

## Groups seek privacy review of Facebook-WhatsApp tie-up

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An administrative complaint filed with the Federal Trade Commission calls on the agency to investigate the <u>deal</u> and protection against "unfair and deceptive data collection practices" which could be implemented by WhatsApp after the takeover.

Facebook last month unveiled the eye-popping cash-and-stock deal worth up to \$19 billion for WhatsApp, which allows for free communications over mobile devices.

The complaint filed by the Electronic Privacy Information Center and Center for Digital Democracy said the deal may undermine the privacy of users by allowing Facebook access to user information, which could be used for advertising purposes.

"WhatsApp built a user base based on its commitment not to collect user data for advertising revenue," the complaint said.

"Facebook routinely makes use of <u>user information</u> for advertising purposes and has made clear that it intends to incorporate the data of WhatsApp users into the user profiling business model. The proposed acquisition will therefore violate WhatsApp users' understanding of their exposure to online <u>advertising</u> and constitutes an unfair and deceptive trade practice."

The complaint cited a 2009 blog post from WhatsApp co-founder Jan Koum, stating that "we have not, we do not and we will not ever sell your personal information to anyone. Period."

The deal gives Facebook, the world's biggest social network with some 1.2 billion members, a new service in WhatsApp, which has a user base of 450 million.

Analysts say that to justify the stunning price tag, Facebook must be



counting on new services from WhatsApp or seek to somehow monetize the messaging service's user base. WhatsApp is free for the first year and then charges an annual fee of \$1.

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