



## SELECT COMMITTEE ON THE EUROPEAN UNION

### Internal Market Sub-Committee

### CALL FOR EVIDENCE

#### Online Platforms and the EU Digital Single Market

The House of Lords EU Internal Market Sub-Committee, chaired by Lord Whitty, has launched an inquiry into the regulation of 'online platforms' in the EU. Provisionally defined by the European Commission as "software-based facilities offering two- or even multisided markets where providers and users of content, goods and services can meet"<sup>1</sup>, online platforms are ever more central to how businesses and consumers access information and engage in e-commerce.

Types of platform that the Commission identifies include:

- online marketplaces (Amazon, Ebay, Allegro, Booking.com)
- collaborative or 'sharing' economy platforms (Uber, Airbnb, Taskrabbit, Bla-bla car)
- communication platforms (Skype, Whatsapp)
- social networks (Facebook, LinkedIn, Twitter)
- search engines and specialised search tools (Google search, Tripadvisor, Twenga, Yelp)
- maps (Google maps, Bing maps)
- news aggregators (Google news)
- music platforms (Deezer, Spotify, Netflix, Canal Play, Apple TV)
- videosharing platforms (Youtube, Dailymotion)
- payment systems (PayPal, Apple Pay)
- app stores (Google Play, Apple app store).

While acknowledging the benefits that platforms bring, the European Commission's Digital Single Market Strategy expresses concern that "some platforms can control access to online markets and can exercise significant influence over how various players in the market are remunerated", and voices reservations about "the growing market power of some platforms". In response, the Commission is now reviewing whether "existing regulatory tools are sufficient to tackle the problem, or whether new tools need to be developed."<sup>2</sup>

From the range of concerns that the Commission has identified, it has prioritised the following:

- transparency (eg in how search results are ranked, how personal data is used, and what rights consumers may have in the event of non-performance by another party)
- regulation of how platforms use the information/data they acquire
- relations between platforms and suppliers (eg asymmetries in bargaining power and the fairness of terms and conditions)
- constraints on individuals and businesses' ability to switch from one platform to another.

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<sup>1</sup> European Commission, [A Digital Single Market Strategy for Europe - Analysis and Evidence](#), COM(2015) 192, p 52

<sup>2</sup> European Commission, [A Digital Single Market Strategy for Europe](#), COM(2015) 192, pp 11-12

In order to arrive at an informed view on this issue, the House of Lords EU Internal Market Sub-Committee will collect evidence from a wide range of stakeholders including consumers, businesses that use platforms to sell their goods and services, regulators, online platforms themselves, and non-digital competitors whose businesses may be disrupted by those platforms. The inquiry will ask if any problems associated with platforms can be resolved by regulation.

Public hearings will be held from 12 October until 14 December. The Committee aims to publish its report in spring 2016. The report will receive responses from the Government and the European Commission, and will be debated in the House of Lords.

The Committee seeks evidence on the following questions from anyone with an interest in these issues. You need not address all these questions in your response, and respondents from a particular area or sector are invited to focus on the questions most relevant to them. Evidence submitted by consumers and businesses that use platforms can be anonymized upon request, as explained in Annex 1.

For detailed background on the Commission's views on platforms, please see the [Digital Single Market Strategy for Europe](#) and supporting [Analysis and Evidence](#).<sup>3</sup>

## Questions

### Section 1: Online platforms, consumers, suppliers

#### *Defining online platforms*

1. Do you agree with the Commission's definition of online platforms?<sup>4</sup> What are the key common features of online platforms and how they operate? What are the main types of online platform? Are there significant differences between them?
2. How and to what extent do online platforms shape and control the online environment and the experience of those using them?

#### *Effects on consumers, suppliers (including SMEs), competitors and society*

3. What benefits have online platforms brought consumers and businesses that rely on platforms to sell their goods and services, as well as the wider economy?
4. What problems, if any, do online platforms cause for you or others, and how can these be addressed? If you wish to describe a particular experience, please do so here.
5. In addition to concerns for consumers and businesses, do online platforms raise wider social and political concerns?

