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Meta Pays America. Europe Wants the Algorithm

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Meta will pay US states up to $17.1 billion to settle child-safety claims and redesign Instagram for teenagers. Brussels, still investigating the same conduct under the Digital Services Act, could impose far larger fines yet.

Meta will pay American states $12.19 billion over ten years to settle claims that it built Instagram to addict children, hid what it knew about the resulting harm, and unlawfully harvested data from users under 13. The figure rises to $17.1 billion if TikTok, YouTube and Snapchat — all facing their own state investigations — agree to comparable terms and put up matching money of their own.

Connecticut Attorney General William Tong, whose office led the case, said Meta had "strip-mined the souls of America's children for maximum profit". The deal is the largest state settlement with a single company in American history. Beyond money, it is forcing a detailed rewrite of how Instagram and Facebook work for anyone under 18: a combined two-hour daily limit across both apps, with prompts at 15, 60 and 90 minutes; a midnight-to-6 am block; notifications suspended during the school day; a ban on showing teenagers like counts and "extreme" beauty filters; and the option of a feed with no algorithmic personalisation at all. An independent auditor will check compliance for up to ten years.

The age-verification requirements have twelve months to arrive; the non-personalised feed option, four. Meta is booking a $10 billion charge against its third-quarter earnings to cover it — and its shares rose on the news anyway. The settlement says nothing about the mechanics of age verification Meta will actually deploy, or about how the company will handle adults wrongly flagged as minors. Those details are, for now, Meta's to work out.

Brussels' longer game

While American states were negotiating a number, the European Commission was building a deeper case. Commission spokesperson Thomas Regnier said the Meta deal means the company must now offer "at least equally effective protection" to children in the EU — but he cast that as the DSA's existing minor-safety obligations catching up with what Meta just promised American regulators, not a joint EU-US pact on teen screen time. Asked whether Brussels was angling for a bigger payout than the $17.1 billion ceiling in the US deal, Regnier said the point isn't who levies the heaviest fine, but whether children are actually protected.

In April, the Commission concluded that Meta's under-13 controls were essentially theatre: children could lie about their birth date, and the tool for reporting an underage user took up to seven clicks to find. In July, a second finding went further, naming infinite scroll, autoplay and personalised recommendations as design features that push users into what the commission called "autopilot mode".

In July, Commission President Ursula von der Leyen said Brussels would propose bloc-wide limits on how much time younger children can spend on social media, based on an expert report recommending a tiered, age-graded model — tighter caps for under-13s, loosening progressively as teenagers get older.

Under the Digital Services Act, Brussels has spent two years investigating whether Instagram and Facebook comply with EU law on protecting minors — and it has now produced not one but two sets of preliminary findings against Meta. A concrete proposal is expected around the State of the Union address in September, running alongside, not instead of, the two DSA non-compliance cases already open against Meta.

Meta now has the right to contest both – it has already said it disagrees with the July findings – before the Commission can issue a non-compliance decision. If that happens, the penalty could reach 6% of Meta's global annual turnover: on 2025 revenue, comfortably north of the $17.1 billion Meta is paying across the Atlantic.

Neither settlement nor case file ends the story on either continent, because the broader legislative frameworks both sides are building remain unfinished. In the US, the Kids Online Safety Act — which would impose a general duty on platforms to design against harm to minors — awaits the full Senate floor, with a still-unresolved fight ahead against a narrower House

version. In the EU, the Parliament's call last November for a harmonised digital age of 16, with under-13s barred outright, is not yet binding law; the Commission's own Digital Fairness Act, meant to tackle addictive design and dark patterns across the industry rather than platform by platform, is not expected to be tabled until the final quarter of 2026.

Design first, surveillance later?

That caution has a rationale digital-rights groups keep repeating on both sides of the Atlantic: age assurance can itself become a surveillance system if done badly. Amnesty International welcomed the Meta settlement as, in its words, "a turning point not just for Meta but for all social media", while noting that personalised, algorithmically driven feeds remain switched on by default for every teenager who doesn't actively opt out. The same tension runs through the EU's age-verification debate, where the Commission's own guidelines insist any age-assurance technology must be "non-intrusive"—a standard nobody has yet demonstrated at scale.

"Ensuring teens have a safe and productive experience on our platforms is an absolute imperative for Meta," said the company in a statement and called for TikTok and YouTube to join.

For a platform economy that increasingly decides which cultural content reaches which audiences, the design choices being litigated this week — default feeds, recommendation algorithms, and who gets access to whom — are not solely a child-safety story. They are also a preview of how the EU's next major piece of platform regulation, the Digital Fairness Act, is likely to define "addictive design" for everyone, not just minors.