Coronavirus (COVID-19) | Guidance and support

Policy paper
Government response to the Digital, Culture, Media & Sport Select Committee Report on Immersive and Addictive Technologies
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Introduction

1. The government is grateful to the Committee for undertaking this extensive inquiry which considered important and serious topics in relation to immersive technologies, and particularly online gaming. The Committee's findings provide a helpful guide that will help inform the government's thinking in this important area.

2. The government believes that immersive technologies and content offer great opportunities for the future of the digital economy and society. The UK has a dynamic game sector and has been recognised in high quality, skill and innovation that spread beyond the sector itself. We also see how immersive technologies can be used to support other industries and sectors, including the health and education sectors. This has been evident recently through an increase in time spent playing games during the COVID-19 lockdown as individuals turn to games as a way to socialise with friends and family. Immersive technology has also been supported COVID-19 recovery, working with the government to help reinforce essential health messaging with the public. For example through inserting key messages into popular gaming platforms, such as Animal Crossing and Minecraft, and using virtual and realistic visuals, immersive products can reinforce the safer navigation messages audiences, not just with the anti-smoking campaign, but with the scope to challenge misinformation.

3. Immersive technologies can allow the video game sector to meet the UK's already formidable strengths. Over half the UK population plays games1, the video game industry employs over 20,000 people in 1,000 companies across the UK, from innovative indie developers, to medium and large studios. The video games sector is part of the UK's world-leading creative industries. Also a cutting edge creative and technology sector, the UK is home to some of the most skilled people in the world. The sector employs 20,000 people in the UK, growing year-on-year by an average more 20% and is highly productive. The BFI Screen Business report found that the UK's video games sector contributed £1.7bn to the economy in 2018 and £5.5bn gross value added, more than £20 million more than the UK's global share of the world's most successful, engaging and innovative games were made in the UK, has been a key driver of success in the Pound for Pound Korean stock index and released Dreamy.

4. Whilst digital technologies are overwhelmingly a force for good both economically and socially, they undoubtedly present new responsibilities to ensure that vulnerable particularly children and vulnerable people are not exposed to harm. Given the pace of technological change, it is critical that the regulatory framework is flexible and strike the correct pro-innovation approach, including new and emerging technologies. The government is committed to ensuring that the UK remains at the cutting edge of the digital economy and maintain our position as the most attractive place for digital new development of creative and innovation services to online gamers. A priority for the government is to ensure that the UK is the best place to live and work in the digital economy, and that the benefits of new technologies are felt across the country and address regional and geographical inequalities.

5. The government's Online Harms White Paper, published in April 2019, set out plans for a world-leading package of measures to keep UK users safe while they access immersive or a new online way of life that will ensure companies who facilitate the use of user-generated content have appropriate systems and processes in place to deal with harmful content on their platforms. The forthcoming legislation will impose requirements and the duty of care model will reflect the diversity of services in scope and ensure a risk-based and proportionate approach. Companies will be required to ensure that they have in place systems and processes to keep users safe. The Chief Executive of Ofcom will be the independent regulator responsible for enforcing the duty of care. This consultation response was published in February and a full response with further policy details will be released later this year.

Video games research

The Committee's recommendations

- The Department should immediately update its areas of research interest to include gaming disorder, working with researchers to identify the research areas that need to be addressed and develop a strategy to support high-quality research addressing the priorities that are identified. (paragraph 15)

- The Department should also commission a review of the research on the psychological impact of gaming disorder, including a review of the research on the potential harms associated with loot boxes. This review should also include a review of the research into the potential positive impacts of gaming, including the use of video games in education and their use as a tool for psychological therapy. The review should be carried out by independent experts and should be updated on a regular basis. (paragraph 16)

- The Department should ensure that the research agenda is flexible and responsive to ensure users are protected.

5. The government's Online Harms White Paper, published in April 2019, set out plans for a world-leading package of measures to keep UK users safe while they access immersive or a new online way of life that will ensure companies who facilitate the use of user-generated content have appropriate systems and processes in place to deal with harmful content on their platforms. The forthcoming legislation will impose requirements and the duty of care model will reflect the diversity of services in scope and ensure a risk-based and proportionate approach. Companies will be required to ensure that they have in place systems and processes to keep users safe. The Chief Executive of Ofcom will be the independent regulator responsible for enforcing the duty of care. This consultation response was published in February and a full response with further policy details will be released later this year.

Government response

6. The government agrees with the Committee that there are a number of areas where new or additional research would be helpful. We will lead a programme of work to set a framework supporting future independent video games research beneficiary for the research community, industry and policymakers. This will ensure the government's ongoing development of evidence-based policy and regulation.

