



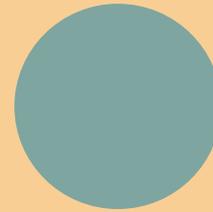
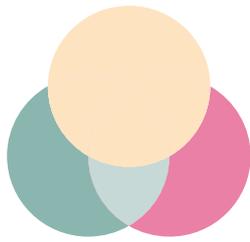
Gambling
Health
Alliance



WHAT IS THE FINANCIAL IMPACT OF LOOT BOXES ON CHILDREN AND YOUNG PEOPLE?

Key points

- Nearly one in four (23%) 11 to 16-year old gamers said they had paid money to open loot boxes
- One third (31%) of young gamers said they struggled to keep track of how much they spent on loot boxes and one third (33%) said they did not feel in control of their spending on loot boxes
- One in four gamers spend over £100 on loot boxes on average over the course of a game
- One in six (15%) had taken money from their parents without permission to buy a loot box; and one in ten (9%) had borrowed money they couldn't repay, while one in ten (11%) had either used their parent's credit or debit card, or borrowed money from friends or family to do so
- Nearly a quarter (24%) of gamers said they felt addicted to loot boxes and, because of the feeling of being cheated or ripped off by loot boxes, over one third (44%) said they experienced feelings of frustration and anger more often than they otherwise would have



What are loot boxes?

Loot boxes are virtual treasure chests contained inside video games, where the contents are randomly selected. Players acquire the loot boxes, often paying for them with 'real-world' money. It is a gamble because they have no idea whether the box contains an item which they want (to improve or customise their experience of the game), or the odds of it doing so.

Loot boxes are big money for major games publishers, accounting for between 11% and one third of the annual sales of publishers like Activision Blizzard, Take-Two Interactive Software and Electronic Arts.¹ In the UK, it is estimated that over £700 million is spent each year on loot boxes.²

Who buys loot boxes?

Gamers of all ages buy loot boxes – they appear in over 70% of the most popular games on the gaming platform Steam³ and in 60% of the top mobile games on Google Play and the Apple app store.⁴ Many games that contain loot boxes are popular with younger players. In a 2019 survey by the UK Gambling Commission,⁵ nearly one in four (23%) 11 to 16-year olds said they had paid money to open loot boxes; a survey by Parent Zone⁶ found 40% of young people had done so; and the Royal Society for Public Health found that 27% of 11 to 14-year olds had bought a loot box in the week before completing the survey.⁷

The Gambling Health Alliance (GHA) surveyed gamers aged 13 to 24 (Oct-Nov 2020) to find out how much they spent on loot boxes. Buying loots starts at a young age: over a third (34%) first spent money on a loot box when they were 13 years old or younger, and there are no age restrictions on playing a game which contains loot boxes. For instance, FIFA, where players in 'Ultimate Team' mode build their teams by opening loot boxes to find new players, has a PEGI rating of 3, which means it can be played by anyone. Yet 79% of respondents who played FIFA said loot boxes had negatively impacted their gaming experience, citing: the amount they had to spend to play competitively, the poor odds of getting the most valuable players, and the fact that with each new edition of the game, you would have to start spending all over again to put together a new team as players could not be carried over.

¹ <https://www.barrons.com/articles/videogame-publishers-face-scrutiny-over-the-use-of-lock-boxes-51555120828>

² <https://www.gamesindustry.biz/articles/2019-11-26-a-tougher-stance-on-online-video-games-opinion>

³ <https://psyarxiv.com/u35kt>

⁴ <https://onlinelibrary.wiley.com/doi/10.1111/add.14973>

⁵ <https://www.gamblingcommission.gov.uk/PDF/Young-People-Gambling-Report-2019.pdf>

⁶ <https://parentzone.org.uk/system/files/attachments/The%20Ripoff%20Games%20-%20Parent%20Zone%20report.pdf>

⁷ <https://www.rsph.org.uk/our-work/policy/gambling/skins-in-the-game.html>

“

They're highly addictive. Since I was about 14 they have been a staple part of every FIFA game I have played. I must've spent thousands of pounds over the years and it all gets restarted every year anyway.

”

Young gamer

How much do gamers typically spend on loot boxes?

