

# **POLL: UK VOTERS SUPPORT APP STORE REFORMS**

Respondents recognize benefits to UK consumers and businesses included in the proposed Digital Markets, Competition and Consumers legislation

UK respondents to a poll commissioned by the Coalition for App Fairness expressed strong support for reforms included in the proposed Digital Markets, Competition and Consumers legislation currently being considered by Parliament.

## Among those who provided a response to the survey:

- **78**% believe they should be able to get apps directly from a developer or through a third party app store;
- 74% say the thirty percent 'app tax' on digital transactions is too high;
- **72**% support the establishment of a Digital Markets Unit to hold the largest tech firms accountable for abusing their market position.

### And UK respondents recognize the clear benefits of app store reform:

- 77% say it would allow for more choice;
- **75%** say it would provide better value;
- 70% say it would encourage innovation.

The evidence is clear: when UK voters learn about the pro-consumer, pro-business reforms in the Digital Markets, Competition and Consumers Bill, they overwhelmingly support them. Members of Parliament should listen to their constituents and pass the DMCC legislation urgently.

Mobile devices are a critical gateway for consumers to access the internet and digital products and services. Two companies — Apple and Google — have a stranglehold over how people access apps on mobile devices, how they make purchases inside apps and how developers reach consumers. It leaves UK consumers with less choice and higher costs and undermines UK developers' growth.

Another way Apple and Google harm consumers is through the 'app tax' — as high as 30 percent — levied on developers for every in-app purchase. This cost is often passed onto consumers. When asked about the 30% levy Apple and Google take from digital purchases the majority of respondents (74%) stated they think it is too high.

#### **Background: DMCC Bill**

The DMCC Bill would enable <u>"all innovating businesses to compete fairly"</u> and ensure "the UK remains a highly attractive place to invest and do business for all." According to the <u>CMA</u>, the bill is necessary to support innovation, investment and growth in digital markets, protect UK

consumers from unfair prices, and support competitive digital markets. Specifically, the bill seeks to:

- Empower the CMA to "designate" businesses (known as "designated undertakings") that are very powerful in particular digital activities, giving them strategic market status in relation to those activities.
- Ensure that designated undertakings comply with rules (called conduct requirements) on how they treat consumers and other businesses in relation to the activities for which they have "strategic market status".
- Give the CMA powers to address the root causes of competition issues in digital markets. It could intervene to require designated undertakings to share information that might help new competitors enter the market, for example.
- Require designated undertakings to be more transparent about mergers which pose risks to competition.
- Allow the CMA to enforce obligations on designated undertakings and impose penalties including fines of up to 10% of a firm's global turnover for breaches.
- Empower the CMA to resolve payment-related breaches of conduct requirements to deal on fair and reasonable terms with third parties, through a 'Final Offer Mechanism' as a "backstop" enforcement tool.

## **About the Coalition for App Fairness**

The Coalition for App Fairness is an independent nonprofit organization formed to protect consumer choice, foster competition, and create a level playing field for all app and game developers globally. CAF counts more than 70 members, including UK-based companies such as Checkatrade, Blockchain, Global Charge, Paddle, xigxag, SkyDemon, and the Online Dating Association.

More information and resources in support of the DMCC legislation can be found on CAF's website: https://appfairness.org/dmcc-bill. The full results of CAF's polling are available here.