

# Apple facing EU antitrust complaints for restricting payment options

Article

**The news:** The **European Commission** sent **Apple** a statement of objections yesterday, saying the company is abusing its dominant position to block services allowing users to make payments, [per](#) Bloomberg.

**More on this:** The formal antitrust complaint outlines how Apple uses its **Apple Pay** service to wall off competing payment services. The complaint could result in hefty fines under EU rules.

- The EU's complaint notes Apple "may have restricted competition, to the benefit of its own solution."
- **Apple limits access to its NFC chip.** As a result, third-party sellers cannot process payments —effectively forcing users who want to make NFC-based payments to do so through the company's Apple Pay platform.
- Apple Pay has previously faced heat for anticompetitive practices tied to its restrictions on NFC access in Australia and the US.
- In response, Apple said it gives all banks equal access to the payment system, with **2,500 banks** in Europe connected, as well as smaller fintech companies.
- Further, Apple says it will continue to engage the EC to ensure Europeans have access to the payment options of their choice in a safe and secure environment.

**Trendspotting:** Platform owners like Apple and **Google** have been getting pushback for their payments domination. South Korea's **Telecommunication Business Act** set a radical precedent for breaking up the mobile duopoly's lucrative app store operations and control over commission fees.

Similarly, **Japan's Fair Trade Commission** forced Apple to let some apps prompt users to sign up for subscription services with links to the app owner's website and alternative payment options.

- US senators introduced a bill last month designed to curb anticompetitive app store policies. The **Open App Markets Act** would ban companies from forcing developers to use their app stores' payment systems.
- Apple settled an **antitrust case in October** by letting developers choose from more app price points—though the settlement is considered a minor capitulation because **it only benefits US-based developers earning less than \$1 million a year.**

**The bigger picture:** Cracks are showing in app stores' duopoly model, opening the floodgates to alternative app payment options for developers and their customers and challenging Apple's and Google's profitable **15% to 30%** commission structure.

- The EU's complaint Monday could pave the way for multibillion-euro fines and legislation forcing Apple to change how it does business.

- The movement to break up Big Tech's grip on anticompetitive payment options could gain momentum, putting the Apple and Google duopoly on the defensive and potentially prying away control of payment platforms.

### Which Payment Methods Have US Digital Buyers Used to Make Digital Purchases?

% of respondents, by demographic, Feb 2022

	Female	Male	18-34	35-54	55+	Total
Credit card	65%	56%	46%	62%	75%	61%
Debit card	57%	51%	62%	56%	43%	54%
PayPal	48%	51%	50%	51%	47%	49%
Gift certificate	22%	17%	18%	17%	25%	20%
Cash	13%	16%	25%	14%	6%	15%
Apple Pay	17%	11%	26%	12%	5%	14%
Venmo	11%	11%	16%	12%	5%	11%
Google Pay	9%	11%	13%	12%	6%	10%
Buy now, pay later/installment plan services (e.g., Afterpay, Affirm, Klarna)	13%	6%	16%	10%	3%	10%
App provided by retailer (e.g., Starbucks)	10%	7%	9%	10%	6%	8%
Walmart Pay	5%	7%	1%	5%	3%	6%
Other electronic wallets	3%	3%	4%	3%	3%	3%
Samsung Pay	2%	2%	3%	2%	1%	2%
Other	1%	1%	1%	0%	1%	1%
None of the above	1%	0%	2%	0%	0%	1%
Don't know	0%	0%	0%	0%	0%	0%

Note: in the past month/30 days

Source: "The Insider Intelligence Ecommerce Survey" conducted in February 2022 by Bizrate Insights, Feb 7, 2022

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