

CMA invitation to comment on its designation investigations into Apple and Google's mobile ecosystems under the Digital Markets, Competition and Consumers Act

Response from Match Group Inc.

12 February 2025

This is the response of Match Group Inc. (“**Match Group**”) to the CMA’s invitation to comment (“**ITC**”) published on 23 January 2025 in its designation investigations into Apple’s and Google’s mobile ecosystems in exercise of its new powers under the Digital Markets, Competition and Consumers (“**DMCC**”) Act.

Match Group, through its portfolio brands, provides dating services in over 40 languages to its users across more than 190 countries via mobile applications and websites. Match Group’s portfolio of brands includes Tinder, Match, PlentyOfFish, Meetic, OkCupid, OurTime, Pairs, and Hinge, as well as other brands.

Match Group supports the CMA’s important work in ensuring markets work well for the British economy, businesses and consumers and, in particular, it is a great advocate of the UK’s new digital markets regime. The current status quo hinders innovation and growth in the tech sector because both mobile ecosystems impose rules that are restrictive and fees that are high and discriminatory.

Match Group is a member of the Coalition for App Fairness (“**CAF**”), which urges regulators and legislators around the world to ensure a fair marketplace for app developers who rely on the digital gatekeepers to reach their customers. Match Group supports the more detailed observations made in CAF’s response to the ITC.

Match Group supports the approach taken by the CMA with respect to the designation investigations. Match Group believes the scope of the investigation is appropriate and will allow the CMA to make the necessary designations and impose the necessary conduct requirements that will drive change in the app ecosystem.

Match Group believes the CMA is correct to consider the conduct requirements from the start of its investigation because the harms that the CMA seeks to address are significant and ongoing, and the design of these new rules will dictate whether the new regime is successful. Match Group agrees with the categories of potential interventions and looks forward to discussing them in more detail with the CMA. In particular, Match Group would be very keen to see conduct requirements that require fair, reasonable and non-discriminatory (“**FRAND**”) access to, and contractual terms for, the SMS firms’ native app distribution processes.

Payment processing ought to be a major area of competition between and within apps, but competition is currently prevented by SMS firms’ respective in-app payment policies. In respect of Apple, for example, one of the most prominent ways it abuses its entrenched position is by requiring a small subset of commercially important app developers (i.e., those that sell “digital” content as opposed to “physical” content) that distribute their apps through its app store to use its proprietary payment system exclusively to process in-app purchases made by users, such as features or content within an app, including subscriptions. Apple then imposes an arbitrary and excessive fee of up to 30% on all payments made through its payment system, and imposes a range of other unreasonable obligations such as the notorious anti-steering rules, which prohibit app developers from directing

their users to out-of-app payment options. This distinction between app developers selling “digital” content and “physical” goods and services is arbitrary and applies different conditions to developers that are similarly situated. The CMA should impose conduct requirements that require SMS firms to adopt FRAND obligations.

As a result of being designated gatekeepers under the EU’s Digital Markets Act (the “DMA”), gatekeepers’ app stores are now subject to FRAND obligations in the EU. Match Group believes there is great benefit in the major economies moving forward together on these issues so that they can increase competition and improve user choice, and to avoid the problems already encountered in the US, the Netherlands and South Korea, where Apple has sought to circumvent the objectives of the US judge’s injunction against the anti-steering provision, the Dutch ACM’s remedy and the Korean app stores legislation, respectively.

Applying FRAND obligations to SMS firms is important because of the strength and durability of their substantial and entrenched market power. Importantly, many of the apps falling into, for example, Apple’s “digital” category have no alternative distribution options and must be distributed through the App Store to reach consumers. This is critically important for dating app developers that are part of Match Group’s portfolio because the value dating apps provide users depends, in part, on the size of the network it offers; in other words, more users mean more potential matches which, in turn, means the users are more likely to find a compatible match.

A range of other measures are also necessary to reintroduce competition into the SMS firms’ mobile ecosystems. Match Group would fully support other remedy proposals, including:

- Removing the tie between app stores and payment processing services;
- Allowing alternative app stores to compete fully on both iOS and Android;
- Allowing direct downloading of apps;
- Allowing developers to improve functionality of their web apps;
- Improving the transparency and fairness of the app review processes;
- Improving the sharing of information by gatekeepers with the app developers;
- Removing the anti-steering rules of gatekeepers such as Apple; and
- Improving the ability of consumers to switch (for example, transferring their data) between iOS and Android.

We wish the CMA well in its investigations and look forward to participating further in them.

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