7. It is well around half the UK population plays games online and offline, a number that has increased exponentially in recent years. For the vast majority this is a creative activity which they experience as part of a balanced lifestyle. Whilst some studies/ research have found that for a small minority, gaming can become problematic and can become harmful, there appears to be no clear consensus on prevalence or existing research.

8. The government commissioned the Lynch in May 2019 of a new two year research project "by Newcastle and Loughborough universities and the Leeds Institute for Data Science and Social Research Council (LIDSRC), which is investigating how gambling-style systems in video games may encourage or exploit problem gaming behaviours. The project will advance the Gambling Commission's inclusion of questions around video gaming and loot boxes in their annual young people survey".

9. However, there is needed to improve the quality and quantity of the games research base. DCMS' Chief Scientific Adviser will therefore discuss the Committee's recommendations with the Research Councils, including the Arts and Humanities Research Council, the Economic and Social Research Council, Innovate and Industry. The workshop will be used to help determine the full range and detail of the research that is needed, including research into the impact of gaming and the recommendations for a further programme of research.

10. We envisage the workshop will also draw on international expertise, and will consider how to ensure that research is robust, independent, ethical, and that its results are fit for purpose, and support future developments in research and policy in this current. Industry input may be invaluable in terms of gaining business insights and understanding the impact of any research. We will also consider how to ensure it is fair, and so important that research programme is carried out independently.

11. The DCMS Chief Scientific Adviser will discuss with CMS and others the best ways to help finance the research programme, including by exploring the feasibility of an investment model with industry that maintains the independence of the research. We will also explore the feasibility of a levy on the industry to fund research, as we have analysis indicates which working within the boundaries of the Data Protection Act 2018, and the advice of the Centre for Data Ethics and Innovation. We are not minded to take forward a mandatory levy on industry at this time, but we agree with the Committee it would be likely to disproportionately impact the SMEs and innovative start-ups creating the vast majority of games businesses in the UK. However, a wide range of other options will be explored, including a voluntary levy.

12. DCMS' Review of Research Interest document* sets out the Committee's areas of research interest that are important to DCMS for good policy and decision making. Research into the impact of video games on health and well-being is one of the areas where it encourages new research and discussion. The document is reviewed annually and video games will be included in the next update in 2020.

Online age ratings

The Committee's recommendation

- The Video Recordings Act should be amended to ensure that online games are subject to the same enforceable age restrictions as games sold on disks (paragraph 21)

Government response

13. As part of our ambition to make the UK the safest place to be online, the government will ensure that the online world is safer for children and that consumers recognise and trust age-rated online video games.

14. In 2019, the government called on industry "to adopt Pan European Game Information age ratings for video game available online, as well as on disks and to introduce best practice standards from the Video Standards Council Rating Board and Pan European Game Information age ratings". The Video Standards Council Rating Board have best practice age ratings and are committed to the International Age Rating Coalition (IARC) system which has seen over 1.6 million PEGI ratings issued for games across over 100 digital platforms. The IARC system is a tool that enables the assessment of volumetric compliance and will continue to work with industry to ensure adoption at every major platform. If progress is not forthcoming we can take further action. We will continue to work with the industry to ensure that it is easier for those that consumers are protected from potentially harmful material online.

Future online harms regulation

The Committee's recommendation/comment

- The ICO's age-appropriate design code is a positive step in addressing the potential impact on children of design mechanics within digital technologies such as "persuasive design" and "gamification". However, these digital technologies occasionally designed for, or targeted by, adults. We therefore welcome the Government's intention for "exclusive scrutiny time" and "designed time" for the Online Harms Bill. We recommend that the Bill should include a bolder greater ambition the Government's intention to "drive up standards" and "clear ups" understanding and dealing with those harms from the latest, and emerging technologies to be immediately effective in this area (paragraph 148).

Government response

15. Protecting children online is at the heart of the government's online harms agenda, including ensuring that children are able to benefit safely from the use of the Age Appropriate Design Code, which has recently been published by the Information Commissioner's Office (ICO) and is now being considered by Parliament before it comes into force. The UK's other plans to be online. The Code will provide guidance on the privacy standards companies should adopt when designing, developing and providing services likely to be accessed by children. The Code will ensure that children can benefit from the rich opportunities that the digital world offers while being protected from harm. The Code will seek to make sure that they could consider children when designing their online services. The Code will ensure that children can benefit from the rich opportunities children's data where it is in their best interests, while, for example, not using personal information to target and present child sexual exploitation and abuse.

