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## Transparent and Fair Purchases of In-Game Content

European video game players have an almost unimaginable choice of entertainment options. Many new platforms, genres of games, and business models have developed over the last twenty years in response to consumer expectations for new content and experiences.

The ability to purchase in-game content has been important to support greater consumer choice and to finance the European video games industry. In-game purchases have allowed new developments of games, including the availability of free to play games and the live operations of games for many years after release, in many cases by small and independent studios.

In-game content is digitally-delivered content and can take various forms such as upgrades, characters, outfits (sometimes called skins), tools, levels, maps, and in-game currency (coins, diamonds, gold). It often allows players to unlock features in the game and can be used to enhance the player’s experience in that specific game. The popularity of these models is clear from consumer demand: the majority of games available on mobile platforms are free-to-play and include optional in-game purchases, while on console platforms, 20.8% of games include options to purchase in-game content.<sup>1</sup>

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*Video Games Europe, EGDF, and their members are committed to a policy framework that ensures fair and transparent player and consumer experiences in all circumstances:*

- (i) PEGI Code of Conduct rules for purchasable in-game content;*
  - (ii) additional safeguards for players, with minors in focus;*
  - (iii) commitment to information campaigns and trusted data.*
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To support parents, carers and players in their search for the right game for their children or for themselves, the video games industry established the Pan European Game Information (PEGI) Age Rating System in 2003 to provide age rating labels and content descriptors for video games sold in Europe. Today, the PEGI Age Rating System is used in 40 countries and is an incredible example of effective industry self-regulation. The PEGI Code of Conduct includes important rules for signatories whose games offer purchasable in-game content.<sup>2</sup> PEGI offers a free app available in 15 languages which allows consumers to search and filter games according to age rating and features such as purchasable in-game content.<sup>3</sup>

We work together as an industry to ensure that players and consumers can make an informed choice about whether to purchase in-game content for themselves or for their children (and are transparent about) the cost of doing so.

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<sup>1</sup> According to the 2023 statistics by PEGI, 20.8% of all games that received a PEGI age rating included the possibility to purchase in-game content. 3% included paid random items, such as loot boxes. Statistics about PEGI: <https://pegi.info/page/statistics-about-pegi>

<sup>2</sup> PEGI Code of Conduct: <https://pegi.info/pegi-code-of-conduct>

<sup>3</sup> PEGI App: <https://pegi.info/app>

## + PEGI Code of Conduct rules for purchasable in-game content

Signatories are contractually bound by the PEGI Code of Conduct upon receiving the age rating label for their game. As of autumn 2023, the Code of Conduct sets out the following obligations<sup>4</sup>:

- » **Information obligation:** Games that include in-game purchases must display PEGI's in-game purchases icon at the point of purchase to support consumers in making an informed decision.
- » **Transparency in transactions:** Games that include purchasable in-game content must ensure that players/account holders always receive a receipt or invoice in their account when making purchases with real money.



- » **Purchasable in-game currency:** Games that offer purchasable in-game currency, must ensure that the real-world monetary cost of such in-game currency is clear and unambiguous to consumers at the point of purchase.
- » **Paid random items:** Games that offer the ability for players to purchase random in-game content (for example, loot boxes or card packs), must:
  - display the Paid Random Item notice at the point of purchase to support consumers in making an informed decision.
  - ensure and emphasize that paying for such random in-game content is never essential to gameplay, but is always optional.
  - ensure that probabilities are transparent and equivalent for all players, that random items are distributed without any disadvantageous manipulation based on unfair processing of personal data, and in compliance with applicable data protection and privacy laws;
- » **No skin gambling:** Signatories must have a policy that explicitly prohibits players from using in-game content to engage in unlawful gambling or betting activities (so-called skin gambling or skin betting). These policies should include clear wording on the enforcement of potential penalties such as suspending or banning players in the case of illegal trading. Video Games Europe's and EGDF's members welcome additional assistance from regulators in combating such unauthorised uses of in-game content.
- » **Enforcement:** In case of non-compliance with the Code of Conduct, the PEGI Enforcement Committee can impose corrective actions and sanction breaches.



