



**Bournemouth
University**

Summary

Worldwide game spending and purchase in 2020 was \$54 billion, projected to rise to \$68 billion in 2023. As gaming's popularity has increased, concerns have risen about excessive play, game mechanics and safeguarding individuals from potential harm.

**Worldwide
projected
spending on
gaming in 2023**

\$68bn

While some measures to reduce online harms have been made by regulators and operators, research and policy regarding an increasingly common feature of games – loot boxes – require further attention. **Loot boxes blur the distinction between video gaming and gambling.** For children and young people, whose ability to make decisions and assess risk are still developing, loot boxes can make it difficult to monitor in-game spending. This can lead to situations in which children and young people are experiencing overspending as a result of their gaming. Although young people are more vulnerable, adults may also experience similar financial harms.

The Government call for evidence on loot boxes reported in July 2022 that nearly all (98%) of the 32,000 players surveyed said they had opened a loot box.

What's in the box?

How loot boxes blur the line between gaming and gambling

In its response, the Government acknowledged the parallels and overlap between loot boxes and gambling, but said it doesn't intend to include loot boxes in the upcoming revisions to the Gambling Act 2005.

What's a loot box?

A loot box is a feature in a video game that can be described as a 'virtual lucky dip'. Players use real money to buy them, without knowing what they'll win. Prizes are usually coins, characters, power-ups, weapons or upgrades to players' avatars.

Loot boxes are different to other in-game purchases because what's inside a loot box is random. One player might win a big virtual reward, while another might have to buy a lot more loot boxes to win a worthwhile prize. Once the loot box has been bought, it often can't be returned or exchanged.

"I spent £700 on loot boxes in a month"

BBC News, March 2019

About the research

We interviewed 21 university students who regularly play video games about their experiences and perceptions of loot boxes, including their parallels with gambling.

Participants reported:

- Mixed perceptions and experiences of loot boxes. Although some were positive, more were negative.
- Parallels with gambling, particularly the random chance element and arbitrary odds of winning (which were seen as against the player) and the relative unfairness of items being won.
- Awareness that loot boxes can give the player an advantage to progress in the game (in addition to enhancing a player's prestige among other players, for example by upgrading the appearance of the player's avatar). Many reported feeling obliged to buy loot boxes for this reason.
- Feeling social pressure to collect certain virtual items within a game. In some instances, these items can only be found by buying loot boxes. Some also reported repeatedly buying loot boxes to chase particular items.
- Buying loot boxes for their contents, rather than for the experience itself. Opening the loot boxes wasn't fun – having a positive or negative experience depended only on what was inside.

Policy recommendations

Gaming operators should:

- Draw on the approaches of safer gambling policy and regulation – for example, provide limits on spending and/or frequency of purchases, as prompted by the platform and chosen by the user.
- Make loot boxes a more enjoyable and positive experience for players, rather than focusing on quick transactions and gambling-style elements.
- Provide options for players to disable loot boxes, and/or design versions of their games which do not feature loot boxes.
- Ensure that buying a loot box shouldn't be necessary for making progress in a game. Instead, players should be able to make transparent purchases in order to progress, without having to take a chance on the contents of a loot box.

The Government should require the gaming industry to:

- Ensure that loot boxes have a clear-to-the-user value which relates to the cost paid for them.
- Make loot boxes able to be traded and sold between both users and games platforms.
- Communicate risks clearly to players, directly before a loot box is bought – and show a list of potential virtual contents for each box.
- Provide (and promote) more information about the risk element of loot boxes, particularly targeted at more vulnerable users, including children and young people. This would be consistent with the Pan European Game Information (PEGI) rating, which includes references to gambling content.

Dr Sarah Hodge is a Chartered Psychologist at Bournemouth University and is a member of the Gambling Research Group. Sarah's research explores the overlap between gaming and gambling.



Dr Sarah Hodge: shodge@bournemouth.ac.uk
Gambling Research Group: gam@bournemouth.ac.uk