UK video games industry principles and guidance on Paid Loot Boxes

The UK video games industry has worked closely with the UK Government as part of the Technical Working Group on Loot Boxes to achieve the key objectives as detailed in the Government response to the Loot Box call for evidence^[1]. The main objectives of the Technical Working Group were to:

- Restrict the ability for under 18s to purchase a loot box unless first approved by a parent, carer, or guardian.
- Provide all players with access to and greater awareness of spending controls and provide transparent information in order to support safe and responsible play.

Members of the Technical Working Group have undertaken to commit to a number of interventions which will deliver on these two objectives. As set out in Annex A, a number of these principles are best delivered by publishers/developers, whilst others can be enabled by platforms providing parental tools and controls, and/or policies which publishers/developers should comply with.

These principles supplement existing adherence to wider obligations and standards that apply to games and online services generally, including the Committee of Advertising Practice guidance on advertising in-game purchases and the data protection guidance in the Information Commissioner's Office's ("*ICO*") *Age Appropriate Design Code* ("*Children's Code*"). More information about the Children's Code, and the importance of data protection in games, is contained in Annex C.

Industry Principles

Members of this working group commit to the UK's first set of principles on Paid Loot Boxes, supported by examples of good and bad practice, which will:

- Detail the many ways in which technological controls can restrict the acquisition of Paid Loot Boxes by under 18s and how they are implemented across platforms.
- Drive greater awareness of these controls, with a view to ultimately increasing uptake.
- Increase understanding of Paid Loot Boxes with clear information and probability disclosures.
- Provide clear guidance on the design and marketing of Paid Loot Boxes with clear signposting of information for consumer redress.

Furthermore, members of the working group:

- Are committed to a three-year £1 million public information campaign to provide greater information to players, parents, carers and guardians about safe and responsible play including PEGI labels and descriptors which pertain to paid random items.
- Are committed to supportingGovernment in implementing the Video Games Research Framework to provide a better evidence base for use in future video game related research.
- Will continue to engage meaningfully with regulators, including but not limited to Ofcom and ICO, to help deliver industry-specific guidance on relevant legislation that is informed by industry best practice.
- Will continue to engage with parents, players and third-party organisations when developing new public facing information and in the

development of new standards through the 'expert panel' on age assurance.

Members of this working group recognise that developing and adhering to these principles is a shared endeavour across the entire video games ecosystem. We have sought to strike a balance between principles that are applicable to the industry at large, whilst acknowledging the variety of best practice that exists across different platforms and games. It would be counterproductive to force parents, carers and guardians to have to engage with multiple novel sets of technological controls at a game level and a key aim for us is to ensure that information and materials that are developed as part of this process are as easy to use as possible for all audiences.

We also recognise that many families have in place a set of rules or arrangements with regards to game play already and do not always want to impose hard restrictions on children. The debate around age assurance technology is fast moving and involves a wide group of stakeholders beyond games and loot boxes. It requires additional data being gathered on all users, which brings with it additional privacy considerations and risks. For this reason, it is important that such measures are proportionate in relation to the services being accessed. We welcome the recognition by regulators that privacy and safety considerations need to be balanced, and their commitment to provide practical guidance for service providers. As an industry, we wish to actively contribute to work in this area and will consider options in line with wider industry practice and advances in technology. More detail on how the industry will do this via its expert panel on age assurance can be found in **Annex D**.

The working group has therefore set out good practice guidance to support these principles. This guidance is not exhaustive, nor prescriptive, to ensure that the principles remain achievable by the entire industry while leaving scope for games companies to continue to innovate.

Current Industry Best Practice

There is already a great deal of best practice and innovation in operation across the games industry at all levels promoting safe and responsible play. Initiatives include:

- The PEGI 'in-game purchases (includes random items)' descriptor disclosing the presence of Paid Loot Boxes.
- A default spending limit of £0 for child accounts on all the major consoles and across many of the most popular PC and mobile platforms.
- Start-up prompts to activate technological controls on first boot up of consoles and mobile account set up.
- The Get Smart about P.L.A.Y campaign encouraging parents/carers/guardians to use tools and providing easy to use information to manage in-game purchases and screen time.