It is difficult for gamers to monitor how much they are spending on loot boxes. They are often paid for rather than bought using virtual currency, which itself has been bought with 'real-world money', but with no clear conversion rates between the two, it is almost impossible to calculate the 'true cost' of a single loot box. When asked to estimate how much a loot box costs, the most common response was between £1 and £3, but some respondents approximated that they can cost as much as £11 to £20 for a single loot box.

Few games have spending trackers to help players see how much they have spent over the course of a game. As a result, almost one third (31%) of young gamers said they struggled to keep track of how much they spent on loot boxes and 33% said they did not feel in control of their spending boxes. When asked to estimate how much they spent on loot boxes over the course of completing a game, on top of the purchase price of the game itself, almost one in four (22%) reporting spending over £100.

When asked how often they spend real-life money on loot boxes, one in ten (11%) told us they did so on a daily or weekly basis, and one quarter (27%) did so every month. The most common amount spent on loot boxes each week was between £1 and £5, which amounted to between £52 and £260 spent in a year. Nearly one in ten gamers spent between £11 and £20 a week on loot boxes – an annual spend of between £570 and £1,040.



What is the financial impact of loot boxes on young people?

Given that the content of loot boxes is rarely known in advance, and the odds of receiving a valued item is often very low and not disclosed to gamers in a form they can easily understand, (if at all), it is easy for gamers to feel like they are wasting their money.

When gamers feel drawn into spending more and more in order to get the coveted item, loot boxes can take a serious toll on personal and family finances. Our survey respondents told us of spending hundreds of pounds, if not more, over the course of a year on loot boxes.

“Loot boxes are, at the age of 22, ruining me financially.”

- Over one in ten (13%) gamers had got themselves into debt because of spending on loot boxes. One gamer told us of resorting to crime in order to pay off his debts.
- One in ten (11%) had either used their parent's credit or debit card, or borrowed money from friends or family to buy loot boxes; 15% had taken money from their parents without permission.
- One in ten (9%) had borrowed money they couldn't repay. In the case of three young gamers who responded to our survey, they ended up spending so much on loot boxes that their families were forced to re-mortgage their homes to cover the costs.

Getting into financial difficulties at a young age can do lasting damage, such as impacting an individual's credit rating and their future relationship with money.⁸

“
I spent over £400
when I was 15 or
16 on my mum's
bank card.
”

“
I spent several thousand
myself on loot boxes which
was stupid and irritating
looking back. I also had my
brother steal £700 of my money
for loot boxes for FIFA.
”



⁸ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2945873/>

How is this impacting the health and wellbeing of young people?

Overspending on loot boxes can have a harmful impact on young gamers' mental health and their relationships. Nearly a quarter (24%) of respondents said they felt addicted to loot boxes and, because of the feeling of being cheated or ripped off by loot boxes, 44% said they experienced feelings of frustration and anger more often than they otherwise would have. Respondents also reported experiencing other symptoms of addiction because of loot boxes including poor sleep (17%), mood swings (23%) and struggling to focus on other things (15%).

Two reported 'side-effects' of spending on loot boxes which had a bearing on the quality of gamers' relationships was spending less time with other people (14%), and secretive behaviour, with nearly half (48%) of respondents describing trying to hide how much time or money they were spending on loot boxes. Relatedly, nearly two in five (37%) young gamers had got in trouble with their parents for spending money on loot boxes.



“

I was addicted to opening FIFA packs. I spent £100 in one night trying to get a 'limited edition team of the year' card. It made me sick. I had an addiction to the FIFA 'packs' but was too embarrassed to admit it to myself or my friends and family.

”

What can we do about this?

The GHA is campaigning for paid-for loot boxes to be legally classified as gambling and banned in games for under 18s. Now is the time to make this change – the 2005 Gambling Act is being reviewed by the Government, and the Department for Digital, Culture, Media and Sport recently consulted on the impact of loot boxes.

While we await the Government response to that consultation and make the legislative changes we want to see, we need to do what we can to make games containing loot boxes safer to protect young players from chasing wins and getting into financial difficulties.

This requires concerted action from games developers and publishers. For example, Electronic Arts recently introduced parental controls to FIFA-21, allowing parents to set limits on how much money is spent on player packs per week.⁹ This is a welcome step in the right direction. We believe that protective measures like this should be introduced across all games containing loot boxes until they are recognised as gambling and removed from games played by under-18s.

You can support us by boycotting the games with the worst predatory loot box mechanics until they are made safer.

⁹<https://www.ea.com/en-gb/news/new-control-tools-for-players-and-parents>