## Facebook Finally Puts a Price on Privacy: It's \$10 a Month

Meta is about to roll out ad-free subscriptions on Instagram and Facebook. But critics say privacy should not be turned into a luxury.

By Morgan Meaker

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How much is privacy worth? Is a yearly subscription for a VPN justified? Is it better to pay with your time, changing the privacy settings on every website you visit? What is a fair price to stop data about who you are and how you behave being used to inform ads? Different companies have different answers. Yahoo offers ad-free email for \$5 per month; for ad-free music, Spotify charges double that. To be free from ads on YouTube, it's \$13.99, even more.

This month, for the first time, Meta will also <u>put</u> a <u>monthly price on privacy</u>. Right now for people in Europe that price is €9.99 (\$10.50), or €12.99 if they sign up on their phones.

This is a major change for Meta, a company that has long lauded the benefits of an adsupported internet, arguing that it means everyone gets the same service, however much money they might have. But privacy regulators in Europe are circling. A series of fines and legal cases are backing the company into a corner, with regulators arguing it needs to change the way it gets users to consent to behavioral advertising. Meta's latest response? If people don't like these ads, they can pay to opt out.

Meta will roll out the new ad-free subscription option in the European Union, Norway, Iceland, Lichtenstein, and Switzerland on an unspecified date in November. "We are confident that our product solution is compliant with evolving legal requirements in the EU," says company spokesperson Al Tolan. The subscription option will only be available to adults, while the company's platforms will pause ads for people under 18.

But the plan has been met with dismay and threats of even more legal action in Europe, where regulators and privacy activists argue this is just Meta's latest attempt to resist the real change necessary to make its products compliant with European privacy law. "Meta is desperately trying to find solutions to continue the current status quo," says Tobias Judin,

spokesperson for Norway's privacy watchdog, Datatilsynet.

For years, European courts have argued that Meta cannot use personal data for advertising unless the company gets free and explicit—yes or no—consent from the people who use its services. In July, Norway, which is not a member of the EU but is a member of the European Economic Area, went <u>further</u>, branding the way Meta carries out behavioral advertising as illegal and imposing a ban. The country then started fining Meta \$100,000 for every day it did not comply. Today, that fine stands at over \$7 million.

Yesterday, it was announced that Norway's ban would be replicated across the EU, after being approved by the European Data Protection Board (EDPB), a panel of regulators. The ban is expected to come into effect within the next two weeks. If Meta again doesn't comply, the EU can impose much higher fines than Norway. In May, the company was told to pay \$1 billion for unlawfully transferring Europeans' data to the US.

"EDPB members have been aware of this [subscription] plan for weeks, and we were already fully engaged with them to arrive at a satisfactory outcome for all parties," Meta spokesperson Tolan says. "This development

unjustifiably ignores that careful and robust regulatory process."

Judin does not believe the pay-for-privacy model is a legal alternative to Meta's current system. "Essentially this amounts to extortion: Either pay us or give away all of your rights," he says. If users don't like either the paid or free models, they can't just leave Meta and choose an alternative social platform, meaning they are not giving their consent freely, he claims. "If you want to be on the same platform where all your friends and family are, most likely it will have to be Facebook or Instagram. It doesn't help switching to Pinterest."

Meta spokesperson Tolan disagrees. He points to a Court of Justice of the European Union (CJEU) decision in July that said that Meta needed to offer users an alternative to ads, if necessary for an appropriate fee. "We are building in line with this approach," he adds.

Privacy activists are not happy. Those six words were not technically part of the CJEU's binding judgment, according to Max Schrems, Austrian privacy activist and founder of the digital rights group NOYB. "You cannot sell your fundamental rights, and the right to data protection is a fundamental right," he says. To him, privacy is not for sale just like you cannot legally sell your kidney or your right to vote. NOYB is

considering legal action against Meta's new model, Schrems says.

If Europe accepts Meta's new model, that would imply privacy is only a commercial right that only the top 10 percent can afford, says Schrems. "Everybody else is just going to have to strip down and give their data."

The pay-for-privacy debate may have just arrived in Europe, but it has been churning on for years in the US. Back in 2015, AT&T caused controversy when the company offered customers a discount of \$29 per month if they allowed the company to use their web browsing data to tailor ads. AT&T did not immediately confirm whether it still offered that discount.

"Pay-for-privacy approaches also contribute to the ongoing transformation of privacy into a luxury product," says Stacy-Ann Elvy, professor of law at the UC Davis School of Law. "Economically disadvantaged individuals may be unable to pay an additional fee of €9.99 to €12.99 per month to avoid their data being used for ad services while using a company's platform." It is also unclear if Meta will continue to use data collected from paid subscribers for other purposes, such as to improve products or train face recognition technology, Elvy claims. Meta declined to comment on whether subscribers' data would be used for anything other than ads.