<sup>4</sup> PEGI Code of Conduct: <https://pegi.info/pegi-code-of-conduct>

## + Additional safeguards for players, with minors in focus



**Tools to manage, limit or block purchases:** The industry provides tools<sup>5</sup> to parents and guardians to manage children’s spending within the video game so that children do not engage in any financial transactions without the consent of their parents or guardians. These tools, often called parental tools, or family settings, developed by the industry, are frequently updated to match users’ expectations, making them easy-to-use, and increasingly with customised features allowing each family and player to find the right balance.<sup>6</sup> Many tools have default settings where spending is set at zero for child accounts. Increasingly, other non-device-based systems may require verified parental consent to access purchase options in a game.



**Transactions kept separate from gameplay:** This ensures that the commercial intent behind in-game purchases, including the cost of such in-game purchases in real-world money, is clearly and unambiguously distinguished from gameplay so that it is obvious to players when they are being asked to make a financial decision. This principle was adopted by the UK Office of Fair Trading, now the Competition and Markets Authority in its 2014 Principles for online and app-based games<sup>7</sup> to further protect players and minors, and has since been listed by the CPC Network Common Position on in-app purchases in games as a best practice.<sup>8</sup> Any purchase functionality must be clearly and unambiguously communicated, including the price statement, at the place of the transaction.



**Refund policies:** Where spending has demonstrably occurred without parental consent or knowledge, member companies provide fair and reasonable refund policies and instructions on how to turn on and manage parental tools and family settings.



**Discontinuation of in-game currency:** If the use of purchasable in-game currency is discontinued, players are informed sufficiently in advance.



**No unauthorised trading:** Video Games Europe and EGDF members have policies in place that explicitly prohibit players from using in-game content to engage in unauthorised trading, and should include clear wording of potential player penalties, such as suspending or banning players.

<sup>5</sup> Player and parental control tools: <https://www.videogameseurope.eu/responsible-gameplay/parental-controls/>

<sup>6</sup> To enable purchases by children on console devices, parents are required to set up a parent account first and then create a child subaccount set up by the parent. Through these settings, the parent is invited to personalise the parental controls tools and will have to take some form of action to allow spending in the game.

<sup>7</sup> The OFT’s Principles for online and app-based games: <https://assets.publishing.service.gov.uk/media/5a7c6a29e5274a5590059b52/oft1519.pdf>

<sup>8</sup> Common position of national authorities within the CPC 9/12/2013: “Further examples of situations likely to constitute good and bad practices may be found in the set of draft principles prepared by the UK Office of Fair Trading: (see: [http://www.offt.gov.uk/shared\\_offt/consumer-enforcement/oft1506a.pdf](http://www.offt.gov.uk/shared_offt/consumer-enforcement/oft1506a.pdf))”

## + Information campaigns and trusted data

The video games industry has gone to great lengths to ensure that parents and carers can choose how their children engage with games. It has empowered parents and carers with tools that can help them to set rules that work for their family while respecting the best interests of their children. Simple parental tools are available for the management of whether money can be spent in-game, to manage who children can speak to online and to set time limits on gameplay. The industry is committed to raising awareness of these tools and making sure they are widely used through regular information campaigns<sup>9</sup>.

Trade associations, their members and other partner organisations such as the Safer Internet Centres are committed to amplifying such campaigns and extending their reach. Each of Video Games Europe's and EGDF's trade association members strive to make information about the availability of such resources, safeguards and technological tools available, in the official national language(s) of their country.

Video Games Europe, EGDF and their members strongly welcome any assistance that Member States and the European Union's institutions can provide to support the industry in its efforts to raise awareness of such resources, safeguards, and technological tools.

**Data on parental supervision of children's game play activity and spending.** Since 2018, Video Games Europe has commissioned Ipsos to conduct an annual survey on how parents monitor children's spending, and on the data around how many children spend money on in-game content. The result is a five-year consistent perspective (2018-2023) covering five large European markets<sup>10</sup>. The main conclusions are:

- » parents continue to play an active role in supervising their children's spending (90% of parents supervise their children's spending);
- » spending on in-game content has not increased above inflation;
- » there is a slight decrease in the proportion of children spending on in-game content (to less than 25%).



*Do you have questions about video games?  
Talk to us.*

## + Contact

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<sup>9</sup> Pan-European Seize the Controls campaign: <https://www.seizethecontrols.eu/>

<sup>10</sup> Video Games Europe In-Game Purchases in European Markets: <https://www.videogameseurope.eu/publication/in-game-purchases-in-european-markets/>