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<sup>3</sup>European Commission, [A Digital Single Market Strategy for Europe](#), COM(2015) 192, pp 11-12

European Commission, [A Digital Single Market Strategy for Europe - Analysis and Evidence](#), COM(2015) 192, pp 52-56

<sup>4</sup> European Commission, [A Digital Single Market Strategy for Europe - Analysis and Evidence](#), COM(2015) 192, p 52

## *Platforms as part of the Digital Single Market Strategy*

6. Is the European Commission right to be concerned about online platforms? Will other initiatives in the [Digital Single Market Strategy](#) have a positive or negative impact on online platforms?<sup>5</sup>

## **Section 2: Competition, data, collaborative economy**

### *Competition and dominance*

7. Is there evidence that some online platforms have excessive market power? Do they abuse this power? If so, how does this happen and how does it affect you or others?
8. Online platforms often provide free services to consumers, operate in two- or multisided markets, and can operate in many different markets and across geographic borders. Is European competition law able adequately to address abuse by online platforms? What changes, if any, are required?

### *Collection and use of data*

9. What role do data play in the business model of online platforms? How are data gathered, stored and used by online platforms and what control and access do consumers have to data concerning them?
10. Is consumer and government understanding and oversight of the collection and use of data by online platforms sufficient? If not, why not? Will the proposed General Data Protection Regulation adequately address these concerns? Are further changes required and what should they be?
11. Should online platforms have to explain the inferences of their data-driven algorithms, and should they be made accountable for them? If so, how?

### *The collaborative economy*

12. Can you describe the challenges that the collaborative economy brings? What possible solutions, regulatory or otherwise, do you propose?

### *The current regulatory environment and possible interventions*

13. How are online platforms regulated at present? What are the main barriers to their growth in the UK and EU, compared to other countries?
14. Should online platforms be more transparent about how they work? If so, how?
15. What regulatory changes, if any, do you suggest in relation to online platforms? Why are they required and how would they work in practice? What would be the risks and benefits of these changes? Would the changes apply equally to all online platforms, regardless of type or size?
16. Are these issues best dealt with at EU or member state level?

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<sup>5</sup> European Commission, [A Digital Single Market Strategy for Europe](#), COM(2015) 192

## **ANNEX I: Guidance for Submissions**

Written evidence should be submitted online using the written submission form available at [www.parliament.uk/online-platforms-lords-written-submission-form](http://www.parliament.uk/online-platforms-lords-written-submission-form). This page also provides guidance on submitting evidence.

If you have difficulty submitting evidence online, please contact the Committee staff by email to [cunninghamal@parliament.uk](mailto:cunninghamal@parliament.uk) or by telephoning 020 7219 4840.

Short submissions are preferred. A submission longer than eight pages should include a one-page summary. Paragraphs should be numbered. All submissions made through the written submission form will be acknowledged automatically by email.

Evidence which is accepted by the Committee may be published online at any stage; when it is so published it becomes subject to parliamentary copyright and is protected by parliamentary privilege. Submissions which have been previously published will not be accepted as evidence. Once you have received acknowledgement that the evidence has been accepted you will receive a further email, and at this point you may publicise or publish your evidence yourself. In doing so you must indicate that it was prepared for the Committee, and you should be aware that your publication or re-publication of your evidence may not be protected by parliamentary privilege.

Personal contact details will be removed from evidence before publication, but will be retained by the Committee Office and used for specific purposes relating to the Committee's work, for instance to seek additional information.

If consumers or SMEs submitting evidence to the inquiry wish to remain anonymous for commercial reasons, they should indicate this clearly at the beginning of their evidence. Their contact details are required so that the members and staff involved in producing the report can communicate with them in confidence. These submissions will be redacted prior to their publication.

Persons who submit written evidence, and others, may be invited to give oral evidence. Oral evidence is usually given in public at Westminster and broadcast online; transcripts are also taken and published online. Persons invited to give oral evidence will be notified separately of the procedure to be followed and the topics likely to be discussed.

Substantive communications to the Committee about the inquiry should be addressed through the clerk of the Committee, whether or not they are intended to constitute formal evidence to the Committee.

This is a public call for evidence. Please bring it to the attention of other groups and individuals who may not have received a copy directly.

You may follow the progress of the inquiry at [www.parliament.uk/online-platforms](http://www.parliament.uk/online-platforms).

Follow the inquiry on Twitter: [@LordsEUCom](https://twitter.com/LordsEUCom) or #HLplatforms.