16. The government is developing a new regime for regulating online harms which will require technologies to make the UK safest place in the world to go online. The legislation will impose a duty of care on companies to keep their users safe and will be underpinned by a strongly-worded statutory framework. The Online Harms White Paper sets out the government's plans for a world-leading package of online safety measures that will ensure companies who facilitate the use of user-generated content have appropriate systems and processes in place to deal with harmful content on their platforms. Companies will be required to ensure that they have in place systems and processes to keep users safe. The Chief Executive of Ofcom will be the independent regulator responsible for enforcing the duty of care. This consultation response was published in February and a full response with further policy details will be released later this year.

17. An initial consultation response was published 12 February 2020, announcing that the government is minded to support Ofcom as the new online harms regulator, and setting out how we envisage that legislation in proportionate and practical freedom of expression, including freedom of the press, and ensure that it will not lead to over protection for children. Under our proposed expert companies to take a proportionate range of tools including age assurance and age verification technologies to prevent children accessing inappropriate content, and to protect children from other harms. Following these announcements, a full response with further policy details will be released later this year.

Loot boxes and gambling

The Committee's recommendations

- We recommend that loot boxes that contain the element of chance should be classed as gambling and should be subject to the same regulatory framework as normal through equally flow through the games (paragraph 70).

- We recommend that working through the PEGI Council and all other relevant channels, the UK Government seeks PEGI to apply the existing rules to loot boxes in video games, and that it should be prepared to legislate if the rules that can be purchased for real- world money and do not reveal their contents (before purchase (paragraph 69).

- The Government should bring forward regulations under section 8 of the Gambling Act 2005 to make it clear that certain types of loot boxes in video games of chance. If it determines not to regulate loot boxes in the short term at this time, the Government should produce a paper clearly stating the reasons why it is not minded to regulate and the criteria it would use in the future to be a game of chance (paragraph 74) (paragraph 78).

Government response

22. Technology in this space is constantly evolving and it is important that this is reflected in our approach to regulation. We will keep the Gambling Commission approach to protecting young people and vulnerable people – and what is meant 'regulation' – should be based on evidence.

23. To guide our approach, it will be important to understand fully the existing research around loot boxes, and have current productions and legislation work is a fast moving area. We will work with the Gambling Commission to review the research by December 2019 as it will be a crucial piece of the Gambling Act Review, which is due to report to Parliament by December 2020.

24. To support this review of the Gambling Act 2005 and our wider programme of research about video games, and the existing research and evidence, we need a better understanding of the issues and to place in the wider policy framework, the government will commission a review of the research into the impact of gaming, including loot boxes, use and analysis of loot boxes, the design of mechanisms, the current harms of other types of game operating, the impact on consumers and particularly young people and vulnerable people, and the current and future role of the gaming industry and voluntary regulation. In addition to a written call for evidence we will also arrange one-to-one meetings with stakeholders to discuss issues and solutions in detail. We will also consider how we can ensure that the research is robust, independent, and that its results are fit for purpose and support future developments in research and policy.

25. The call for evidence follows a number of recent examining the lies between video games and gambling, including the Digital, Culture, Media and Sport Select Committee's report published in March, the Gambling Commission's report and the Science and Technology report. Gaming the System*, which looked at children's experience of games, seen the Gambling Commission's report, which set out a number of recommendations to the Gambling Commission about loot boxes. The Science and Technology Public Health data published in report, Skins in the Game**, which examined the relationship between the Gambling Commission's concerns over the relationship of gambling to video games.

26. The results from the call for evidence will be considered alongside the review of the Gambling Act 2005. The government stands ready to take action if the outcome of the call for evidence support taking a new approach to ensure users, and particularly children, are protected.

27. Whilst this call for evidence will contain many complex questions, it will also include a simple question to gauge public development, the government notes that industry is already progressing some important initiatives. Including the following:

- We welcome a recent decision by PEGI to change the way they age-rate games containing loot boxes, so that games containing loot boxes in which players can buy items specified by PEGI that include reward structures will be given a minimum age rating of 18 years. We will continue to work with the industry to ensure that this is implemented by summer 2020 and we will be taking a close interest in the impact of this new approach.

- We also welcome the additional announcement by PEGI* in April 2020 to inform parents and players about the presence of loot boxes in games, so that parents can make purchase decision (after offering further transparency on the nature of loot boxes available to purchase and will apply to physical and digital sales.

