

Hausfeld & Co LLP: New LawsUIT seeks damages from Google on behalf of 19.5 Million UK Android Phone users, claiming its Google Play Store charges are excessive and unlawful

- **Legal action aims to make Google accountable for shutting down competition to its Google Play Store**
- **Alleges Google Play Store's 30% surcharge for digital purchases is excessive and unfair**
- **Claims the 30% surcharge breaches European and UK competition laws, at the expense of millions of loyal customers in the UK**
- **Collective action seeks estimated damages of up to £920 million for UK users of the Google Play Store**
- **It follows an action launched recently against Apple for similar abusive conduct in the App Store**

London, July 29, 2021: Google systematically breaks the law and overcharges millions of UK users for apps and other purchases made on its app store – the Google Play Store - according to a landmark legal action brought in a UK court against the tech firm and its parent company Alphabet.

The claim has been filed by consumer champion Liz Coll in the Competition Appeal Tribunal in London on behalf of around 19.5 million eligible UK users of Google's Play Store.

The vast majority of Android smartphone and tablet users in the UK are thought to depend upon the Google Play Store for their access to apps.

The claim alleges Google bundles the Play Store with other Google products and services and requires pre-installation and prominent placement of the Google Play Store. This and other contractual and technical restrictions have the effect of shutting down competition for app distribution on Android devices.

The overwhelming majority of customers are steered to the Google Play Store, and therefore to Google's own payment processing system, which then exacts a 30% surcharge on every digital purchase, generating massive and rising levels of profit for the company. Typically, 30% of the money app purchasers spend in the Google Play Store goes straight to Google, directly hitting consumers' pockets.

This 30% commission is an unlawful and unearned tax, imposed on ordinary people without justification, and bears no relationship to the costs of providing the services in question, the claim argues. Google faces an estimated bill for damages of up to £920 million from the claim.

The claim alleges that Google's conduct violates section 18 of the UK Competition Act 1998 and Article 102 of the Treaty on the Functioning of the European Union.

Bringing this collective action is Liz Coll, an established consumer advocate and former consumer policy lead at Citizens Advice.

Who is eligible

Any person who, at any point from 1 October 2015, made purchases of an app or digital content, services or subscriptions within an app (excluding Google apps) in the UK version of the Google Play Store using an Android smartphone or tablet on which the Google Play Store was pre-installed

is entitled to compensation from Google, the claim says. The Google Play Store is pre-installed on nearly all Android smartphones and tablets in the UK (ie smartphones and tablets that are not iPhones or iPads).

All such purchasers are eligible to be included within the claimant class. Individuals and businesses can check whether they meet the eligibility criteria of the class by checking their purchase history and Google Play Store country in their Play Store app or Google account(s) online. Purchasers who are interested in finding out more about the claim and signing up for regular updates should visit <https://www.appstoreclaims.co.uk/>.

The background to the case against Google

The UK collective action coincides with increased public concern about Google's anti-competitive practices.

In 2018, the European Commission fined Google €4.34 billion for illegal practices regarding Android mobile devices, some of which involved the Google Play Store. Last year, a US Congressional report found that Google's Play Store "now functions as a gatekeeper, which Google is increasingly using to hike fees and favor its own apps". And earlier this year, 36 US States and the District of Columbia brought a legal claim alleging that Google unlawfully monopolizes the app distribution and in-app payments markets by using a variety of contractual and technical restrictions to entrench the power of its Google Play Store.

In June 2021, the UK Competition and Markets Authority announced that it was conducting a market study into mobile ecosystems in the UK, focusing on whether Apple and Google's "effective duopoly" over the supply of operating systems (iOS and Android)" and "app stores (App Store and Play Store) ... could be resulting in consumers losing out across a wide range of areas".

About the proposed class representative

Ms Coll has more than twelve years of experience of campaigning for consumers' rights online. She is currently an independent consultant focusing on consumer issues in the field of technology, including e-commerce, smart devices, data protection and privacy, and the impact of platforms like Google on consumers' access to choice, redress and fair treatment.

