

Position paper of the video game industry on the approval of the Organic Law Project for the Protection of Minors in the Digital Environment.

The video games industry takes its responsibility to players extremely seriously and is committed to ensuring a responsible, fair, and transparent gameplay experience, including when it comes to purchases of in-game content.

In the context of the legislative proposal by the Spanish government we urge caution against fragmentation of the European digital single market at a time when the European Commission is looking at updating its current consumer protection legislation. The industry has self- and co-regulatory systems such as PEGI and its Code of Conduct supplementing existing law with clear rules and restrictions on how purchases of in-game content including loot boxes can be offered to players, helping parents and carers make informed decisions. Finally, our industry provides tools to manage and/or block minors from purchasing in game content without the knowledge and consent of their parents or guardians.

For more information on PEGI and parental tools see here: <https://pegi.info/parental-controls>

Background information:

1. Evidence on Loot boxes

The only country that has so far conducted an in-depth call for evidence as regards paid loot boxes is the UK. This call for evidence included a review of available research and literature on harms related to loot boxes. Following the review, it concluded that research has not establish a causal relationship between paid loot boxes and problem gambling. The organisation in charge of the research and literature review, InGAME, further found the evidence base on broader harms associated with loot boxes, such as impacts on wellbeing, anxiety, depression and psychological distress, to be scant. Link [here](#).

2. Updated PEGI Code of Conduct - see [here](#)

- **Information obligation:** Games that include in-game purchases must display PEGI's in-game purchases icon at the point of purchase to support consumers in making an informed decision.
- **Transparency in transactions:** Games that include purchasable in-game content must ensure that players/account holders always receive a receipt or invoice in their account when making purchases with real money.
- **Purchasable in-game currency:** Games that offer purchasable in-game currency, must ensure that the real-world monetary cost of such in-game currency is clear and unambiguous to consumers at the point of purchase.
- **Paid random items:** Games that offer the ability for players to purchase random in-game content (for example, loot boxes or card packs)
 - Display the Paid Random Item notice at the point of purchase to support consumers in making an informed decision.

- Ensure and emphasize that paying for such random in-game content is never essential to gameplay but is always optional.
- **Ensure that probabilities are transparent** and equivalent for all players, that random items are distributed without any disadvantageous manipulation based on unfair processing of personal data, and in compliance with applicable data protection and privacy laws
- **No skin gambling:** Signatories must have a policy that explicitly prohibits players from using in-game content to engage in unlawful gambling or betting activities (so-called skin gambling or skin betting). These policies should include clear wording on the enforcement of potential penalties such as suspending or banning players in the case of illegal trading. Video Games Europe's and EGDF's members welcome additional assistance from regulators in combating such unauthorised uses of ingame content.
- **Enforcement:** In case of non-compliance with the Code of Conduct, the PEGI Enforcement Committee can impose corrective actions and sanction breaches.

3. Additional industry commitments

In addition to the PEGI Code our industry has committed to additional safeguards:

- **Refund policies:** Where spending has demonstrably occurred without parental consent or knowledge, member companies provide fair and reasonable refund policies and instructions on how to turn on and manage parental tools and family settings.
- **Tools to manage, limit or block purchases:** The industry provides tools to parents and guardians to manage children's spending within the video game so that children do not engage in any financial transactions without the consent of their parents or guardians.
 - These tools, often called parental tools, or family settings, developed by the industry, are frequently updated to match users' expectations, making them easy-to-use, and increasingly with customised features allowing each family and player to find the right balance.
 - Many tools have default settings where spending is set at zero for child accounts.
 - Increasingly, other non-device based systems may require verified parental consent to access purchase options in a game.
- **Transactions kept separate from gameplay:** This ensures that the commercial intent behind in-game purchases, including the cost of such in-game purchases in real-world money, is clearly and unambiguously distinguished from gameplay so that it is obvious to players when they are being asked to make a financial decision.
- **Discontinuation of in-game currency:** If the use of purchasable in-game currency is discontinued, players are informed sufficiently in advance.

- **No unauthorised trading:** Video Games Europe and EGDF members have policies in place that explicitly prohibit players from using in-game content to engage in unauthorised trading, and should include clear wording of potential player penalties, such as suspending or banning players.

For more information see here: [EGDF-VGE-Transparent-Fair-Purchases-of-In-Game-Content-2024.pdf](#)

4. Trusted data on Spending by children on in-game extras and parental supervision

Studies show that in-game spending by children is low – consistent five year perspective of studies (2018-2023) shows that

- The vast majority of children do not spend on in-game extras and spending has not increased over time.
- There is a high level of parent involvement as 90% of parents monitor children's spend in one way or another. Meanwhile, easy-to-use tools are available to parents that allow them to agree limits for or indeed disable in-game spending.
- 96% of video game players claim not to have spent real money to purchase loot boxes. Only 4% have spent real money to purchase loot boxes (all players 11-64 year olds)
- Source: <https://www.videogameseurope.eu/publication/in-game-purchases-in-european-markets-2024-data/>