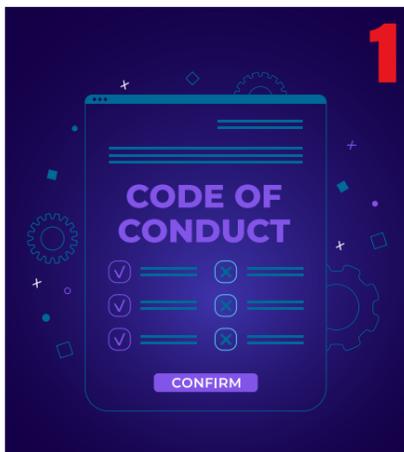


ACCC recommends targeted regulation of digital platforms, citing widespread competition and consumer concerns

The [Australian Competition and Consumer Commission \(ACCC\)](#) is calling for specific regulation of digital platforms (DP), as part of its [fifth report in its Digital Platforms Services Inquiry](#), making **three core recommendations**:



1

Service-specific mandatory, legally binding codes of conduct to apply to “Designated Digital Platforms”, which can be tailored to each digital service, with flexibility to address emerging issues, allow for consultation with stakeholders and with targeted competition obligations that address specific matters based on established legislative principles.

Measures intended to address ACCC's concerns regarding digital platforms having the ability and incentive to engage in **anti-competitive self-preferencing, tying and bundling**, the presence of structural market issues (barriers to entry and expansion, especially barriers to switching), lack of **interoperability**, existence of **market power** as well as **data advantages**.

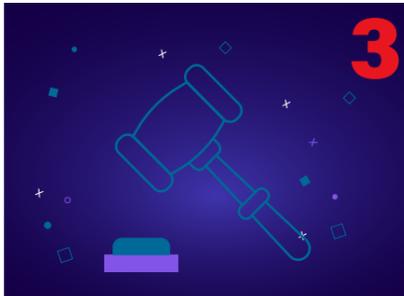


2

Targeted measures to protect consumers and business users from scams, harmful apps and fake reviews and minimum standards for **handling of disputes** between DP and users.

Binding requirements to consider and **act on user reports** of scams, harmful apps and fake reviews, **verify** details and legitimacy of **advertisers, app developers and merchants** (before allowing them to trade or host promotions), provide **details of verification processes for user ratings and reviews** and mandatory **reporting to public and regulators**.

Mandatory minimum **internal dispute resolution standards** for consumer and small business disputes and complaints and an **independent external Digital Platforms Ombuds** scheme with power to make **binding decisions**, a compensation mechanism and **penalties for non-compliance**.



3

Economy wide ban on unfair practices that occur both online and offline, including those that involve DP.



Key takeaways:

- **Broad impact:** Recommendations have ramifications for all Australian businesses operating online as well as those handling data, not just the big DP operators such as Google, Apple & Meta. Businesses involved in online search, social media, online private messaging, app stores, online retail marketplace and advertising services all potentially impacted.
- **Definition of “Designated Digital Platform” not detailed:** Qualitative and quantitative metrics will apply but more detail needed on scope and application of new codes particularly given new penalties for breach of competition and consumer law.
- **More on Mergers:** No DP-specific merger reforms were proposed but separate merger reforms are expected.
- **Crypto clarity required:** Crypto scams are prevalent but crypto assets are largely unregulated as they fall outside the scope of existing financial services laws. Clarity required on how DP can ‘verify’ crypto advertising.
- **Compliance burden on digital platform service providers:** Proposed reforms would impose onerous obligations on DP in relation to content and user verification, handling of user reports, complaints and disputes and public data disclosure, with penalties and consumer redress for non-compliance.
- **DP Ombuds TBD:** Scope, design and resourcing of DP ombuds scheme requires further consultation, particularly given overlap with other regimes including privacy, e-safety and telecommunications.
- **Unfair practices prohibition:** Detail on form and scope of this to come.

Next steps

The government has [announced](#) it will consult publicly with industry stakeholders on the ACCC's recommendations.

More information can be found in the [ACCC's Report](#).

- For more detailed analysis of the Digital Platform Services Inquiry, visit [Practical Guidance Competition](#) and [Practical Guidance Consumer](#).
- For regular updates on Competition and Consumer law issues subscribe to our practice area roundup [emails](#).