

Last updated: August 14, 2014 3:05 pm

## Uber banned in Berlin on passenger safety grounds

By Jeevan Vasagar in Berlin [Author alerts](#)

©Thor Swift/FT

Uber, the app-enabled taxi service, is facing a new challenge in Germany after Berlin's city government voted to ban its use on the grounds of passenger safety.

Berlin ruled that Uber fails to meet safety regulations by using "unverified drivers in unlicensed vehicles", and leaving passengers uninsured in the event of an accident or injury.

The German city said that the San Francisco-based company will now face €25,000 fines for each violation of its ban, with drivers facing €20,000 penalties. It also warned that failure to pay penalties for illegally offering a service can result in a custodial sentence.

Berlin's move follows a decision by authorities in Hamburg, Germany's second-biggest city, to ban the use of Uber. Last month, Hamburg said the app-based service was being banned in the city because licensed taxi drivers should be "protected from illegal competition by unlicensed transport . . . especially when this is carried out with the scale and intention to displace the taxi industry".

Hamburg's ban was also made on the grounds that insurers would be able to refuse liability for accidents involving Uber drivers, as their cars are not licensed for passenger transportation.

Uber's German problems follow a series of disputes in Europe, in which city authorities have sided with licensed drivers and outlawed the app.

However, the latest ban drew a startled reaction from Berliners, concerned that it undermines the city's liberal, start-up friendly reputation.

The local manager of a North American tech company tweeted: "and this is how Berlin kills innovation while pretending to be a world class start-up city."

Fabien Nestmann, Uber's general manager for Germany, said: "The decision from the Berlin authorities is not progressive and it's seeking to limit consumer choice for all the wrong reasons.

"As a new entrant we're bringing much-needed competition to a market that hasn't changed in years. Competition is good for everyone because it raises the bar and ultimately it's the consumer who wins."

Uber argues that its technology allows for innovative safety measures that did not exist before app-enabled taxi services entered the market.

These include the ability to allow a friend or family member to track a ride, and access personal details about a driver, including name, picture and car type, once a travel request has been confirmed.

The Berlin ban, which was announced on Wednesday, is not yet in force. The city government said that Uber would have time to register objections and to challenge the ruling in court.

The city authorities said the "protection of the taxi industry" was also a factor in issuing the ban.

Taxi drivers in Berlin have lobbied fiercely against Uber and, in April, won an interim injunction prohibiting the company from offering its services. In the same month, a court in the city of Brussels issued an order banning Uber on the grounds that its fleet did not have the necessary licences to operate there. The Brussels ruling threatened Uber drivers with a €10,000 fine if they are caught carrying private passengers.

Beyond Europe, authorities in South Korea's capital Seoul have also launched an effort to ban Uber on the basis of its impact on taxi

drivers.

The bans are likely to be temporary setbacks for Uber, which has deep pockets and experience of challenging similar regulatory obstacles in US cities.

Uber continues to operate in Hamburg while it contests the prohibition order in court, and will keep offering its service in Berlin while preparing a similar challenge.

Anthony Mullen, senior analyst at Forrester Research, said he expected Uber to successfully contest the rulings. "Innovative business models move two steps forward and legislation – if its lucky – will pull it one step back. Local authorities behave the same across the world," he said.

"These are pinpricks and I think Uber will persist. Ultimately it's what consumers want."

---

#### Content recommended for you

##### Related articles

Uber: Need a Lyft?

UK 'sharing economy' companies told of £9bn potential

Airbnb and Uber on the business travel itinerary

The Shrink & The Sage: Where should we draw the line?

Street photography

Will £2bn makeover of London's Victoria boost its real estate?

Buzz over Bordeaux: property prices rise in transformed port city

German food ordering website Delivery Hero buys rival Pizza.de

Apple admits storing users' personal data in China

Def Con: the 'Olympics of hacking'

**Printed from:** <http://www.ft.com/cms/s/0/cad1f9c4-2391-11e4-8e29-00144feabdc0.html>

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.

© THE FINANCIAL TIMES LTD 2014 FT and 'Financial Times' are trademarks of The Financial Times Ltd.