Members of this working group use a range of enforcement measures to ensure games are correctly labelled and carry an appropriate age rating. Remedial measures include delisting, relabelling and in some cases, severe fines. Technical working group members who have adopted the PEGI system abide by the PEGI Code of Conduct and breaches of the Code may see action taken by PEGI's enforcement committee. This group has significant shared membership with the PEGI Management Board and has provided input from these principles into updates to the PEGI Code of Conduct to ensure there is alignment. These updates will be effective in 2023.

UK video games industry principles relating to Paid Loot Boxes

The video games industry shall provide UK players with access to and greater awareness of available technological controls and provide transparent information about

Paid Loot Boxes to support fair and responsible play. In particular, the video games industry shall with regards to UK players:

(1) Make available technological controls to effectively restrict anyone under the age of 18 from acquiring a Paid Loot Box, without the consent or knowledge of a parent, carer or guardian. Technological controls shall be easy to use, activate and access and are introduced to all parents, carers and guardians through start up processes and unboxing.

Drive awareness of and uptake of technological controls with all players, parents, carers and guardians through regular communications, starting with an immediate targeted public information campaign. The impact of campaigns will be assessed at regular intervals and the campaign development will involve input from players, parents and third-party groups.

Form an expert panel on age assurance in the games industry. The group will meet regularly to develop and share best practices on age assurance in the video games industry, stay apprised of technological advancements and explore opportunities to develop improved systems for determining age and obtaining parental consent. The group will engage with relevant regulators and policymakers where necessary on an ongoing basis.

Disclose the presence of Paid Loot Boxes prior to purchase and download of a game so that players can make informed choices. Platforms, publishers, and developers commit to use the PEGI or equivalent proprietary age rating system on their storefronts and in game to always provide transparent information to players, parents, carers and guardians.

Give clear probability disclosures, making sure that players can easily access clear and simple information on the probability that they will receive given virtual items or categories of virtual items or other elements in a Paid Loot Box before they acquire or open it. Players should also be informed if their data is used to influence gameplay experiences with Paid Loot Boxes, and given relevant details.

Design and present Paid Loot Boxes in a manner that is easily understandable to players, and which promotes fair and responsible play. Members of the industry working group also reaffirm their commitment to the OFT's principles for online and app-based games and consumer law.

Support the implementation of the Video Games Research Framework, to facilitate the creation of better quality, data driven research into video games that adheres to the principles of open science while respecting data privacy and confidentiality.

Continue to tackle the unauthorised external sale of items acquired from Paid Loot Boxes for real money, and continue to invest in IP protection to combat such sales. Members of the working group will continue to invest in and protect their intellectual property, enforce their terms of service, and where possible take action against unauthorised sale of items through third party sites. Industry is committed to an ongoing dialogue with Government, regulators and law enforcement agencies on this issue and welcomes additional assistance from such bodies in combating such unauthorised sales.

Commit to lenient refund policies on directly purchased Paid Loot Boxes or purchased in-game currency used to acquire Paid Loot Boxes, with clearly displayed contact routes for customer services. Members of the working group commit to fair and prompt refund

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policies where spending has demonstrably occurred without parental consent or knowledge and will provide clear instructions on how to turn on parental controls where issues persist.

- (10) Advance protections for all players. Members of the working group are committed to providing all players with information about how to play responsibly and manage their spending effectively on Paid Loot Boxes. We will continue to engage with third party organisations, players, parents, and academia to benefit from their learnings and experience including any new research developed through the Video Games Research Framework.
- (11) Work with UK Government and other relevant stakeholders to measure the effectiveness of these principles following a suitable implementation period of 12 months. Members of the working group commit to a periodic review of these measures following their implementation alongside Government in order to assess these measures, assess the effectiveness of public information campaigns and take into account further technological innovation in the sector.

