

Apple to respond to US probes into slowdown of old iPhones

January 31 2018, by Michael Liedtke



In this March 9, 2015 file photo, Apple CEO Tim Cook talks about the iPhone 6 and iPhone 6 Plus during an Apple event in San Francisco. U.S. authorities are investigating Apple's slowing of older iPhones, according to published reports. The Wall Street Journal and Bloomberg reported Tuesday, Jan. 30, 2018, that the Department of Justice and the Securities and Exchange Commission are probing whether Apple violated securities laws. (AP Photo/Eric Risberg, File)

Apple is cooperating with U.S. government inquiries into its secret

slowdown of older iPhones, further complicating its efforts to move past an issue that irked customers whose devices bogged down.

The company acknowledged the probes late Tuesday after both The Wall Street Journal and Bloomberg reported the U.S. Justice Department and Securities and Exchange Commission were investigating how investors have been affected by Apple's handling of the situation.

A software update released in 2016 began to slow down older iPhones when their batteries weakened to prevent them from abruptly turning off. But Apple didn't fully disclose what it was doing until December 2017.

Apple has since apologized for not being more forthcoming and is replacing batteries on older iPhones for \$29, a \$50 discount.

The Cupertino, California, company is also working on another software update that will give consumers the option of turning off the slowdown feature, if they are willing to risk a sudden shutdown. That free update, due out this spring, also will include a feature measuring the battery's strength.

In its latest statement, Apple reiterated its belief that it was acting in the best interest of its customers by extending the lives of their iPhones. Many consumers, however, remain convinced that the company torpedoed the older iPhones to prod them to upgrade to the latest—and more expensive—models released in last fall.

"We have never—and would never—do anything to intentionally shorten the life of any Apple product, or degrade the user experience to drive customer upgrades," Apple said. "Our goal has always been to create products that our customers love."

Despite its contrition, Apple is still grappling with the fallout from its slowdown of older iPhones.

Authorities in France are in the midst of an investigation whether Apple violated laws protecting consumers in that country and lawyers in the U.S. are pursuing a variety of class-action lawsuits on behalf of millions of consumers.

Meanwhile, the head of the commerce committee in the U.S. Senate had previously sent a letter to Apple demanding more information about the iPhone slowdown. Apple was supposed to respond by Jan. 23, but was granted an extension and is now expected to answer by the end of this week, said Frederick Hill, a spokesman for Sen. John Thune, a South Dakota Republican who confronted the company.

Both the Justice Department and the SEC have declined to comment on their investigations, leaving it unclear what piqued their interest.

Apple's delayed disclosure of the iPhone slowdown doesn't appear to have done significant harm to investors so far.

Just a few weeks after Apple disclosed it had been slowing down older iPhones, the company's stock surged to an all-time high, despite consumer outrage. The shares have retreated in the past week, but that downturn has been driven by concerns about lackluster demand for its high-priced iPhone X.

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