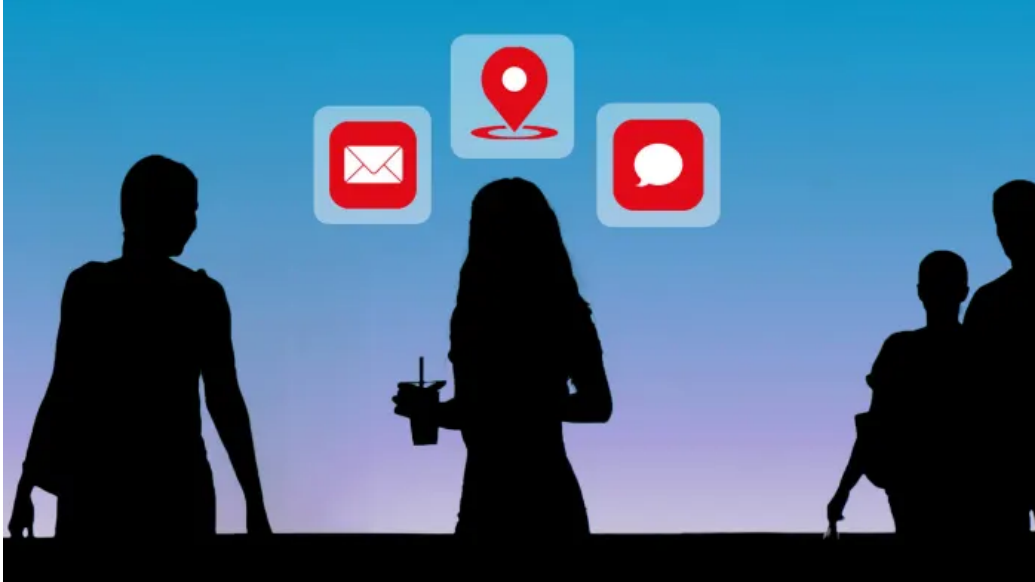


#techFT Technology sector**Sex, spies and photo apps**

Netflix faces stronger things, EU fines Qualcomm, Google Maps adds bike-sharing



Often billed as 'parental control' or 'employee monitoring' tools, stalkerware apps can be installed invisibly on a target's phone

Chris Nuttall in London JULY 18 2019

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Espionage has never been easier, all thanks to tech. Networked surveillance cameras and apps that can track people and collect their personal data are proliferating. It's enough to cause mass paranoia or just irrational questions by lawmakers.

There is a “[reds under the bed](#)” feel about [FaceApp](#) concerns. This photo-editing app, which has gone viral since adding a filter that can show what you might look like in old age, was developed by the Russian company Wireless Lab. Senate minority leader Chuck Schumer has asked the FBI and the Federal Trade Commission [to investigate FaceApp](#) over concerns that its users' data may be passed on to the Kremlin. Wireless Lab says users' information is [not sent to Russia](#) and [most of it is deleted](#) within 48 hours.

Chinese-made surveillance cameras are another area of US concern. [Camilla Hodgson in San Francisco reports](#) they are still watching over US military bases, just weeks before a federal ban on such equipment comes into force. Cameras made by Hikvision, which is 42 per cent owned by the Chinese government, remain in place at the Peterson Air Force Base in Colorado, the home of North American Aerospace Defense Command (Norad) and the headquarters of Air Force

Space Command. A spokesperson said these were “not associated with base security or classified areas” and were not connected to the internet or air force networks.

What seems scarier to me is Camilla's separate story on the [secretive world of stalkerware](#). Apps such as mSpy, TheTruthSpy and FlexiSpy allow users to monitor someone else's phone activity, including their call logs, the contents of text and chat messages, GPS data and photos. They can be billed as “parental control” or “employee monitoring” tools, but they also advertise themselves as a way to catch cheating partners. And then there are the domestic abusers and jilted exes who use them to track down spouses and former lovers.

As one researcher of stalkerware comments, the apps represent “the democratisation of surveillance unlike anything I can think of in recent history. It's incredibly intimate and invasive”.

The Internet of (Five) Things

1. Netflix subs disappoint as it faces stronger things

Netflix shares are trading more than 10 per cent lower on Thursday after the streaming service revealed it added 2.7m subscribers globally in the second quarter — [well below its guidance](#) for 5m additions and Wall Street forecasts of 5.1m. It lost subscribers in the US, after a price rise, and it is about to face fresh competition there from rivals such as Disney and Apple. [Lex says](#) a humdrum collection of original shows and movies is also to blame for the US drop.