Annex A - Examples of good and bad practice

The following are examples of good and bad practice relating to the principles and commitments made in this document. The intention is not that the following examples be prescriptive as to compliance with the above principles, or that every video games company would or should adopt each of the examples of good practice identified below. Rather the following examples are intended to illustrate a range of high standards, including those that exist in the industry to date, which companies may choose to adopt whilst enabling flexibility in how companies innovate in protecting players to meet the above principles.

Industry Principles	Examples of good practice	Examples	of	bad
		practice		

Technological controls shall effectively restrict anyone under the age of 18 from acquiring a Paid Loot Box without the consent or knowledge of a parent, carer or guardian.

Technological controls allow an adult to establish a child account for under 18-year-old players and to restrict or limit spending or to restrict under 18s from being able to purchase a paid loot box. In most cases controls will be activated at a platform level, however controls may in some cases be created by the publisher or developer as well.

Technological controls prevent an under 18-year-old from spending without some intervention from an adult (such as transferring funds to an under 18-year-old account entering а PIN or password). On activating controls, the main account holder is asked to turn on spending controls or to set a spending limit for any linked accounts.

Controls linked to age also provide players, parents, carers, and guardians with the ability to restrict access to certain games based on their content and age rating e.g. PEGI 3,7,12,16 (or equivalent).

There are no technological controls available to allow a parent, carer or guardian to restrict or limit spending on Paid Loot Boxes.

There are no mechanisms for adults to establish a child account or a child account that can be created does not have any spending controls activated by default or cannot be easily activated.

The functionality of child accounts available does not allow restriction by age.

Technological controls shall give adults access to commercial transaction information for any child accounts associated with their adult account.

Parents, once controls are activated, receive emails or functionality for purchase in-app notifications upon any receipts to be sent to any purchase made by an under person other than the 18-year-old.

Parents are required authorise transactions.

Controls provide parents with transaction either an email receipt and/or via a parental dashboard which details commercial transactions made on the publisher or platform. child accounts set up by the parent. These may include detail on transactions or purchases related to gameplay, including the purchase of virtual currency.

Controls give adults access to a wide range of timely transactional and engagement information of their linked child accounts.

Platforms do not provide player themselves.

to Controls do not offer an overview of overall spending on parental accounts child or information in accounts linked to parental account or there is no way to obtain this information from the Technological controls During shall be easy to use, activate and access.

During the console or account set up process, or through similar mechanisms, players are prompted to set up technological controls.

Pre-set controls appropriate to the child's age are offered, which can be adapted by the parent where they choose to do so.

Technological controls encourage parents, carers or guardians to activate spending controls or set appropriate spending limits at the account level and may require additional verification methods to change spending limits.

Parents, carers or guardians can easily access these controls to make changes when that is right for the family.

Platforms and publishers provide easily accessible information for both adults and children explaining ways to ensure safe and responsible play.

In addition to platform controls, games may ask players to provide information as part of age assurance processes and offer the option of setting up spending controls in game or at the account level.

Information about the setting up of parental controls and wider safety and responsible play measures is developed in conjunction with players, parents, carers and guardians and third-party organisations, where appropriate.

Players and parents are not directed to the technological controls available as part of the console or account set up process.

Platform or publisher imposes rigid controls on a child which the parent cannot adapt to the maturity of their child.

Controls are hard to access and set up, and settings are difficult to change.

Drive awareness of technological controls for parents. players, carers and guardians.

The existence of spending controls is highlighted to consumers prior to purchase, such as on packaging or at retail (online and offline), or prior to console set up, such post-transaction emails or in-box information and through proprietary and third-party websites.

The presence of Paid Loot litems' Boxes, 'paid random items' or 'in app purchases' (in the provided to consumers in of some platforms) is clearly visible through a PEGI content descriptor or other alternative platform age rating system.

Information about relevant PEGI parental controls, descriptors, age ratings, in game purchases and loot boxes are clearly displayed in simple. unambiguous language on proprietary and relevant third-party websites e.g. askaboutgames.com.

Public information campaigns related to parental controls and responsible play also direct players, parents, carers and guardians to online resources which include information around PEGI labels and descriptors pertaining to paid random in game items.

