ACCC Digital Platform Services Inquiry 2020-25

Final Report – Key Findings

Digital platform services are critically important to Australian consumers and businesses and are major drivers of productivity growth in our economy.

The ACCC is concerned about harms to competition and consumers which are particularly prevalent on a small number of large digital platforms.

A lack of competition in Australia's digital markets can stifle productivity and innovation, reduce choices, and lead to higher prices for Australian consumers and small businesses.

There is broad international recognition that reform is needed to protect consumers and increase competition in digital markets.

Australians need greater protection against unfair trading practices

These practices include making it difficult for consumers to cancel their subscriptions, and using design interface strategies which impede consumer choice and exploit behavioural biases. These practices harm users, reduce trust in digital services, and have a dampening effect on the digital and wider economy.

72% of Australian consumers surveyed by the ACCC reported that they had encountered potentially unfair practices such as accidental subscriptions or hidden fees when shopping online.

Australians need mandatory codes for the most powerful digital platforms to prevent harms from a lack of competition

This lack of competition can limit growth opportunities for other firms, stifle innovation, reduce consumer choice and lead to higher prices. Examples include self-preferencing of their own products and services, exclusivity agreements, and conduct that makes it unnecessarily harder for consumers to switch to a competitor's service.

Mandatory codes of conduct offer a flexible, targeted solution to address these harms in particular digital markets where intervention is most needed. App marketplaces / mobile operating systems and ad tech services should be prioritised.

Australians need an external dispute resolution body to help resolve complaints with digital platforms

Australian consumers and businesses who experience issues on digital platforms like unfair trading practices or fake reviews are often left with no avenues for redress or resolving disputes.

82% of Australian consumers surveyed by the ACCC believe there should be an independent external dispute resolution body to resolve their complaints with digital platforms.

Emerging services and technologies need continued scrutiny for potential harms

Evolving digital markets and emerging technologies (like generative AI) may exacerbate existing risks to competition and consumers or give rise to new ones.

It is critical that the proposed digital competition regime enable the ACCC to continue monitoring changes to services it has previously examined, as well as new technologies that emerge over time.