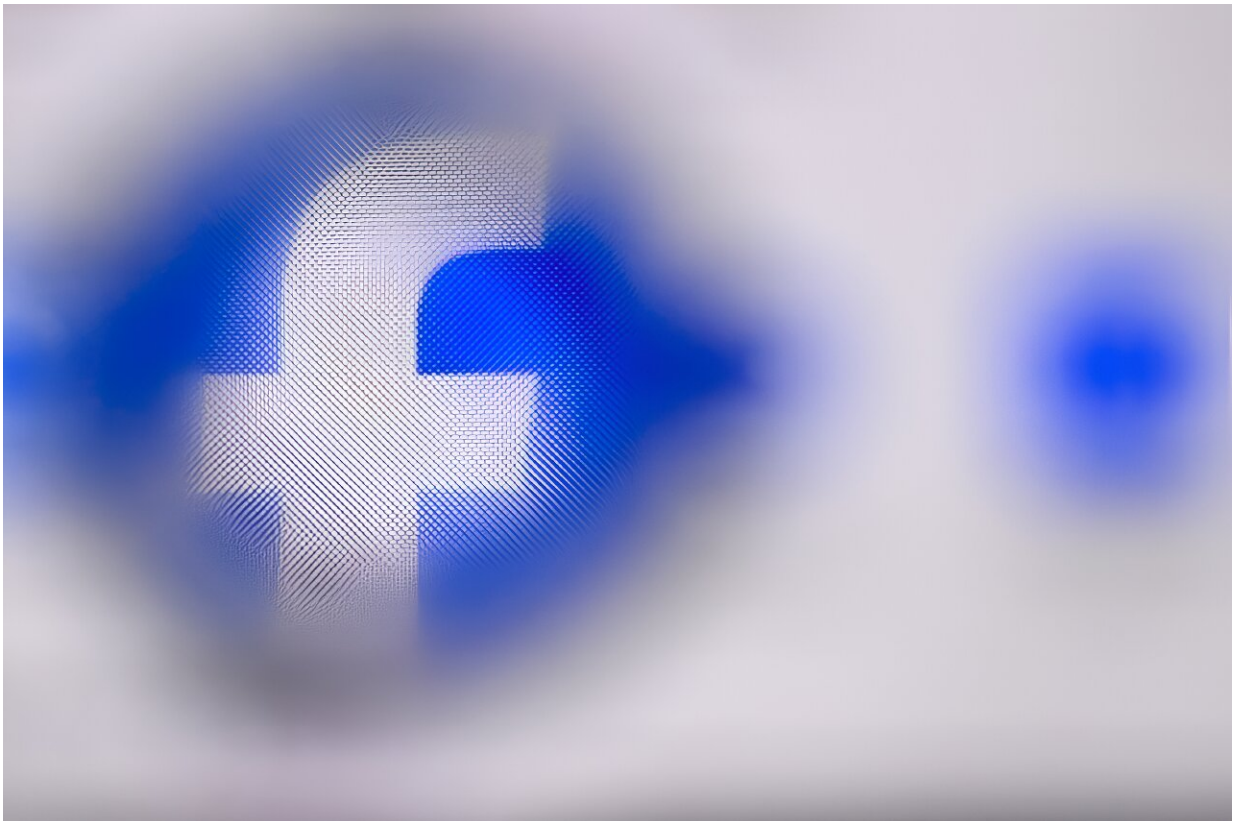


EU consumers challenge Meta paid service as privacy 'smokescreen'

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Meta has reaped rich financial rewards by selling its users' data to advertisers, but its model has pit it against EU regulators.

Consumer groups from eight EU countries lodged complaints against Meta on Thursday, accusing the Facebook and Instagram owner of

illegally processing user data and using its "pay or consent" system as a "smokescreen" for privacy breaches.

Meta has reaped rich financial rewards by selling user data to advertisers, but its business model has pitted the US tech giant against EU regulators over data privacy.

In November, Meta launched a "pay or consent" system allowing users to withhold use of their data for ad targeting in exchange for a monthly fee—a model already facing two challenges from privacy and consumer advocates.

Announcing the latest action, the European Consumer Organisation (BEUC) called the system "a smokescreen to obscure the real problem of massive, illegal data processing of users which goes on regardless of what users choose."

Meta dismissed the "general and unfounded accusations" regarding data use. "We strongly dispute these," a spokesperson said.

Eight consumer groups in the Czech Republic, Denmark, France, Greece, the Netherlands, Norway, Slovenia and Spain are filing complaints with their local data protection authorities, the Brussels-based BEUC umbrella body said in a statement.

The groups argue that Meta is still violating the European Union's mammoth general data protection regulation, which has been at the root of EU court cases against the online giant.

"It's time for data protection authorities to stop Meta's unfair data processing and its infringing of people's fundamental rights," said Ursula Pahl, BEUC deputy director general.

BEUC in a report said that Meta is violating the EU data law's principles that demand transparency as well as limiting how much user data it processes and what it is used for.

"Meta seems to be of the opinion that in order for the company to earn money with advertising, it is justified to collect any imaginable data on consumers' activities, location, personalities, behavior, attitudes and emotions," the report said.

"In reality, the massive exploitation of the private lives of hundreds of millions of European consumers for commercial gain fails to respect various fundamental principles of the GDPR."

Flurry of complaints

The Silicon Valley company allows users of Instagram and Facebook in Europe to pay between 10 and 13 euros (around \$11 and \$14) a month to opt out of data sharing.

Under the GDPR law, consent must be freely given but BEUC argues that its model coerces consumers into accepting Meta's processing of their personal data.

"The company also fails to show that the fee it imposes on consumers who do not consent is indeed necessary, which is a requirement stipulated by" an EU top court.

"Under these circumstances, the choice about how consumers want their data to be processed becomes meaningless and is therefore not free," the report said.

When Meta announced paid subscriptions in October, it stressed that it was in line with what regulators and courts wanted.

"It conforms to direction given by the highest court in Europe: in July, the Court of Justice of the European Union (CJEU) endorsed the subscriptions model as a way for people to consent to data processing for personalized advertising," it said.

Watchdog decision looms

The challenges are the latest in a cat-and-mouse game between the EU and Meta.

The EU's data watchdog, the EDPB, in December told Meta it could not use the personal data of users for targeted ads without their explicit consent.

The EDPB is due to decide in the next few weeks whether a fee system like Meta's violates the bloc's data privacy laws.

Thursday's complaint is the third against Meta's "pay or consent" scheme.

BEUC in November said together with 19 of its members that they had launched a joint complaint with Europe's network of consumer protection authorities against the system.

Before that, a separate complaint was filed by privacy group NOYB, which has won countless victories against Meta and others.

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