



Commission fines Meta €797.72 million over abusive practices benefitting Facebook Marketplace

Brussels, 14 November 2024

The European Commission has fined **Meta** €797.72 million for breaching EU antitrust rules by **tying** its online classified ads service Facebook Marketplace to its personal social network Facebook and by **imposing unfair trading conditions** on other online classified ads service providers.

The infringement

Meta is a US multinational technology company. Its flagship product is its personal social network Facebook. It also offers an online classified ads service, called "Facebook Marketplace", where users can buy and sell goods.

The Commission's investigation found that Meta is **dominant** in the **market for personal social networks**, which is at least European Economic Area ('EEA') wide, as well as in the **national markets for online display advertising on social media**.

In particular, the Commission found that Meta abused its dominant positions in breach of Article 102 of the Treaty on the Functioning of the European Union ('TFEU') by:

- **Tying** its online classified ads service **Facebook Marketplace** to its personal social network **Facebook**. This means that all Facebook users automatically have access and get regularly exposed to Facebook Marketplace whether they want it or not. The Commission found that competitors of Facebook Marketplace may be foreclosed as the tie gives Facebook Marketplace a substantial distribution advantage which competitors cannot match.
- Unilaterally **imposing unfair trading conditions** on other online classified ads service providers who advertise on Meta's platforms, in particular on its very popular social networks Facebook and Instagram. This allows Meta to use ads-related data generated by other advertisers for the sole benefit of Facebook Marketplace.

Fine

The Commission has **ordered Meta to bring the conduct effectively to an end**, and to **refrain from repeating the infringement** or from adopting practices with an equivalent object or effect in the future.

The fine of €797.72 million was set on the basis of the <u>Commission's 2006 guidelines on fines</u> (see <u>press release</u> and <u>MEMO</u>).

In setting the level of the fine, the Commission took into account the duration and gravity of the infringement, as well as the turnover of Facebook Marketplace to which the infringements relate and which therefore defines the basic amount of the fine. In addition, the Commission considered Meta's total turnover, to ensure sufficient deterrence for a company with resources as significant as Meta's.

Background

In <u>June 2021</u>, the Commission opened formal proceedings into possible anticompetitive conduct of Facebook. In <u>December 2022</u>, the Commission sent Meta a Statement of Objections, to which Meta responded in June 2023.

<u>Article 102</u> of the TFEU and <u>Article 54 of the EEA Agreement</u> prohibit the abuse of a dominant position.

Market dominance is, as such, not illegal under EU antitrust rules. However, dominant companies have a special responsibility not to abuse their powerful market position by restricting competition,

either in the market where they are dominant or in separate markets.

Fines imposed on companies found in breach of EU antitrust rules are paid into the general EU budget. These proceeds are not earmarked for particular expenses, but Member States' contributions to the EU budget for the following year are reduced accordingly. The fines therefore help to finance the EU and reduce the burden for taxpayers.

More information on this case will be available under the case number <u>AT.40684</u> in the <u>public case</u> <u>register</u> on the Commission's <u>competition</u> website, once confidentiality issues have been resolved.

IP/24/5801

Quote(s):

"Today we fine Meta €797.72 million for abusing its dominant positions in the markets for personal social network services and for online display advertising on social media platforms. Meta tied its online classified ads service Facebook Marketplace to its personal social network Facebook and imposed unfair trading conditions on other online classified ads service providers. It did so to benefit its own service Facebook Marketplace, thereby giving it advantages that other online classified ads service providers could not match. This is illegal under EU antitrust rules. Meta must now stop this behaviour." Margrethe Vestager, Executive Vice-President in charge of competition policy - 14/11/2024

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