

Still failing to disclose loot box presence: Identifying illegal UK video game ads using Meta's advertising repository

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INTRODUCTION

'Loot boxes' are controversial gambling-like products in video games that players buy to get random rewards. Loot boxes are widely implemented, including in about 80% of the most popular mobile games (Xiao, Henderson, and Newall 2023). Players, including young children, can buy them with real money to obtain random prizes. Loot boxes are psychologically similar to gambling: the player voluntarily spends money to engage in a random process whose results could cause them to either 'gain' by obtaining a valuable in-game reward or 'lose' by failing to obtain one (Drummond and Sauer 2018). Conceptualising paid loot boxes as a form of gambling is supported by repeated findings in many countries that players experiencing gambling problems spend more money on loot boxes (Zendle and Cairns 2018).

In most countries, loot boxes generally cannot be regulated as gambling and so are available to children because these products do not satisfy strict legal definitions of 'gambling' (usually requiring the prizes to be worth real-world money, which is not true with most loot boxes). One regulatory measure to address potential harms is to require the advertising of any video games with loot boxes to clearly disclose that they do indeed contain loot boxes.

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Since 2021, in the UK, this rule is enforced by the Advertising Standards Authority (ASA), the national advertising regulator, because loot box presence is material information that a consumer needs to make an informed decision as to whether or not to download/purchase the video game, and so not providing that information is misleading (Committee of Advertising Practice 2021).

The UK Government recently decided to rely on the video game industry to self-regulate loot boxes (Department for Digital, Culture, Media & Sport 2022), rather than to enact legislation. The UK video game industry body, Ukie (2023), has since published 11 self-regulatory principles: these include that companies must ‘disclose the presence of loot boxes prior to purchase and download of a game so that players can make informed choices.’ These self-regulations became effective from 18 July 2024 even though technically some of the measures included are already required by other regulations. For example, as discussed above, the requirement to disclose loot box presence is otherwise already required by the ASA.

A novel method and valuable source of data for objectively studying social media advertising recently became available. The newly adopted EU Digital Services Act requires very large online platforms with more than 45 million EU monthly users (*e.g.*, Facebook), to publish a repository of all advertising shown. Technically, the legal requirement applies only to EU countries. However, certain platforms, such as Meta, have gone above and beyond their legal obligations and now voluntarily also provide a repository for non-EU countries, like the UK.

In September 2023, a study examined ad repositories provided by social media platforms and found that over 93% of advertising for popular games with loot boxes on social media in the UK did not disclose loot box presence as required and were therefore non-compliant with consumer protection law and advertising rules (Xiao 2025). The ASA (2024c; 2024d; 2024a; 2024b) has since upheld four complaints against companies for failing to disclose loot box presence, and those complaints were also reported in major news outlets, such as *The Guardian* (Davies 2024).

To inform policymaking, it is important to continuously assess companies’ compliance with regulations. It is not known whether the major policy developments since 2023 when the aforementioned study was conducted have caused companies to comply better. A stronger case for legislative intervention can be put if, even many months after the Ukie self-regulation has fully come into effect and after the relevant ASA complaints were upheld and widely reported (*i.e.*, in late 2024), companies are still not complying more often.

METHOD

A list of games known to contain loot boxes was generated by reviewing the open data shared by previous loot box research. A list of 309 different game titles were entered into the Meta ad repository (<https://www.facebook.com/ads/library>), thus allowing a list of all recent adverts for those games that were displayed in the UK to be shown. The 10 most recent adverts for each game were analysed to see whether they disclosed loot box presence.

PRELIMINARY RESULTS

The data collection is ongoing but will have concluded by July 2025 (*i.e.*, DiGRA 2025). In the UK, 69 of 309 games were identified as having advertised, and 618 individual adverts were studied. As to compliance, 9 of 69 games (13.0%) disclosed loot box presence at least once, and 65 of 618 adverts disclosed (10.5%). Compliance increased from 7% in 2023 to 10.5% in 2024 ($z = 3.34, p < .001$). However, it is debatable whether an increase in compliance by 3.5 percentage points is practically significant.

PRELIMINARY DISCUSSION AND CONCLUSION

Preliminary findings suggest that, although there has been a very small increase in compliance, all except one case of compliance were by companies that were personally censured by the ASA and/or the media through the actions of one single academic researcher. There was one unique case of ‘voluntary’ compliance in which the company decided to disclose for only one of eight adverts they published and also failed to disclose in its more recent adverts. Accordingly, 64 out of 65 cases of compliance (98.4%) were due to some formal or informal enforcement actions being taken, thus demonstrating that, unsurprisingly, taking those actions could benefit consumer protection. Regulators should act more proactively to address non-compliance.

In South Korea, the rule that loot box presence must be disclosed in any advertising is required by law and punishable by a fine and even imprisonment (문화체육관광부 [Ministry of Culture, Sports and Tourism] 2024), rather than only enforced through industry self-regulation that could be broken without any real consequences. To compare with UK results, 106 South Korean ads have been reviewed, and 56.6% were compliant.

The UK’s loot box regulatory policy is at a ‘crossroads:’ should it continue to rely on ineffective industry self-regulation or emulate South Korea and adopt stricter rules?

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