2. Rest of the earnings quarterly reports

IBM's revenues [fell for a fourth straight quarter](#), in a sign of continued pressure on its older products and services despite years of trying to reposition itself in growth markets like cloud computing and artificial intelligence. SAP, Europe's largest software company, blamed US-China trade tensions for [disappointing second-quarter profits](#) that sent its shares down as much as 10 per cent. EBay [raised its full-year profit guidance](#) as the ecommerce company reported better than expected second-quarter earnings, sending its shares higher. TSMC, the world's largest contract chipmaker, [saw its profits fall again](#), but the pace of the drop eased after a strong pick-up in sales in June.

3. EU fines Qualcomm for market abuse; G7 tax compromise

Margrethe Vestager, whose five-year term as the EU's competition commissioner [ends by November 1](#), is not done with tech yet. She hit wireless chipmaker Qualcomm [with a €242m fine](#) on Thursday for abusing its dominant market position by using predatory pricing, concluding a nine-year case. Qualcomm says it will appeal. On the same day, Ms Vestager [approved Vodafone's €19bn purchase](#) of Liberty Global assets in Europe, opening the door for further consolidation in the region's telecoms industry. Meanwhile, G7 ministers meeting in Chantilly appear to have [agreed a compromise](#) on how to change the international tax regime to ensure fair taxation of big multinationals, including tech giants such as Google and Facebook.

4. Facebook's bitter currency exchange with Congress

Despite two days of bruising hearings in Washington, Facebook is pressing on with its digital currency project. David Marcus, Libra's co-creator, told his interrogators that Facebook would not launch the project until it had sign-off from the necessary regulators. But he would [not agree to stop working](#) on the plans, as demanded by several senior members of Congress, or to launch it in a limited pilot project first. [Our analysis](#) says regulatory approval is unlikely in an election year and members of Congress used the hearings as a chance to go after Facebook on issues like the [Cambridge Analytica scandal](#).

5. Japan regresses on AI — SoftBank founder

Masayoshi Son has warned Japan is [falling dangerously behind](#) in applying artificial intelligence. He told SoftBank's annual conference in Tokyo: “Within the space of a few years, Japan has now completely become a developing country in the most important area of AI where technology revolution is happening.”

[Sifted](#) — the European start-up week

German digital bank N26 announced a [new \\$170m fundraising this week](#), adding to its war chest as it prepares its assault on the US market. This challenger bank has begun rolling out chequing accounts in the US — ahead of fellow digital banks Monzo and Revolut, which also plan to launch in North America. Over the summer, N26 will gradually invite all of the 100,000 people on its waiting list to open accounts, before going fully public later on this year. [But what can Europe teach the US about banking?](#)

Elsewhere, Curve, the London-based company that wants to unify all your cards in one app, [has raised \\$55m in a Series B](#) round to help push forward its vision of becoming the “Spotify of banking”, while Raisin, the Berlin-based savings marketplace, said it is on the lookout for new acquisitions after raising an additional [€25m from Goldman Sachs](#). Sifted has also looked at the bridge between the corporate world and start-ups, hearing from Lak Ananth, the chief executive of Next47, [the global venture firm backed by Siemens](#), and [Jeremy Basset from innovation agency Co:cubed](#), about what can be done better.

Tech tools — Google Maps adds bike sharing



Reflecting changing transportation trends, Google Maps has been adding locations and status of [electric vehicle charging stations](#) and now real-time bike-sharing information, using a data feed from [Ito World](#). It has been providing this in New York City for the past year, showing locations

of bike-sharing stations and how many bikes are available. This week it is [rolling out the feature](#) to a total of 24 cities, including London, in 16 countries. Dockless bike-sharing services are probably a whole other challenge.

FT Banking Summit 2019

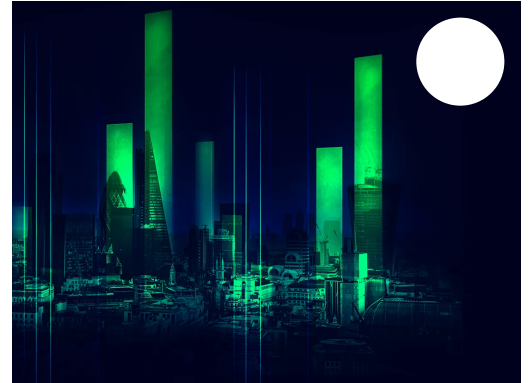
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