



# A Call for Evidence on Loot Boxes

## Regulation may be more likely than not

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

### RISK BAROMETER:



### JURISDICTION RELEVANCE:

UK

### TIMELINE:

Imminent – summer 2020

### WHAT YOU SHOULD KNOW:

- The UK government official response to the DCMS select committee report on immersive and addictive technologies, suggests a shift to a more balanced stance. (See our brief: [“The Official Response to the Digital, Culture, Media & Sport Select Committee Report on Immersive and Addictive Technologies”](#)). Nonetheless, as part of a forthcoming review of the Gambling Act, there will be a call for evidence on loot boxes supported by roundtables.
- Action on loot boxes has been long in the offing. [The Christmas 2019 background briefing](#) to the Queen’s speech signalled a review of the Gambling Act, with a focus on tackling issues around online loot boxes and credit card misuse. It was also around this time that the veritable public health establishment, the [NHS, Royal Society for Public Health](#) and the [Children’s Commissioner](#), called for legislation to be advanced on loot boxes.
- Pressure continued to build in the run up to the pandemic. The Social Market Foundation launched a [“pre-review”](#) of the Gambling Act, including the definition of “money’s worth”- that vital legislative lever for shackling loot boxes to gambling legislation. Various parliamentary groups launched “mini-reviews” into the Act and gambling harms, showing an interest in video games and gambling crossover<sup>1</sup>.

- It is a case of watch this space for more details. Thus far, information is limited. We know that the government will consider the “size and variation of the market, the design of mechanisms, the context in terms of other types of in-game spending, the impact on consumers and particularly young people including links to problem gambling, and the effectiveness of the current statutory and voluntary regulation.”
- Our intel is that DCMS believes a regulatory proposal will almost certainly emerge. Options on the table range from the incorporation of loot boxes into the Gambling Act at the extreme, to increased disclosure on apps and sites.

### MOST TELLING:

“The Government will carry out a review of the Gambling Act, with a particular focus on tackling issues around online loot boxes and credit card misuse” (The Queen’s Speech 2019).

### DELANY & CO HOT TAKE:

There is a serious risk that the government endorses an onerous legislative proposal as an easy policy win, during a turbulent political period. The fact that the call for evidence will feed into a review of the Gambling Act sets the parameters of discussion against industry from the get-go. Anything that falls short of gambling style regulation will need teeth, or risk being called a whitewash.

## Endnotes

1 For example, the Parliamentary All Party Betting & Gaming Group (APBGG) has launched a review of the Gambling Act. Questions for written evidence include: "Do parents need to take more responsibility?" and "Do loot boxes create problem gamblers? If so, what should be done?"