



## Antitrust: Commission opens investigation into possible anticompetitive conduct of Facebook

Brussels, 4 June 2021

The European Commission has opened a formal antitrust investigation to assess whether Facebook violated EU competition rules by using advertising data gathered in particular from advertisers in order to compete with them in markets where Facebook is active such as classified ads. The formal investigation will also assess whether Facebook ties its online classified ads service "Facebook Marketplace" to its social network, in breach of EU competition rules.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"Facebook is used by almost 3 billion people on a monthly basis and almost 7 million firms advertise on Facebook in total. Facebook collects vast troves of data on the activities of users of its social network and beyond, enabling it to target specific customer groups. We will look in detail at whether this data gives Facebook an undue competitive advantage in particular on the online classified ads sector, where people buy and sell goods every day, and where Facebook also competes with companies from which it collects data. In today's digital economy, data should not be used in ways that distort competition."*

Facebook is a social networking service that allows registered users to create profiles, upload photos and videos, send messages and connect with other people. Facebook also offers an online classified ads service, called Facebook Marketplace, which is a platform for Facebook users where they can buy and sell goods from each other.

As part of its in-depth investigation, the Commission will examine in detail whether Facebook's position in social networks and online advertising allows it to harm competition in neighbouring markets, where Facebook is also active thanks to its social network, and in particular in online classified ads.

When advertising their services on Facebook, companies, which also compete directly with Facebook, may provide it commercially valuable data. Facebook might then use this data in order to compete against the companies which provided it.

This applies in particular to online classified ads providers, the platforms on which many European consumers buy and sell products. Online classified ads providers advertise their services on Facebook's social network. At the same time, they compete with Facebook's own online classified ads service, "Facebook Marketplace".

Following a preliminary investigation, the Commission has concerns that Facebook may distort competition for the online classified ads services. In particular, Facebook might make use of the data obtained from competing providers in the context of their advertising on Facebook's social network, to help Facebook Marketplace outcompete them. Facebook could, for instance, receive precise information on users' preferences from its competitors' advertisement activities and use such data in order to adapt Facebook Marketplace.

The Commission will also examine whether the way Facebook Marketplace is embedded in the social network constitutes a form of tying which gives it an advantage in reaching customers and forecloses competing online classified ads services.

If proven, the practices under investigation may breach EU competition rules on anticompetitive agreements between companies (Article 101 of the Treaty on the Functioning of the European Union (TFEU)) and/or on the abuse of a dominant position (Articles 102 TFEU).

The Commission will now carry out its in-depth investigation as a matter of priority. The opening of a formal investigation does not prejudice its outcome.

The UK's Competition and Markets Authority (CMA) has today also launched its own investigation into Facebook's use of data. The European Commission will seek to work closely with the CMA as the independent investigations develop.

## Background

[Article 101](#) of the TFEU prohibits anticompetitive agreements and decisions of associations of undertakings that prevent, restrict or distort competition within the EU's Single Market. [Article 102](#) of the TFEU prohibits the abuse of a dominant position. The implementation of these provisions is defined in the Antitrust Regulation ([Council Regulation No 1/2003](#)), which can also be applied by the national competition authorities.

Article 11(6) of the Antitrust Regulation provides that the opening of proceedings by the Commission relieves the competition authorities of the Member States of their competence to also apply EU competition rules to the practices concerned. Article 16(1) further provides that national courts must avoid adopting decisions which would conflict with a decision contemplated by the Commission in proceedings it has initiated.

The Commission has informed Facebook and the competition authorities of the Member States that it has opened proceedings in this case.

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the companies concerned cooperate with the Commission and the exercise of the rights of defence.

More information on this investigation will be available on the Commission's [competition website](#), in the public [case register](#) under the case number AT.40684.

IP/21/2848

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