Information about the setting up of parental controls and wider safe and responsible measures is developed in conjunction with players, parents, carers and guardians and third-party organisations, where appropriate

A platform requires video publishers games or developers to disclose relevant age rating or content No attempt is made to display or direct players, parents. carers quardians to available technological controls either pre-purchase post purchase.

No information regarding the presence of Paid Loot Boxes. 'paid random or in-app purchases in a game is mobile advance of purchasing the game.

descriptor as a condition of offering games through the Platform.	

Give clear probability disclosures.

A video games publisher or provides developer all players easily accessible, meaningful, and understandable information relating to the probability of obtaining a particular ingame item or items through a Paid Loot Box prior to their acquisition.

The publisher or developer also displays other characteristics such as the number of in-game items for all Paid Loot Boxes in offered in a relevant Paid Loot Box and a description of the types or categories of items available in the Paid is relevant to the Paid Loot Box.

Information about chances of acquiring an item or category of items is displayed in an easily accessible, meaningful and understandable manner appropriate to the players and audience for which it is intended.

For example, prior to and at the point of acquisition of a Paid Loot Box, there is information, or a link to information, setting out the probabilities of obtaining an item, category of item, or multiple items where applicable.

Probabilities are presented in a clear and unambiguous manner.

Within the game, the player can access this information quickly and easily from any screen where they might choose to acquire a Paid Loot Box, with a single button press.

Probability disclosures may be displayed directly in-game or on websites accessed by links provided from within the

Any information relating to probability disclosures is several clicks away from the point of purchases.

Probability disclosures are presented in opaque or misleading manner.

The probability disclosures are available on a page that contains the probability disclosures the game and the player must navigate to find the probability disclosure that Loot Box they are thinking purchasing of or the acquiring.

game which are clearly signposted.	
A platform requires video games publishers or developers to disclose probability to players as a condition of offering games through the Platform.	

Design and present Paid Prior to the acquisition of a A Paid Loot Box contains that easily understandable and which players. promotes fair and responsible play.

Loot Boxes in a manner Paid Loot Box, a video little or no information games publisher developer displays clear and relevant information within the game about the characteristics of the Paid Loot Box, such as the probability of receiving an item or category of items, how many or the types of items that can be received from the Paid Loot Box and where certain items that can be acquired from the Paid Loot Box may be located in the game.

> This information shall be provided to all players in an easily understandable way.

To avoid information fatigue, a video games publisher or developer mav utilise expandable probability disclosures to highlight to players the most meaningful information that they need to make an informed decision about whether to acquire a Paid Loot Box whilst allowing them to easily obtain additional, more detailed. information should they wish to do so.

Where helpful or necessary. a publisher or developer may include a link to additional detailed information at the point of acquiring a Paid Loot Box.

or about the relevant characteristics of the item(s) it contains.

> Information as to the probability of receiving a specific item or categories of items, how many or the types of items that can be received from the Paid Loot Box is not disclosed.

> Players are aggressively encouraged to purchase an item that is available through normal play.

> Players are given a false impression that payment for a particular item is essential for gameplay and to progress through the game.

Loot Boxes in a manner developer that easily understandable players. and which promotes fair and responsible play.

Design and present Paid A video games publisher or designs game | features with high standards | player's of privacy by design and does not use a player's personal or gameplay data to negatively impact the probability of receiving a particular item from a Paid Loot Box.

> Where а video games publisher or developer uses a player's gameplay data to ensure that a player does not obtain a redundant item through a Paid Loot Box or guarantees a rare item after a certain number of purchases, players are informed of this feature.

Where gameplay progress or decisions influence items that are available through Loot Boxes, for example in the case of ensuring relevant and redundant items for progression in a game and ensuring the integrity of game play experience, a player is informed that their gameplay data is used in this regard.

Platforms, publishers, and developers comply with the Children's Code and other applicable privacy laws and design games with high standards of data protection.

A video games publisher developer uses or personal, purchasing, or gameplay data to alter probability of receiving a particular item from a Paid Loot Box, or the cost (in real-world money Virtual Currency) of the Paid Loot Box, to the player's detriment.

Loot Boxes in a manner understandable to players and which promotes fair and responsible play.

