



UK 4G smartphone owners could be entitled to a £480 million payout

Around 29 million Britons could be entitled to a payout after being overcharged for their smartphones, if a landmark claim by consumer champion Which? is successful.

According to Which?, consumers could be owed a collective £482.5 million in damages from multi billion-dollar tech giant Qualcomm.

Which? believes Qualcomm has breached UK competition law by taking advantage of its dominance in the patent-licensing and chipset markets. The result is that it is able to charge manufacturers like Apple and Samsung inflated fees for technology licences, which have then been passed on to consumers in the form of higher smartphone prices.

Which? is seeking damages for all affected Apple and Samsung smartphones purchased since 1st October 2015. It estimates that individual consumers could be due up to £30 depending on the number and type of smartphones purchased during that period, although it is expected at this stage that most consumers would receive around £17.

Qualcomm has already been found liable by regulators and courts around the world for similar anticompetitive behaviour and Which? is urging Qualcomm to settle this claim without the need for litigation by offering consumers their money back.

Which?'s legal action could help millions of consumers get redress for Qualcomm's anticompetitive abuse. This is possible because of the opt-out collective action regime that was introduced by the Consumer Rights Act 2015.

It has been near impossible for individual consumers to take on big companies like Qualcomm in the past, but the collective regime opened the door for Which? to represent consumers where large numbers of people have been harmed by anticompetitive conduct.

This action is vital to obtain redress for consumers and to send a clear message to powerful companies like Qualcomm, that if they engage in harmful, manipulative practices, Which? stands ready to take action.

Anabel Hoult, CEO of Which?, said:

“We believe Qualcomm's practices are anticompetitive and have so far taken around £480 million from UK consumers' pockets – this needs to stop. We are sending a clear warning that if companies like Qualcomm indulge in manipulative practices which harm consumers, Which? is prepared to take action.

“If Qualcomm has abused its market power it must be held to account. Without Which? bringing this claim on behalf of millions of affected UK consumers, it would simply not be realistic for people to seek damages from the company on an individual basis – that's why

it's so important that consumers can come together and claim the redress they are entitled to."

-ENDS-

Visit www.smartphoneclaim.co.uk to find out more about the claim and sign up for campaign updates.

Notes to editors

Background on the legal case

Which? has launched legal action against US tech giant Qualcomm on behalf of UK consumers who have purchased Apple and Samsung smartphones since 1 October 2015 - to win them back around £480 million in damages stemming from Qualcomm's anticompetitive behaviour.

Which?'s claim will state that Qualcomm employs two harmful and unlawful practices:

- It refuses to license its patents to other competing chipset manufacturers and,
- it refuses to supply chipsets to smartphone manufacturers, such as Apple and Samsung, unless those companies obtain a separate licence and pay substantial royalties to Qualcomm.

Together, it is argued that these abuses enable Qualcomm to charge Apple and Samsung higher fees for the licences for its patents, than would be the case if Qualcomm behaved lawfully. Which? believes that Qualcomm is using its market power to obtain an unlawfully gained advantage in its negotiations with manufacturers which enable it to insist on charging artificially high fees for its patents.

Qualcomm also insists that it is paid fees by smartphone manufacturers even when they don't use Qualcomm chipsets in their smartphones and use another chipset instead. That raises the manufacturing costs of all smartphones, which are ultimately passed on to consumers, meaning that consumers have paid more for smartphones than they should have done.

Collective proceedings involve a claim brought by a class representative on behalf of a defined group of persons who have suffered loss as a result of a breach of competition law. Similar legal action has also been taken against Qualcomm in Canada and the US.

A number of competition authorities worldwide have investigated and, in some cases, fined Qualcomm for anticompetitive behaviour including the European Commission and authorities in South Korea and Taiwan. Some of these fines have been overturned on appeal, and some continue to be litigated.

Which?'s claim will automatically include consumers that purchased particular models of Apple or Samsung smartphones, either direct from the manufacturer or from a network operator or smartphone retailer since 1 October 2015. Depending on the number and models of phones purchased, each class member could be entitled to between £5 and £30 in damages.

There is no guarantee that compensation will be made available in the future – the case must first be won in the Competition Appeal Tribunal, unless an earlier settlement is agreed. Now the case has been filed, the next step will be for Which? to obtain permission from the Competition Appeal Tribunal to act as class representative and for the claim to proceed on a collective basis.

About Which?

Which? is the UK's consumer champion, here to make life simpler, fairer and safer for everyone. Our research gets to the heart of consumer issues, our advice is impartial, and our rigorous product tests lead to expert recommendations. We're the independent consumer voice that influences politicians and lawmakers, investigates, holds businesses to account and makes change happen. As an organisation we're not for profit and all for making consumers more powerful.