European Commission - Press release





Commission finds Apple and Meta in breach of the Digital Markets Act

Brussels, 23 April 2025

Today, the European Commission found that Apple breached its anti-steering obligation under the Digital Markets Act (DMA), and that Meta breached the DMA obligation to give consumers the choice of a service that uses less of their personal data. Therefore, the Commission has fined Apple and Meta with €500 million and €200 million respectively.

The two decisions come after extensive dialogue with the companies concerned allowing them to present in detail their views and arguments.

Non-compliance decision on Apple's steering terms

Under the DMA, app developers distributing their apps via Apple's App Store should be able to inform customers, free of charge, of alternative offers outside the App Store, steer them to those offers and allow them to make purchases.

The Commission found that Apple fails to comply with this obligation. Due to a number of restrictions imposed by Apple, app developers cannot fully benefit from the advantages of alternative distribution channels outside the App Store. Similarly, consumers cannot fully benefit from alternative and cheaper offers as Apple prevents app developers from directly informing consumers of such offers. The company has failed to demonstrate that these restrictions are objectively necessary and proportionate.

As part of today's decision, the Commission has ordered Apple to remove the technical and commercial restrictions on steering and to refrain from perpetuating the non-compliant conduct in the future, which includes adopting conduct with an equivalent object or effect.

The fine imposed on Apple takes into account the gravity and duration of the non-compliance.

Today, the Commission has also closed the investigation on Apple's user choice obligations, thanks to early and proactive engagement by Apple on a compliance solution. You will find more information on these decisions here.

Non-compliance decision on Meta's "consent or pay" model

Under the DMA, gatekeepers must seek users' consent for combining their personal data between services. Those users who do not consent must have access to a less personalised but equivalent alternative.

In November 2023, Meta introduced a binary 'Consent or Pay' advertising model. Under this model, EU users of Facebook and Instagram had a choice between consenting to personal data combination for personalised advertising or paying a monthly subscription for an ad-free service.

The Commission found that this model is not compliant with the DMA, as it did not give users the required specific choice to opt for a service that uses less of their personal data but is otherwise equivalent to the 'personalised ads' service. Meta's model also did not allow users to exercise their right to freely consent to the combination of their personal data.

In November 2024, after numerous exchanges with the Commission, Meta introduced another version of the free personalised ads model, offering a new option that allegedly uses less personal data to display advertisements. The Commission is currently assessing this new option and continues its dialogue with Meta, requesting the company to provide evidence of the impact that this new ads model has in practice.

Without prejudice to this ongoing assessment, today's decision finding non-compliance concerns the

time period during which end users in the EU were only offered the binary 'Consent or Pay' option between March 2024, when the DMA obligations became legally binding, and November 2024, when Meta's new ads model was introduced.

The fine imposed on Meta also takes into account the gravity and duration of the non-compliance, while noting that today's decisions taken against Apple and Meta are the first non-compliance decisions adopted under the DMA.

Today, the Commission also found that Meta's online intermediation service Facebook Marketplace should no longer be designated under the DMA. The decision follows a request submitted by Meta on 5 March 2024 to reconsider the designation of Marketplace. Following a careful assessment of Meta's arguments and as a result of Meta's additional enforcement and continued monitoring measures to counteract the business-to-consumer use of Marketplace, the Commission found that Marketplace had less than 10,000 business users in 2024. Meta therefore no longer meets the relevant threshold giving rise to a presumption that Marketplace is an important gateway for business users to reach end users.

Next Steps

Apple and Meta are required to comply with the Commission's decisions within 60 days, otherwise they risk periodic penalty payments.

The Commission continues its engagement with Apple and Meta to ensure compliance with the Commission's decisions and the DMA more generally.

Background

On <u>25 March 2024</u>, the Commission opened non-compliance investigations into Apple's rules on steering in the App Store and Meta's "pay or consent model". On <u>24 June 2024</u> and <u>1 July 2024</u>, the Commission respectively informed Apple and Meta of its preliminary view that the companies were in breach of the DMA.

Apple and Meta had the possibility to exercise their rights of defence by examining in detail all the documents in the Commission's investigation files and comprehensively replying in writing to the Commission's preliminary findings. The Commission can fine non-compliant companies up to 10 % of their global annual turnover.

For more information and latest news on the DMA, please check the **Commission website**.

IP/25/1085

Quote(s):

"Today's decisions send a strong and clear message. The Digital Markets Act is a crucial instrument to unlock potential, choice and growth by ensuring digital players can operate in contestable and fair markets. It protects European consumers and levels the playing field. Apple and Meta have fallen short of compliance with the DMA by implementing measures that reinforce the dependence of business users and consumers on their platforms. As a result, we have taken firm but balanced enforcement action against both companies, based on clear and predictable rules. All companies operating in the EU must follow our laws and respect European values."

Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition - 23/04/2025

"Enabling free business and consumer choice is at the core of the rules laid down in the Digital Markets Act. This includes ensuring that citizens have full control over when and how their data is used online, and businesses can freely communicate with their own customers. The decisions adopted today find that both Apple and Meta have taken away this free choice from their users and are required to change their behaviour. We have a duty to protect the rights of citizens and innovative businesses in Europe and I am fully committed to this objective."

 $Henna\ Virkkunen,\ Executive\ Vice-President\ for\ Tech\ Sovereignty,\ Security\ and\ Democracy\ -\ 23/04/2025$

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