

Google faces multibillion-pound lawsuit from UK consumers

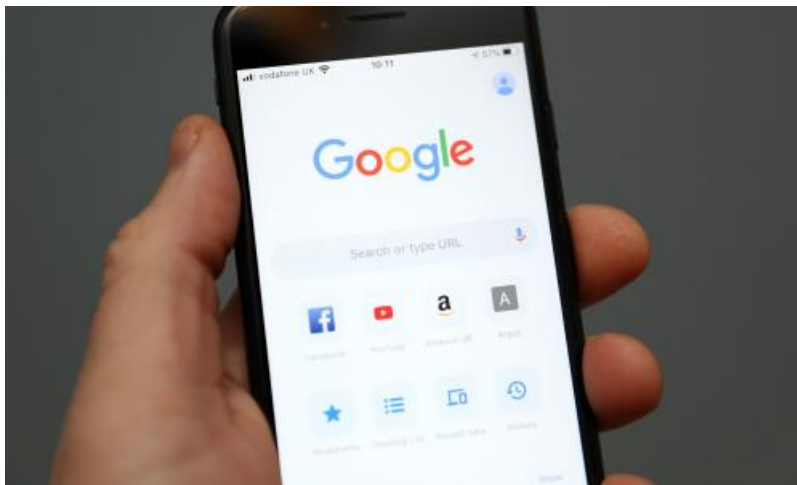
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Google faces a new multibillion-pound lawsuit from UK consumers accusing the company of contributing to cost-of-living price rises. The lawsuit, on behalf of every consumer in the UK, says that Google has stifled competition in the search engine market, which caused prices to rise across the UK economy. The lawsuit filed with the Competition Appeal Tribunal claims that Google has broken competition law and raised the cost of living for every UK consumer. Google has been accused of shutting out competition in mobile searches, and using its market dominance to raise the prices paid by advertisers for their spot on the Google search page, according to the claim. These are then passed on to consumers. The class action is funded by Hereford Litigation, a global commercial litigation funder. Nikki Stopford, co-founder of Consumer Voice, a consumer rights campaigner and the class representative in the action, said: "This action aims to redress the balance – not only by getting people back what they're owed but also by holding Google to account for its actions." Estimated compensation of £7.3bn has been requested for about 65 million UK users over the age of 16, meaning at least £100 per person on average. Earlier this year, the US justice department and eight states filed lawsuits against Google over allegations that the company abused its dominance of the digital advertising business. The UK's Competition and Markets Authority (CMA) has also launched an investigation into whether Google has abused its dominant position through its conduct in ad tech. According to the CMA, in 2019, Google paid Apple approximately £1.2bn to ensure default status on Safari in the UK alone. In the lawsuit, Google is accused of crowding its search pages with paid advertising – pressuring companies to pay more for "clicks", rather than depending on consumers finding their sites themselves. The lawsuit claims that a more competitive search engine would select ads based more on relevance to the user than the price paid by the advertiser. The lawsuit says that commercial agreements between Google and Apple to ensure Google was the default search engine for the Safari browser preinstalled with iOS, Apple's iPhone operating system, contributed to allowing Google to maintain its dominant position on mobile. Google Ads generated more than \$224bn in revenue in 2022, accounting for almost 80% of parent company Alphabet's revenue (\$283bn in 2022). Stopford said: "Google has fixed things, sometimes unlawfully, so it is the default search engine on practically all mobile phones in the UK. It abused its market dominance to charge advertisers more than if the market had been competitive – for example, for the sponsored links you see when you use Google to search for something. Advertisers have inevitably passed these higher costs on to shoppers." Luke Streatfeild, partner at legal firm Hausfeld, who is leading the litigation, said: "Google provides a great service, but it isn't free. Instead, this claim says that Google has choked off competition in search engines for years, to the detriment of the businesses that use its services – and,

ultimately, consumers. The lack of competition leads to higher prices and poorer quality, and the effects of this are felt throughout the UK economy.” A Google spokesperson said: “This case is speculative and opportunistic – we will argue against it vigorously. People use Google because it is helpful. We only make money if ads are useful and relevant, as indicated by clicks – at a price that is set by a real-time auction. “Advertising plays a crucial role in helping people discover new businesses, new causes and new products.”