She was formerly Head of Digital at Consumers International, and Digital Policy Manager at Citizens Advice, where she designed and promoted research, thought leadership and advocacy projects which were influential in shaping regulatory guidance for consumer protection in the digital space. She has represented consumer interests at national and global policy forums including the OECD and the G20.

Liz has made purchases in the Google Play Store and, as such, has overpaid for her purchases in the same way as other members of the claimant class have overpaid. Like them, she has also had her choices as an app purchaser unlawfully restricted by Google's anti-competitive conduct.

Statements

Liz Coll, the proposed class representative in the action, said: "*Google has done a great job in opening up access to all the benefits of smartphones for millions of people including me in the UK. But while it claims to be an open system offering choice, in reality Google has shut out competition and locked consumers into its own app store and its own payment system.*

"Google created the Android app marketplace, and controls it with a vice-like grip. Customers are herded towards the Google Play Store, and once there have no option but to pay a 30% fee whenever they buy an

app or make an in-app purchase. Competing app stores, which could give the same service at a fraction of the price, never get a look in.

“Google is a gatekeeper to so many digital services, and it has a responsibility not to abuse that position and overcharge ordinary consumers. These hidden charges are unlawful, and Google’s customers deserve compensation, and better treatment from Google in future.”

Lesley Hannah, Partner at legal firm Hausfeld & Co LLP, who is leading the litigation, said:

“In Britain and elsewhere, Google dominates the Android smartphone market and uses that dominance to restrict competition and charge excessive and unfair app store fees that are out of all proportion to the cost of providing those services.

“Thankfully, we have robust competition laws to protect consumers, and a collective proceedings regime to vindicate their rights, and we are looking forward to working with Liz Coll in holding Google to account for its unlawful conduct.”

Further information

The legal claim applies to most popular apps on the Google Play Store, including Roblox, Candy Crush Saga, Tinder and many others, that require payment at point of download, subscription payments, or allow for in-app purchases. It does *not* apply to apps providing “physical goods or services that will be consumed outside of the app”. These include Deliveroo and Uber, which are not required to use Google’s payments system or pay Google the disputed 30% commission.

Affected app purchasers, on whose behalf the collective action is brought, will not pay costs or fees to participate in this legal action, which is being funded by Vannin Capital, a global litigation funder. The action is insured, which means that class members have no financial risk in relation to the claim.

Liz Coll is represented by Hausfeld & Co LLP, and Mark Hoskins QC and Aaron Khan of Brick Court and Ronit Kreisberger QC and Michael Armitage of Monckton Chambers.

Ms Coll is also advised on the claim by a consultative group with expertise and experience in group claims management, the payments industry, and consumer rights. This group consists of Sir Gerald Barling, a retired judge and formerly the President of the UK Competition Appeal Tribunal; Dr Christine Riefa, a leading academic specialising in consumer law; and Aidene Walsh, an expert with 20 years’ experience in the payments industry.

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Notes for Editors

About Hausfeld

Hausfeld is a leading law firm which specialises in global competition litigation with 12 offices in Europe and the US. The firm possesses significant experience representing claimants in all aspects of collective redress and group claims, including abuse of dominance litigation against Big Tech and other large corporates.

The firm pioneered the Trucks Cartel litigation in the UK, Germany and the Netherlands. It has acted on some of the most complex damages claims of the last decade: on the “Interchange Fee” litigation against Visa and Mastercard, in “Google Shopping” claims on behalf of price comparison websites against Google; against six financial institutions over their participation in unlawful price-fixing of the foreign exchange currency markets; and against Marriott International, YouTube and Facebook in data breach litigations.

In May 2021, Hausfeld [announced](#) it was assisting a separate collective action at the Competition Appeal Tribunal against Apple, led by Dr Rachael Kent on behalf of up to 19.6 million UK iPhone and iPad users, alleging anti-competitive practices and excessive charging with respect to Apple’s App Store.

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