



Digital platform services Inquiry – report into app marketplaces in Australia

The ACCC tightens the screws on app store dominance

Regulator: The Australian Competition and Consumer Commission (ACCC)

RISK BAROMETER:



JURISDICTION RELEVANCE:

Australia

TIMELINE:

A consultation runs until October 2nd. The final report will be issued in March 2021.

WHAT YOU SHOULD KNOW:

- The heat is on over platform's market dominance: think Epic Games v. Apple; an EC antitrust investigation; a Dutch antitrust probe over Apple favouring its own apps; a US Department of Justice antitrust investigation; an impending US House Judiciary Subcommittee antitrust inquiry on "Online Platforms and Market Power."
- The latest addition is an investigative "[report](#)" by the Australia consumer protection regulator, the ACCC, into the operation of app marketplaces in Australia. [Consumers](#) and [app developers](#) are invited to participate in two short online questionnaires about "app marketplace" - meaning the Google and Apple app stores. The ACCC has also released a more detailed [issues paper](#) seeking further feedback from app developers and suppliers. The work is part of a five-year ACCC inquiry which will produce reports every six months examining markets for the supply of digital platform services in Australia.
- The focus of this report is the market dominance of app marketplaces and its adverse impact on consumers and app developers. Areas of particular interest include barriers to entry and expansion, app bundling, fee structures, terms and conditions, app approval and review processes, app searches, rankings and even "app provider" - i.e. developer -

satisfaction.

- However, the spotlight may fall on app providers as well as app marketplaces in two areas, namely, "clear information about in-app purchases, and when these purchases will occur" and data collection transparency.
- Potential outcomes from the inquiry include anti-competition action, recommendations for new legislation and requirements for more transparent information on app stores.

MOST TELLING:

"Other than Google and Apple, are there other significant suppliers of app marketplaces in Australia?"

DELANY & CO HOT TAKE:

A recognition of the extent to which the big platforms are gatekeepers, and a willingness to comprehensively understand the app developer's perspective, is surely welcome. At the same time, it would be naive to presume that scrutiny of in-app pricing transparency will not manifest in criticism of mobile games developers. But, perhaps, this raises a helpful question - if mobile game in-app purchases are being thoroughly addressed by consumer protection regulators, why are they still attracting the attention of gambling regulators?