

Facebook changes its terms and clarify its use of data for consumers following discussions with the European Commission and consumer authorities

Brussels, 9 April 2019

Today, the European Commission and consumer protection authorities have welcomed Facebook's updated terms and services. They now clearly explain how the company uses its users' data to develop profiling activities and target advertising to finance their company.

The new terms detail what services, Facebook sells to third parties that are based on the use of their user's data, how consumers can close their accounts and under what reasons accounts can be disabled. These developments come after exchanges, which aimed at obtaining full disclosure of Facebook's business model in a comprehensive and plain language to users.

Vera **Jourová**, Commissioner for Justice, Consumers and Gender Equality welcomed the agreement: "Today Facebook finally shows commitment to more transparency and straight forward language in its terms of use. A company that wants to restore consumers trust after the Facebook/ Cambridge Analytica scandal should not hide behind complicated, legalistic jargon on how it is making billions on people's data. Now, users will clearly understand that their data is used by the social network to sell targeted ads. By joining forces, the consumer authorities and the European Commission, stand up for the rights of EU consumers."

In the aftermath of the Cambridge Analytica scandal and <u>as a follow-up to the investigation on social</u> <u>media platforms in 2018</u>, the European Commission and national consumer protection authorities requested Facebook to clearly inform consumers how the social network gets financed and what revenues are derived from the use of consumer data. They also requested the platform to bring the rest of its terms of service in line with EU Consumer Law.

As a result, Facebook will introduce new text in its Terms and Services explaining that it does not charge users for its services in return for users' agreement to share their data and to be exposed to commercial advertisements. Facebook's terms will now clearly explain that their business model relies on selling targeted advertising services to traders by using the data from the profiles of its users.

In addition, following the enforcement action, Facebook has also amended:

- its policy on limitation of liability and now acknowledges its responsibility in case of negligence, for instance in case data has been mishandled by third parties;

- its power to unilaterally change terms and conditions by limiting it to cases where the changes are reasonable also taking into account the interest of the consumer;

- the rules concerning the temporary retention of content which has been deleted by consumers. Such content can only be retained in specific cases – for instance to comply with an enforcement request by an authority – and for a maximum of 90 days in case of technical reasons;

- the language clarifying the right to appeal of users when the their content has been removed.

Next steps

Facebook will complete the implementation of all commitments at the latest by the end of June 2019. The Commission and the Consumer Protection Cooperation network will closely monitor the implementation.

If Facebook does not fulfil its commitments, national consumer authorities could decide to resort to enforcement measures, including sanctions.

Background

The EU Consumer Protection Cooperation <u>Regulation</u> links national consumer authorities in a pan-European enforcement network. On that basis, a national authority in one EU country can request the assistance of their counterpart in another EU country to stop a cross-border infringement of EU consumer law.

The Consumer Protection Cooperation Network carried out a joint assessment of Facebook's terms of

service under the coordination of the French <u>Directorate General for Competition Policy, Consumer</u> <u>Affairs and Fraud Control</u> (DGCCRF) and asked the company, as well as Twitter and Google+ to improve a number of contract terms.

For more information

Factsheet on changes implemented by Facebook Press release on the outcome of the social media action

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