
PRESS RELEASE

GAMBLEAWARE COMMISSIONED REPORT SHOWS LINK BETWEEN LOOT BOXES AND PROBLEM GAMBLING

- The report consolidates evidence for the structural and psychological similarities between gambling and gaming, and also established that links between loot box purchasing and ‘problem gambling’ (PGSI 8+)¹ have been robustly verified in around a dozen studies.
- The report found that around 5% of loot box purchasers perhaps generate around half of industry loot box revenue, with almost a third of them falling into the ‘problem gambler’ (PGSI 8+) category.
- The research found that younger males, and those with a lower educational attainment are more likely to purchase loot boxes.
- The report suggests clearly labelled and enforceable age ratings for loot box games, full disclosure of odds, spending limits and prices in real currency.

2 April 2021: GambleAware has today published a report completed by the University of Plymouth and the University of Wolverhampton into gaming and gambling. The research was funded by GambleAware to explore any links between video game ‘loot boxes’ and problem gambling, as well as identifying any particular demographics more likely to engage with these features.

Loot boxes are purchasable video game features which offer randomised rewards. They are widely recognised as being similar to gambling and are set to be considered in the forthcoming Gambling Act Review. The report states that 93% of children in the UK play video games, and that up to 40% of these have opened loot boxes.

When completing the report, the researchers found robust evidence that loot boxes are structurally and psychologically akin to gambling. The review of evidence also confirms that for surveys investigating relationships between loot box engagement and problem gambling, 12 of 13 publications have established unambiguous positive correlations: the higher the level of involvement in loot boxes, the higher the score on a measure of problem gambling.

At the end of 2020, the UK loot box market was estimated to be worth £700m. Analysis of self-report spend data from 7,771 loot box purchasers found that around 5% of them generate around half of industry loot box revenues. A third of these gamers were found to fall into the ‘problem gambler’ category (PGSI 8+) establishing a significant correlation between loot box expenditure and problem gambling scores. The researchers’ brief screen of around 14,000 gamers found that young

¹ The PGSI is the most widely used measure of problem gambling in Great Britain. It consists of nine items and each item is assessed on a four point scale: never, sometimes, most of the time, almost always. The criteria for PGSI classification as a ‘problem gambler’ is a score within the range of between 8 and 27.

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men are more likely to open loot boxes, with those of a younger age and lower educational attainment also more likely to engage with these features.

In addition, interviews with UK loot box purchasers showed that motivations for purchase are complex, and embedded within a network of personal, social and gameplay factors. Loot boxes are just one type of 'psychological nudge' used to encourage purchase, working alongside other techniques such as in game currencies and the 'fear of missing out' on limited time offers. The interviews also highlight that the digital assets in loot boxes often have real-world and/or psychological value. This suggests that loot boxes could be regulated under existing gambling legislation.

Based on these findings the researchers have suggested a number of policies to prevent gambling harms associated with loot boxes:

- Clear definitions of loot boxes
- Game labelling and enforceable age ratings
- Full disclosure of odds presented in an easily understood manner
- Spending limits and prices shown in real currency
- These changes could be instated via new regulations or changes to existing gambling laws.

Dr James Close, Senior Research Fellow, University of Plymouth, said: *"Our work has established that engagement with loot boxes is associated with problem gambling behaviours, with players encouraged to purchase through psychological techniques such as 'fear of missing out'. We have also demonstrated that at-risk individuals, such as problem gamblers, gamers, and young people, make disproportionate contributions to loot box revenues.*

"We have made a number of policy suggestions to better manage these risks to vulnerable people, although broader consumer protections may also be required."

Zoë Osmond, CEO of GambleAware, said: *"This research is part of GambleAware's continued commitment to protect children, adolescents and young people from gambling harms. The research has revealed that a high number of children who play video games also purchase loot boxes and we are increasingly concerned that gambling is now part of everyday life for children and young people.*

"GambleAware funded this research to highlight concerns around loot boxes and problem gambling, ahead of the upcoming Gambling Act Review. It is now for politicians to hreview this research, as well as the evidence of other organisations, and decide what legislative and regulatory changes are needed to address these concerns."

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About the Report

- The research aims to inform future UK policy on loot boxes with a robust, evidence based approach.

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- The goals of the project are to investigate the psychological profiles of young people and adults who buy loot boxes, studying their purchasing motivations, and any links with potential harms, such as unsustainable spending, lower wellbeing, problem gambling and video gaming.
- The full report can be read [here](#).

About Researchers

- The research is an interdisciplinary collaboration between the University of Wolverhampton and The University of Plymouth.
- The research is informed by researcher's backgrounds in gambling, gaming, psychology and healthcare.

About GambleAware

- GambleAware is an independent charity (Charity No. England & Wales 1093910, Scotland SC049433) that champions a public health approach to preventing gambling harms – see <http://about.gambleaware.org/>.
- GambleAware is a commissioner of integrated prevention, education, and treatment services on a national scale, with over £40 million of grant funding under active management. In partnership with gambling treatment providers, GambleAware has spent several years methodically building structures for commissioning a coherent system of brief intervention and treatment services, with clearly defined care pathways and established referral routes to and from the NHS – a National Gambling Treatment Service.
- The National Gambling Treatment Service brings together a National Gambling Helpline and a network of locally-based providers across England, Scotland and Wales that works with partner agencies and people with lived experience to design and deliver a system, which meets the needs of individuals. This system delivers a range of treatment services, including brief intervention, counselling (delivered either face-to-face or online), residential programmes and psychiatrist-led care.
- GambleAware produces public health campaigns including Bet Regret. A Safer Gambling Board, is responsible for the design and delivery of a campaign based on best practice in public health education. The Bet Regret campaign is being funded through specific, additional donations to the charity, in line with a commitment given to the government by the broadcasting, advertising, and gambling industries. See <https://about.gambleaware.org/prevention/safer-gambling-campaign/>.