

I study competition among data intermediaries—technology companies and data brokers that collect consumer data and sell them to downstream firms. When firms' use of data hurts consumers, intermediaries need to compensate them for collecting data. However, competition may not increase compensation: If intermediaries offer high compensation, consumers share data with multiple intermediaries, which lowers the downstream price of data and hurts intermediaries. This leads to multiple equilibria: There is a monopoly equilibrium, and an equilibrium with greater data concentration benefits intermediaries and hurts consumers. I generalize the results to arbitrary consumer preferences and study information design by data intermediaries.