

Netflix International B.V.
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Amsterdam, the Netherlands

Elin Perridon
Director global consumer
protection

Marianna Scharf
Senior Director, Head of EU
Public Policy at Netflix

Brussels, 29th May 2023

Re: New Netflix's policy on account/password sharing - request for Belgian, Italian, Portuguese and Spanish consumers

Dear Ms Perridon, dear Ms. Sharf,

We are reaching out on behalf of Euroconsumers. Gathering four national consumer organizations in Europe (Italy, Belgium, Spain, Portugal) and one in South America (Brazil), and giving voice to a total of more than 1.5 million consumers, Euroconsumers is the world's leading consumer cluster in terms of innovative information, personalized services and defense of consumer rights.

We learned about the new Netflix policy with regards to account sharing that has been put into place in Italy, Portugal and Spain, and is about to be introduced in Belgium as well. This raises some disturbing practical implications, pertinent concerns and fundamental questions for consumers in Belgium, Italy, Spain and Portugal.

1. Netflix' concept of households/family anno 2023

The new terms require users to designate a primary location using their TV, which must be signed into the user's account and connected to the same Wi-Fi network as all other devices associated with that account. In the absence of a designated primary location or TV, Netflix will automatically assign one based on the user's IP address, device IDs, and activity. To maintain association with the primary location, users must connect to the designated Wi-Fi network, open the Netflix app or website, and watch at least one program every 31 days. Users who wish to use Netflix on a device that is not associated with their primary location may request verification from the main account holder.

This approach however clashes with how households nowadays are composed and operate. Anno 2023 the classical family, living in one and the same home, all days of every week is no longer a reality.

Let's take the example of family of four, with 2 students staying in another city. Whenever the two youngsters would like to connect to the Netflix family account, each from a different student home and each at a different moment at day or night, then at least one of the parents would need to confirm access from their mobile.

Or take the case of a person that takes along on his long trip a device that is rarely used in their home. In that case he should request a the main account holder to verify the device. The account holder will then receive a code that can be provided to the person traveling, after which the the traveling family member could access Netflix for a period of seven days. But what happens after that? Does the process need to be repeated over and over again? Is it even possible to make multiple requests for for temporary codes?

These two of many more examples illustrate the tangible impact of the new policy on loyal Netflix costumers and how it fails to address the complex reality many families are experiencing nowadays. The administrative burden created for Netflix' subscribers outweighs the harm it claims to be addressing and should therefore be considered disproportionate. Moreover, it is unclear how consumers that pay significantly more to have access to multiple screens would generate abuse

when accessing these on different locations instead of one. Consumers who pay for four screens should have access to four screens wherever they are.

2. Netflix' misleading display of subscription plans

Secondly, we are troubled by the way the different subscription plans are displayed on the Netflix website¹. It appears that one of the subscription plans, the "Basic" one to be more specific, is not immediately presented to customers and only appears if the consumer clicks on "see all plans" (see picture 1 and 2 in annex). Obviously this generates confusion and wrongly gives the impression there is no alternative between a subscription with ads and the "standard" one², which by coincidence is also more expensive than the "Basic" subscription.

We would like to reiterate consumers have the right to transparent and easily accessible information on all subscription plans available. As reaffirmed by the COMMISSION NOTICE - Guidance on the interpretation and application of Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market (2021/C 526/01)³:

*"... traders should take appropriate measures to ensure that the design of their interface does not distort the transactional decisions of consumers. **Manipulative practices may include visually obscuring important information or ordering it in a way to promote a specific option** (e.g. one button very visible, another hidden; one path very long, another shorter), as well as using trick questions and ambiguous language (e.g. double negatives) to confuse the consumer. **Such practices are likely to qualify as a misleading action under Article 6 UCPD or as a misleading omission under Article 7 UCPD by making the information unintelligible or ambiguous**".*

¹ <https://www.netflix.com/signup>

² Even the chosen language seems misleading because in common parlance the word "standard" is associated with something essential, and one would not expect there to be a more "standard" subscription than the "standard" one.

³ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC1229\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC1229(05)&from=EN)

3. Impact of Netflix' password policy on consumers' privacy

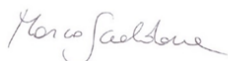
Finally, we would also like to highlight the concerning impact of the aforementioned policy change on consumers' privacy and security. Netflix' new account strategy not only raises questions on the privacy impact of the continuous IP address monitoring, it also jeopardizes consumers' right to browse in an anonymous way using a VPN.

Indeed, in times of more and more pervasive tracking consumers want to secure their privacy and browse without being followed by internet providers, advertising companies and service providers. Netflix' new account strategy goes in the exact opposite direction and denies consumers' this option by restricting them from accessing Netflix through VPN connections over prolonged periods of time. This is not only a limitation of the user's freedom of choice, but even more of its privacy and security.

Given the above, we call on Netflix to reconsider its new account/password strategy and urgently address the practical and legal concerns raised in this letter. We look forward to receiving your response and are available to sit down together in the very near future to tackle the problems raised.

Sincerely,

Marco Scialdone
Head Litigation and Academic Outreach
Euroconsumers



Els Bruggeman
Head Policy and Enforcement
Euroconsumers



ABOUT EUROCONSUMERS: Gathering five national consumer organisations and giving voice to a total of more than 1,5 million people in Italy, Belgium, Spain, Portugal and Brazil, Euroconsumers is the world's leading consumer cluster in innovative information, personalised services and defence of consumer rights. Our European member organisations are part of the umbrella network of BEUC, the European Consumer Organisation. Together we advocate for EU policies that benefit consumers in their daily lives.

ANNEX

Pic. 1

STEP 1 OF 3

Choose the plan that's right for you

- ✓ Watch all you want.
- ✓ Recommendations just for you.
- ✓ Change or cancel your plan anytime.

	Basic with ads	Standard	Premium
Monthly price	€5.49	€12.99	€17.99
Video quality	Good	Better	Best
Resolution	720p	1080p	4K+HDR
Watch on your TV, computer, mobile phone and tablet	✓	✓	✓
Downloads	—	✓	✓

[See All Plans](#)


Pic. 2

STEP 1 OF 3

Choose the plan that's right for you

- ✓ Watch all you want.
- ✓ Recommendations just for you.
- ✓ Change or cancel your plan anytime.

	Basic with ads	Basic	Standard	Premium
Monthly price	€5.49	€7.99	€12.99	€17.99
Video quality	Good	Good	Better	Best
Resolution	720p	720p	1080p	4K+HDR
Watch on your TV, computer, mobile phone and tablet	✓	✓	✓	✓
Downloads	—	✓	✓	✓

 If you are on an ad-supported plan, you will have a limited number of movies and TV shows unavailable due to licensing restrictions. Some location and device restrictions also apply. [Learn more.](#)