

# Lawyer claims lack of compliance by game makers for labels on games with loot boxes

April 3 2023, by Bob Yirka



The current PEGI "In-game Purchases (Includes Random Items)" content descriptor. © 2020 (Pan-European Game Information (PEGI). Credit: *Royal Society Open Science* (2023). DOI: 10.1098/rsos.230270

Leon Xiao, a lawyer with the IT University of Copenhagen's Center for Digital Play, has published a report in the journal *Royal Society Open Science* claiming that game makers are not compliant with mandates for labels on video games that include loot boxes marketed to children. In his paper, he explains what loot boxes are, outlines the harm they can cause to children and their families and argues that game makers should be pressured to display warning labels on games with loot boxes.

"Loot boxes" refers to [video game](#) content that includes random rewards purchased through the game interface with real-world money via [credit](#)

[card](#). Loot boxes are generally tied to the video game that is being played—cards can be purchased, for example, to achieve higher levels in a game. Prior research has suggested that because of the random nature of loot boxes, they are essentially gambling. And because they involve the use of real-world money, many in the video-game community have suggested they should be either outlawed or regulated.

Neither has been done, though some entities have mandated [labels](#) be used to warn [children](#) or their parents that games have loot boxes included when they are downloaded. But as Xiao notes, while organizations such as the International Age Rating Coalition have insisted that such labels be used, compliance is not high because they are not legally binding. He cites statistics from two small studies that he conducted involving such compliance.

He notes that in the first study, just 39.4% of games he looked at that were sold by members of international organizations that had mandated labels were found to be using the labels. He further notes that one of the main reasons for the low compliance was that label use was not retroactive—older games were not labeled. In the second study, he found that 71 of 100 games he downloaded from the Google Play Store offering loot boxes did not have loot box labels.

Xiao concludes that consumers cannot rely on the self-regulating policies that now exist to protect children and their families from financial harm due to use of loot boxes. He suggests that improvements are required for age-rating systems to prevent underage children from downloading games that contain [loot boxes](#).

**More information:** Leon Y. Xiao, Beneath the label: unsatisfactory compliance with ESRB, PEGI and IARC industry self-regulation requiring loot box presence warning labels by video game companies, *Royal Society Open Science* (2023). [DOI: 10.1098/rsos.230270](https://doi.org/10.1098/rsos.230270)

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