

Algorithms used by Google, Amazon and Facebook are manipulating citizens lives

- Algorithms can reduce competition and harm consumers, a UK watchdog says
- Competition and Markets Authority (CMA) to probe if they 'manipulate' people
- Concerns algorithms are influencing shopping, dating and food choices
- Some can bump up online prices and decide what news we are presented with

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An investigation into algorithms used by companies such as **Google**, **Facebook** and **Amazon** has been launched today amid fears they are 'manipulating' lives and are used to 'artificially change perceptions' by cherry-picking what news internet users see.

The Competition and Markets Authority (CMA) will probe fears whether the software used by tech giants is corrupting lives and livelihoods by limiting choice, bumping up prices and skewing how they consume current affairs.

Algorithms wield enormous power over millions of Britons yet there is little or no accountability for tech firms over the results they produce or what they force consumers to see.



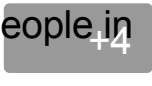
The CMA, Britain's guardian on antitrust and monopoly matters post-Brexit, will now examine concerns they are being used to influence

shopping, travel, hotel and food choices, assess job applicants and even manipulate love lives through dating apps.



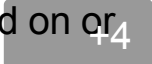
One of the issues they will look at will be the use of algorithms by Google and Facebook to decide what news is shown to people using their websites. There are also concerns they are used to manipulate the UK's £14billion online advertising market, which is also dominated by Google.

These search results are often based on their previous browsing and links they have clicked on, rather than directing them to publishers offering the closest match to a search. The same criticism has been aimed at YouTube and the videos it suggests users watch next.

The consumer group Which? has also raised concerns that algorithms used by Amazon to give products an 'Amazon Choice' recommendation can skew shopping habits and potentially see people paying more for products. The online giant also predicts what someone might buy based on previous purchases, their gender, whether they have children and what they watch on their Prime player.

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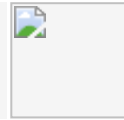
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These so-called 'nudges' on websites 'can be manipulated to reduce choice or artificially change consumers' perceptions' and even lead to 'personalised pricing', the CMA said.

The Competition and Markets Authority (CMA) is seeking evidence from academics and industry experts on the potential harms to competition and consumers caused by the deliberate or unintended misuse of algorithms.

It said: 'Much of people's lives is spent online, be it consuming news, socialising, dating, ordering food, or arranging travel. Many of these online activities and the markets that underpin them could not exist without algorithms, often in the form of artificial intelligence, and these have enabled considerable gains in efficiency and effectiveness. However, they can negatively impact consumers in various ways.

'Algorithms can be used to personalise services in ways that are difficult to detect, leading to search results that can be manipulated to reduce choice or artificially change consumers' perceptions.' Companies can also

What are algorithms and how do they dominate our lives?

What is an algorithm?

They are mini instruction manuals telling computers how to complete a given task or manipulate given data. Tech companies use them to tailor results to sell more goods or manipulate what they see.

What are the main types?

The Also-like

algorithm: Amazon uses them to predict what users might want to buy. For example a parent who buys nappies online may log on to the website and be met with offers on baby wipes.

YouTube uses it to predict what videos someone would like.

The filter algorithm: These are used by Google to decide what people view meaning not

use algorithms to change the way they rank products on websites, giving a higher rating to their own products and excluding competitors.

The dangers of algorithms were laid bare last year when algorithms were dropped following a public outcry after they were used to decide teenagers' GCSE and A-level results, which could have had dire consequences on their future.

At the time of the crisis, ministers such as the Education Secretary, Gavin Williamson, insisted that the algorithms were the best and fairest way to decide grades.

Director of Data Science at the CMA, Kate Brand, said: 'Algorithms play an important role online but, if not used responsibly, can potentially do a tremendous amount of harm to consumers and businesses.' Which? has raised concerns that the Amazon algorithm can be manipulated by rogue sellers to win an Amazon Choice recommendation, so encouraging people to buy sub-standard products, wasting huge sums of money.

The Which? Director of Policy and Advocacy, Rocio Concha, said: 'Algorithms can help consumers find suitable products and services as well as good deals, but can also be used to track and monitor behaviours in ways they are unaware of, leading to them being manipulated or misled - either accidentally or by design.'

'From pressure-selling tactics by online accommodation booking sites to unscrupulous sellers using fake reviews to game their way to a valuable Amazon's Choice endorsement, too often algorithms can lead to consumers losing out.'

The new CMA investigation came weeks after it announced **Google's** command of Britain's £14billion online advertising market will be probed

all search results are the same. These are used for shopping and news.

Prediction algorithms: An algorithm used by betting companies allowing them to change odds and predict where people will bet.

Regression algorithm: Uses data from opinion polls, age and gender data to predict things such as elections



amid claims it is using Chrome to abuse its position as the dominant power in searches and browsing.



The investigation will assess whether the possible removal of third-party cookies and other functionalities from Chrome could be anti-competitive and further hit UK businesses by decimating their online ad revenues.

The CMA's probe was announced days after it became Britain's guardian on antitrust and monopoly matters after the country fully left the EU and Brussels' influence on UK competition laws formally ended.



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 Information Commissioner's Office (ICO) as we progress this investigation, while also engaging directly with Google and other market participants about our concerns.'

Marketers for an Open Web has repeatedly asked the CMA to block the tech giant's controversial 'Privacy Sandbox' project. The pressure group says that without **Government** intervention to protect media plurality in the UK their members could see revenues drop by 75 per cent because Google controls up to 98 per cent of UK search engine traffic on PCs, tablets and mobile phones.

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The UK's competition watchdog will look into how the possible removal of third-party cookies and other functionalities from Chrome could distort competition.

Online publishers such as newspapers rely on third-party cookies to target advertising effectively and fund their content. But the use of these cookies comes with privacy concerns, as they allow consumers' behaviour to be tracked across the web.

Mr Coscelli said last year that ministers needed to urgently set up a regulatory regime to counter big tech's monopoly on the search and digital ad markets or it would act alone.

The cash hoovered up by Google using its advertising algorithms and its extraordinary market power has already put it in the CMA's crosshairs.

Google shook the online advertising world in 2020 as it announced it would phase out third party cookies.

These allowed businesses to use targeted advertising based on websites a customer had visited or

What is Google's controversial 'Sandbox' privacy technology and why is it controversial?

Google has pointed to the 'large scale blocking of cookies' as part of its 'Sandbox' project.

Blocking cookies has become an increasingly popular method of regaining privacy among some users and has arisen as a proverbial selling point for Chrome's competitors like Mozilla Firefox.

With its 'privacy sandbox' Google says it hopes to step in and preserve cookies while taking into account a rising demand for greater user privacy.

But critics say it also means that Google will keep the customer data about internet users to itself, and away from the businesses serving those people.

This could boost its gigantic revenues even further - but the business insists it is about privacy.

ones they had clicked on to browse or buy.



Google insists the changes are primarily to protect privacy - critics say its purpose is to cement Google's control of online advertising markets, because it will deny rivals access to the user data needed to sell ads.

Web browsers such as Mozilla and Apple Inc's Safari have already blocked third-party cookies.

There are concerns they are being used to influence shopping, travel, hotel and food choices, assess job applicants and even manipulate love lives through dating apps.

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