



15 April 2021

Australian Competition and Consumer Commission
Digital Monitoring

Via email: digitalmonitoring@acc.gov.au

Re: ACCC Digital Platforms Inquiry Report on market dynamics and consumer choice screens in search services and web browsers

The Australian Communications Consumer Action Network (ACCAN) thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to comment on the consultation concerning the implementation of the ACCC's Inquiry into market dynamics and consumer choice screens in search services and web browsers.

ACCAN is the peak body for all consumers on communications issues and provides a strong unified voice to industry and government to ensure communications services are trusted, inclusive and available for all in Australia.

ACCAN is keenly following the entire scope of the ACCC's Digital Platforms activities as there are clear implications, both positive and negative, for consumers in many of these areas of review. Unarguably, the increased convergence of digital technologies can provide significant benefits for both individuals and the broader community when the appropriate competition and consumer protections are in place. ACCAN is supportive of competitive and efficient markets that provide consumers choice and confidence. As such, ACCAN supported the ACCC's recommendation to facilitate consumer choice through the changes to default search engine and internet browser arrangements in our 2019 submission to the Treasury inquiry into the implementation of the ACCC's Inquiry into Digital Platforms. Noting that the proposed arrangements have already been implemented in Europe, ACCAN considers that there are limited barriers to implementing these changes in the Australian context.

ACCAN does however recommend that any adopted changes to these default settings pay particular attention to any potential implications on accessibility and usability for end-users with disability or end-users with low digital literacy skills and confidence.

ACCAN makes the following comments to the discussion paper questions which fall into ACCAN's area of expertise.

The impact of pre-installation and default settings on consumer choice and competition particularly in relation to online search and browsers.

Most consumers are more likely to use the browser pre-installed on their devices. A number of factors play a role in this – consumer inertia, lack of knowledge about alternative options, lack of digital skills and/or confidence to change to another browser and the lack of understanding of the various browser

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options. This can often be the case for consumers with disabilities for whom switching from defaults is more difficult.

The extent to which existing consumer harm can arise from the design of default arrangements.

Consumer harms that can arise from default browser settings include:

- data collection for the purposes of targeted advertising;
- potential security and privacy threats posed by insecure storage of data;
- choice limitation restricted due to result rankings on search engines;
- limited quality of consumer information available.

Browsers have gained strategic importance as they have become the gateway to an enormous range of online services both for businesses and consumers.¹

The effectiveness of Google's choice screen rolls out in Europe and whether it is fit for purpose within Australia.

As highlighted in the discussion paper, in aggregate across Europe, Google's market share in the supply of search services has not changed significantly since the introduction of choice screens. In January 2020, Google's share was estimated to be at 93.88 per cent and by January 2021 it was at 93.11 per cent. Furthermore, DuckDuckGo stated that it was not featured on the choice screen in the third round of auctions for any country in Europe because it was 'priced out of this auction'.

ACCAN therefore questions whether the existing Google Choice Screen provides the appropriate level of consumer choice desired in the Australian context. ACCAN recommends that the ACCC consider the 2009 EU ruling for Microsoft to provide a choice screen as a more useful template to indicate long-term impacts on consumer choice preferences.²

Whether there are any proposals, other than choice screens, that may facilitate competition and improve consumer choice in the supply of general search services and browsers in Australia.

Other proposals that may facilitate competition and improve consumer choice in the supply of general search services and browsers in Australia are:

- Accessible education to properly inform consumers at the point of selection about the benefits and limitations of the browsers on offer.
- Adopting the 'demand side' and 'supply side' interventions recommended in the UK Competition and Markets Authority (CMA) report on online platforms and digital advertising:³
 - restrictions on search engines from acquiring default positions;

¹ See: www.cnbc.com/2019/06/07/how-google-facebook-amazon-and-apple-faced-eu-tech-antitrust-rules.html

² See: https://ec.europa.eu/competition/consumers/citizen_summary/en.pdf

³ See: <https://www.gov.uk/cma-cases/online-platforms-and-digital-advertising-market-study>

- restrictions on device manufacturers and browsers from monetising their products through default payments;
- requiring Google to provide third party search service providers with access to their click and query data;
- mandating Google and Bing to provide syndicated search results on fair, reasonable and non-discriminatory terms when syndicating to smaller search engines.

Thank you for considering ACCAN's position on this important issue. Should you wish to discuss this submission further please do not hesitate to get in contact.

Yours sincerely,

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