



UK call for evidence on loot boxes – publication delayed by ministers

A further delay to the Government's decision on whether loot boxes cause harm and need additional regulation.

Regulator: Department for Digital, Culture, Media and Sport (DCMS)

RISK BAROMETER:



JURISDICTION RELEVANCE:

United Kingdom

TIMELINE:

September 2021

WHAT YOU SHOULD KNOW:

- DCMS officials have advised ministers to delay the publication of the summary of the loot box call for evidence until September 2021. Their advice is that the industry is 'proactively engaging' to find a solution, and the additional time may be beneficial. Ministers have agreed to this advice. This is a further delay, as the Department was ready to publish the summary in May 2021. This was held up by a lack of movement from the industry.
- Minister Dinenage, who is responsible for the video games industry, is keen to find a solution with industry, but is also set on a solution that looks sufficiently tough and shows that the industry has been brought to heel.
- Minister Whittingdale, who is responsible for the (currently separate) Gambling Act Review, wants to move ahead with regulating loot boxes as gambling. At a recent roundtable that Delany & Co attended, Minister Whittingdale expressed this sentiment.
- This delay may coincide with a mooted reshuffle of Prime Minister Boris Johnson's Cabinet. This would likely be a negative for the industry, as Minister

Dinenage is relatively sympathetic to the industry when compared with her Parliamentary colleagues.

- Despite Whittingdale's hardline approach, incorporation into the Gambling Act remains unlikely thanks to industry engagement in the call for evidence (including an MGIF submission which highlighted the pitfalls of this approach from a practicability perspective). However, exactly what self-regulatory measure from industry will satisfy Ministers, when sophisticated parental controls and the disclosure of drop rates are already in place, remains to be seen. Closure on the issue is still a long way off!

MOST TELLING:

'Minister Whittingdale, who is responsible for the (currently separate) Gambling Act Review, wants to move ahead with regulating loot boxes as gambling.'

DELANY & CO HOT TAKE:

While a permanent delay would be welcome, this will not be the case. Continued delays pose a risk in the context of a reshuffle. The decision may end up resting with a less sympathetic minister.