Design and present Paid A video games publisher or developer complies with existing laws and regulations so as not to (a) make a direct exhortation to children to purchase Paid Loot Boxes and (b) otherwise use any aggressive or misleading practices in the design, promotion and sale of Paid Loot Boxes.

> The publisher and developer emphasise that paying for random items is never essential to gameplay.

Where the processing of children's personal data is involved and a game is "likely to be accessed by children", the publisher or developer ensures that such data is processed with the 'best interests of the child' (see Annex C) as a primary consideration and does not use any technique which encourages such players to lower their privacy settings.

A video games publisher or developer makes direct exhortations to purchase Paid Loot Boxes accounts registered players below the age of

The stated probability disclosure is not accurate for the Paid Loot Box in question.

A video games publisher or developer falsely states that a Paid Loot Box is subject to a limited time offer.

Commit to lenient refund Upon making any in-game routes services.

policies with clear contact purchase, players are given customer information by the applicable Platform regarding (a) the transaction details, (b) details for contacting the seller's consumer contact centre, (c) terms and conditions relating to the purchase which include an explanation of the players' legal rights.

> Platforms. publishers, or developers display relevant and meaningful information to players, parents, carers and guardians as to the routes to discuss refunds via players their statutory relevant customer services.

platform or publisher clearly signposts information about technological controls to parents in response to multiple refund requests to prevent further unintended spending.

publisher platform or provides refund on purchases of Paid Loot Boxes, or on the purchase of Virtual Currency where there is clear and demonstrable evidence of a purchase being made by a child without parental consent or knowledge.

In cases where unauthorised spending has occurred because parental controls have not been applied or applied have been incorrectly, the platform or the publisher provides the parent, carer, or guardian with clear and accessible information to enable them to apply such controls correctly.

The purchase receipt simply sets out the transaction details for the transaction in question and provides no further information with regards to contact information or customer services for the platform or publisher in question or any links to their refund policy.

A refund policy is in operation which excludes refunds in circumstances and denies rights.

Advance protections for all players

A Platform or publisher provides its players with the means of easily accessible total in-game spend.

Little or no adequate information is provided to consumers about relevant customer service and who

Where a player or parent, or guardian identified themselves or their child as suffering due to excessive in-game spending, relevant company provides players with the means and information to turn on parental controls, to close or delete their game account, other or any technical step, which enables the player to stop spending on Paid Loot Boxes.

A video games publisher or developer adopts several methods which may include community management to identify players, parents, carers or guardians who have questions or issues with regards to managing in-game spend.

Companies may also choose to adopt a notification system, at player's option, to inform players who spend over certain thresholds in a game. Other notifications may also include reminders as to the availability of technological controls.

Platforms, publishers or developers signpost players to additional support or guidance that they might need, to help limit further spending if desired.

Little or no adequate information is provided to consumers about relevant customer service and who they may contact to complain, seek redress or additional information about managing in-game spend.

Information on how to contact a video games company's customer support is not clearly signposted either through in-game menus, manuals, terms and conditions. through receipts or relevant related or websites.

Where a player, parent, carer or guardian contacts a video games company with concerns about their (or their child's) in-game spending, their correspondence is blocked or ignored.

Annex B Definitions

In this document:

"Loot Box" means a video game mechanic that provides random in-game virtual items to players in exchange for real-world money or in-game virtual currency. This document does not apply to a loot box that is purely earned through gameplay.

"Paid Loot Box" means a Loot Box that is either purchased using real-world money or acquired using virtual currency that itself has been purchased.

"Platforms" means the console gaming platforms known as "PlayStation 4, PlayStation 5", "Xbox One, Series X, Series S", and "Nintendo Switch" and their respective associated proprietary online services, leading PC gaming platforms such as "Steam" and "Epic Games Store", and the mobile operating systems (currently) "iOS 16" and "Android 13" and their respective digital distribution stores known as the "App Store" and "Play Store", and all successors to the foregoing.

"Technological Controls" means a set of developed tools, typically at platform level, which allow players, parents, carers, and guardians to, amongst other things, set spending limits for their, or their children's, accounts.

