Facebook’s Patreon competitor is a bad deal for creators

Facebook began expanding access to its Patreon competitor last night, giving more page owners the ability to start offering content to their subscribers for a monthly fee. But it doesn’t take much digging to see that the terms for Facebook’s feature, known as Fan Subscriptions, make for a bad deal for creators, giving Facebook a lifetime license to use their work and the right to take up to a whopping 30 percent of subscription fees.

When Facebook announced its Fan Subscriptions feature last March, the service was only open to just 10 creators across the US and UK. After an initial test period, Facebook began sending out emails to more creators inviting them to try it last night. The feature lets creators offer $4.99 monthly subscriptions to their fans, which gets them access to exclusive content and an opt-in Supporter badge that appears next to the user’s comments on the Page.

For now, page owners get to keep the entire subscription fee. But Facebook plans to begin taking a cut once the feature formally launches, and its terms of service allow Facebook to take up to 30 percent, with 30 days notice of the change. That cut is standard for an app in Apple’s or Google’s app store, but it’s giant for a creator-focused platform: Patreon takes just a 5 percent share of a user’s pledges.

> *(and our affiliates) a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use such Supplemental Data. This license survives even if you stop using Fan Subscriptions.”*
>
> *— Matt Saincome (@MattSaincome) February 26, 2019*

The terms of service also allow Facebook to offer “discounted or free trials for fans from time to time in our discretion,” with those discounts coming out of creators’ pockets.

The Hard Times founder Matt Saincome, who received an invitation to use Fan Subscriptions, also drew attention to Facebook’s unusual terms granting it use of creators’ content. It’s common for subscription services like Patreon to be granted a license to use creators’ work in order to promote the platform and the creator while the service is in use. But Facebook’s deal asks creators to turn over a license to their work that survives even after they stop using Fan Subscriptions.

Saincome predicts Facebook will use those expansive terms to lure in publishers, then raise its cut and take advantage of their content. Publishers and large page owners already have a strained relationship with Facebook due to the way it limits the reach of their posts and has changed its algorithm to prefer friends and family.

“It feels like they have no idea how much publishers distrust them,” Saincome told *The Verge* in a Twitter DM. “They just burned us! Why in the world would we build another audience there, ESPECIALLY if it includes money?”

Matt Saincome

It’s also puzzling who is being offered access to Fan Subscriptions to start. Among the pages that received invitations last night are a meme page and a Dachshund Rescue page, which wrote a post about the invitation: “Facebook is at it again. They want me to sell ‘fan subscriptions’ to this page. That just ain’t happening. Sorry about that, Facebook. I do not mind giving away any dog or wiener knowledge and those who can or feel like donating to the cause here, you are appreciated.”

A Facebook spokesperson told *The Verge* that the number of creators currently testing the service are in the low thousands, and offered more details about the 30 percent revenue share. The company says it has not yet determined the exact figure for when the feature launches, but future rev shares will be in line with standard industry practices.

As a page owner myself, I received an email asking me to take a survey about Fan Subscriptions, despite never having gotten an invitation. Other members of *The Verge* staff with pages confirmed they, too, received a survey, but not an invitation. The survey was one question long, and it wanted to know why people aren’t signing up for Fan Subscriptions. It might be poorly managed invitations, or the unfavorable terms of service, but either way, Fan Subscriptions aren’t off to a great start.

https://www.theverge.com/2019/2/26/18241756/facebook-fan-subscriptions-patreon-pages