

GVH investigates how Microsoft informs consumers about its new search service

Budapest, July 2023, 25 - The Hungarian Competition Authority (GVH) has launched an investigation against Microsoft for possible failing to adequately inform users about certain features of its search engine with artificial intelligence-based chat. The service's policies are contradictory, for instance, consumers may not be aware of the reliability of the service or what happens to the personal data introduced during use.

The GVH has launched an investigation against Microsoft's European services subsidiary, Microsoft Ireland Operations Limited, for possible unfair practices against Hungarian consumers in relation to its so-called "new Bing service".

In February, the software giant integrated an artificial intelligence-based chat feature - similar to ChatGPT - into its Bing search system, which help to answer questions in the search interface, using machine learning to learn from the content, data and information shared by users. However, the national authority consider that the company did not appear to provide consumers with information about the service with the level of expertise and professional care that could reasonably be expected.

The GVH suspects that the rules of the services and user information are extensive, fragmented and contradictory, and in some cases, it is only available in English. This may result in consumers being misinformed about the completeness of the service, the reliability, timeliness and accuracy of the answers, and the data management associated with the use of the service, for example, how the data they share with the service is used by the company to train its artificial intelligence algorithm, how it is displayed in response to other users' searches, and how to have it removed from the system.

At the same time as the GVH, the US Federal Trade Commission (FTC) also launched an investigation into another AI-based chat service, ChatGPT, operated by OpenAI. The investigation in the US regulatory proceeding also concerns the most likely unfairness of the practices relating to data management and service risks.

For some time now, the GVH has been paying close attention to investigate the market behaviour of large technology companies that affect the interests and position of a significant number of consumers and businesses. In recent years, the GVH has imposed competition remedies on Google and PayPal, among others, and Apple and Booking.com have paid significant competition fines in Hungary. The national competition authority is also currently investigating the behaviour of Viber, part of the Rakuten group, and TikTok, operated by ByteDance. Thanks to its actions, the Hungarian Competition Authority also gained

membership of the High Level Group, which assists the European Commission in enforcing the Digital Markets Act (DMA), in the spring.

The opening of competition proceedings does not mean that the undertaking has committed the infringement. The procedure aims at clarifying the facts and thereby proving the alleged infringement. The time allowed for the procedure is three months, which may be extended twice, each time for a maximum of two months, where justified.

The administrative case number is: **VJ/20/2023.**

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