

CMA to investigate Google's 'Privacy Sandbox' browser changes

The investigation will assess whether the proposals could cause advertising spend to become even more concentrated on Google's ecosystem at the expense of its competitors. It follows complaints of anticompetitive behaviour and requests for the Competition and Markets Authority (CMA) to ensure that Google develops its proposals in a way that does not distort competition.

Third party cookies currently play a fundamental role online and in digital advertising. They help businesses target advertising effectively and fund free online content for consumers, such as newspapers. But there have also been concerns about their legality and use from a privacy perspective, as they allow consumers' behaviour to be tracked across the web in ways that many consumers may feel uncomfortable with and may find difficult to understand.

Google's announced changes – known collectively as the 'Privacy Sandbox' project – would disable third party cookies on the Chrome browser and Chromium browser engine and replace them with a new set of tools for targeting advertising and other functionality that they say will protect consumers' privacy to a greater extent. The project is already under way, but Google's final proposals have not yet been decided or implemented. In its recent market study into online platforms digital advertising, the CMA highlighted a number of concerns about their potential impact, including that they could undermine the ability of publishers to generate revenue and undermine competition in digital advertising, entrenching Google's market power. More information can be found in the [CMA's Online platforms and digital advertising final report](#).

The CMA has been considering how best to address legitimate privacy concerns without distorting competition in discussions of the proposals with the Information Commissioner's Office (ICO), through the [Digital Regulation Cooperation Forum](#). As part of this work, the CMA has been engaging with Google to better understand its proposals. The current investigation will provide a framework for the continuation of this work, and, potentially, a legal basis for any solution that emerges.

The CMA has received complaints including from Marketers for an Open Web Limited, a group of newspaper publishers and technology companies, which allege that, through the proposals, Google is abusing its dominant position.

Given the importance and potential impact of Google's proposed changes, the CMA was already considering the Privacy Sandbox, in conjunction with the ICO and Google. Given the concerns raised by the complainants, it has decided that this work should be conducted in the context of a formal investigation.

Andrea Coscelli, Chief Executive of the CMA said:

As the CMA found in its recent market study, Google's Privacy Sandbox proposals will potentially have a very significant impact on publishers like newspapers, and the digital advertising market. But there are also privacy concerns to consider, which is why we will continue to work with the ICO as we progress this investigation, while also engaging directly with Google and other market participants about our concerns.

The CMA has an open mind and has not reached any conclusions at this stage as to whether or not competition law has been infringed. The CMA will continue to engage with Google and other market participants to ensure that both privacy and competition concerns can be addressed as the proposals are developed.

Today's announcement follows the CMA's advice to Government, via the Digital Markets Taskforce, on the need for a new regulatory regime for digital markets. As it continues to work with Government on these proposals, the CMA will use its existing powers to their fullest extent in order to protect competition in these markets.

More information can be found on the [investigation into Google's Privacy Sandbox browser changes case page](#).