

Attorney General Raoul Announces \$113 Million Settlement With Apple After Slowing Iphone Performance

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Chicago – Attorney General Kwame Raoul, along with 33 states and the District of Columbia, today announced a \$113 million settlement with Apple, Inc. regarding Apple's 2016 decision to slow consumers' iPhone speeds in order to address unexpected shutdowns in some iPhones.

Based on the multistate investigation, Raoul and the coalition allege that Apple discovered battery issues that were leading to unexpected shutdowns in iPhones. Rather than disclosing the problems or providing replacement batteries, Apple concealed the issue from consumers. In an effort to stop the unexpected shutdowns without disclosing the problem, Apple instead offered a software update in December 2016 that reduced iPhones' performance.

Raoul and the coalition also allege that Apple's decision to conceal the battery issues and throttle iPhones' performance allowed Apple to profit by selling additional iPhones to consumers whose phone performance had slowed.

"Apple knowingly withheld information from consumers in an effort to sell more phones and increase profits," Raoul said. "Today's settlement holds Apple accountable for taking advantage of consumers and ensures that protections are in place so consumers can be well-informed when making purchases."

Under the settlement, Apple will pay Illinois \$3,422,294. In addition to the monetary payment, Apple must provide consumers with accurate information about iPhone battery health, performance, and power management. This important information must be detailed in various forms on Apple's website, in update installation notes, and in the iPhone user interface itself. Apple also recently settled separate class action litigation related to the same conduct, and under that settlement Apple will pay up to \$500 million in consumer restitution.

Privacy Unit Chief Matt Van Hise, Consumer Fraud Bureau Chief Beth Blackston, and Assistant Attorney General Ike Heimlich handled the settlement for Raoul's Consumer Fraud Bureau.

Joining Raoul in this settlement are Alaska, Arizona, Arkansas, Connecticut, California, District of Columbia, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia and Wisconsin.