Annex C

The Children's Code

This annex highlights some of the key obligations with regards to the processing of children's personal data in accordance with ICO guidance in the Children's Code.

- Best interests of the child: The best interests of the child should be a
 primary consideration when you design and develop online services
 likely to be accessed by a child.
- Parental controls: If you provide parental controls, give the child age appropriate information about this.
- Age appropriate application: Take a risk-based approach to recognising the age of individual users and ensure you effectively apply the standards in this code to child users.
- Transparency: The privacy information you provide to users, and other
 published terms, policies and community standards, must be concise,
 prominent and in clear language suited to the age of the child.
- Detrimental use of data: Do not use children's personal data in ways that have been shown to be detrimental to their wellbeing, or that go against industry codes of practice, other regulatory provisions or Government advice.
- Default settings: Settings must be 'high privacy' by default (unless you
 can demonstrate a compelling reason for a different default setting,
 taking account of the best interests of the child).
- **Data minimisation:** Collect and retain only the minimum amount of personal data you need to provide the elements of your service in which a child is actively and knowingly engaged.
- Profiling: Switch options which use profiling 'off' by default (unless you
 can demonstrate a compelling reason for profiling to be on by default,
 taking account of the best interests of the child). Only allow profiling if
 you have appropriate measures in place to protect the child from any
 harmful effects (in particular, being fed content that is detrimental to their
 health or wellbeing).
- Nudge techniques: Do not use nudge techniques to lead or encourage children to provide unnecessary personal data or weaken or turn off their privacy protections.

A link to the Children's Code and more detailed information can be found here.

Annex D

Expert Panel on Age Assurance

The video games industry has been at the forefront of keeping players safe online and in developing easy to use tools for players, parents, carers and guardians to manage spending in games, manage time spent playing and provide an overview of activity on accounts that are set up for children and teens. This coupled with measures to control who children interact with online as well as proactive community management and moderation, filters and the use of AI are some of the many tools that games companies employ to keep players safe online.

As an industry we recognise that the debate around age assurance is fast moving and involves a wider range of stakeholders beyond just the games industry. We also recognise that this is not an issue that is limited to the United Kingdom, and that as a global industry, it is vitally important that any age assurance systems developed are capable of being leveraged globally. Notwithstanding these challenges, the industry wants to be part of this process as we continue to develop controls that help parents, carers and guardians manage their children's play responsibly and that complement the range of offline methods they employ to oversee their children's access, spending and gameplay. It is important that players, parents, carers, and guardians are involved in the development of future age assurance controls to ensure that they are relevant to their needs and strike the right balance between certainty, privacy, and utility.

The expert panel will consist of:

 Member companies of the technical working group comprising a mix of platforms, publishers and developers

The expert panel will consult with wider groups including parents/caregivers, player groups and relevant third-party organisations as part its work. These may include:

- Games Rating Authority Parent panel
- Relevant third-party organisations and experts
- Companies involved in the wider technology sphere

Outputs

This panel is part of a wider debate and ongoing research into age assurance being considered by regulators internationally. We want to be part of that conversation and our outputs will feed into and be shaped by it. In June 2023, Ofcom produced an update to its 'roadmap' on the introduction of the Online Safety Bill and stated that it is due to report back on age assurance technologies in Autumn 2023 – and open a consultation with stakeholders on that report. Whilst we will not wait for these findings to begin work, however outputs of this group will be shaped by guidance issued by regulators and any technical developments in this space.

This panel will:

- Convene as soon as possible following the government's publication of these principles, agreeing terms of reference and outputs.
- Begin evidence gathering and consultation sessions between industry representatives, players and parents' groups and third party organisations
- Draft response to Ofcom report on age assurance technologies consultation – TBC Autumn/Winter 2023
- Produce progress report on age assurance technologies in the video games industry in Summer 2024 in the context of any detailed guidance by Ofcom and ICO on best practice in age assurance technology.

[1] Government response to the call for evidence on loot boxes in video games https://www.gov.uk/government/consultations/loot-boxes-in-video-games-call-for-evidence-on-loot-boxes-in-video-games