28. We also welcome the work of the Video Games Ratings Council Government, Microsoft and Nintendo announced that all future titles on their Playstation, Xbox and Switch consoles will be required to disclose the relative probability of receiving the randomized items in exchange for real-world money in games containing loot boxes. We will keep the impact of this change under review and will be prepared to take further action if necessary.

- We welcome the additional commitment now being made by major game publishers through their trade association UKIE** to disclose the relative odds to players when obtaining in-game virtual items from purchased loot boxes by no later than the end of 2020.

- Trade association FIEA published its "Pan-European Self-Regulatory Report" in February 2020. The Principles are devised for games businesses to follow when developing and publishing games. The Principles are underpinned by a framework which includes principles promoting fairness and enabling parental control management.

- Looking ahead, with safeguarding and design best practice, we note that a number of game companies are giving their expertise to an innovative new project led by the Institute of Electrical and Electronics Engineers (IEEE) and the Institute for the National Society for the Prevention of Cruelty to Children, the National Crime Agency and Internet Matters. We project will understand and improve youth digital behaviours, and will develop a framework for "ethical design" to be used in the research findings, the project will produce educational materials and tools that practice amongst professionals to create trust worlds that are safer for young people.

- We believe that industry can do more to help to prevent under-age gambling on video games, including by ensuring that age ratings are taken into account when purchasing. Including loot boxes. Parental controls can also help parents monitor and control their child's use of gaming platforms, including restricting the ability to purchase games with particular PEGI age ratings. We therefore welcome the recent announcement in 2020 of their "Get Smart About P.L.A.Y."*** public campaign in social and traditional media, which encourages parents and carers to use parental controls on devices and take an active role in their children's gaming.

29. In October 2019 the British Esports Association also issued new guidance* about esports, designed specifically for parents who want to know more about competitive gaming.

Esports

The Committee's recommendation

- We ask the Department for Digital, Culture, Media & Sport to lay out within the next six months how a similar framework to the duty of care practices endorsed by the Committee could bring tackle bullying of other sports can be tackled within esports (paragraph 187).

Government response

28. Esports has the potential to develop as an area of real national strength in the UK, with the potential to create high-skilled jobs and boost productivity. We see the rapid growth in online esports audience figures and the increasing number of esports events and investments in the UK indicate the existence of a solid foundation to build on. Esports England, the sport governing body for esports, has been recently established and is ready to connect with others. Esports England has also established traditional sports including the ePremier League (motorbike) event in April 2020 and the Formula 1 virtual Bahrain GP series.

29. To help this burgeoning industry realise its potential, the government will continue to support the development of esports in the UK, including through the support the areas that offer the most opportunity to the UK. This is underpinning the ways in which esports can drive innovation and public engagement. It will also involve ensuring that the industry is able to grow in a way that is sustainable, inclusive and the UK, access to venues, and ensuring esports can be conducted in a safe and fair manner for competitors and audiences.

30. We will also be exploring and promoting forward plans for a ministerial roundtable with a range of esports organisations to discuss the opportunities and barriers to market-driven growth in the UK and how industry is working collectively – or can work to do so – to encourage best practice across such a proper and exciting and creative sector.

31. We note that trade body Ukie is already working with a number of global trade bodies - the Entertainment Software Association in the US, the Entertainment Software Association of Canada, the Interactive Games and Entertainment Association of Japan, and the Interactive Software Federation of Europe - to develop a code of practice and a set of shared principles of management for esports, underpinned by best practices already undertaken by the sector and starting to address some of the issues raised in this report.

32. In October 2019 the British Esports Association also issued new guidance* about esports, designed specifically for parents who want to know more about competitive gaming.

Disinformation

The Committee's recommendation

- Social media platforms should have clear policies in place for removal of deepfakes. In the UK, Government should include all forms of deepfakes as part of the duty of care on social media companies planned in the Online Harms White Paper (paragraph 175).

Government response

33. The government is concerned about the use of the online information environment to spread disinformation. We will ensure that the online world is safer for children where appropriate, take prompt, transparent, and effective action to address online and offline harms, and ensure that consumers are able to trust what they see online.

34. The government recognises the potential challenges artificial intelligence and digitally manipulated content, including "deepfakes" may pose. The technology could be used to manipulate audio and video content to generate more sophisticated and we are working with industry and partners to develop effective ways to detect and counter deepfakes.

35. We are also actively engaging with international partners, industry and civil society to tackle these threats. The UK is also leading a cross-age on how the technology develops, including the opportunities it presents for the media and creative industries.

Diversity

The Committee's recommendation/comment

- On the games industry's attempts to tackle the gender imbalance in the workforce, the Committee recommendations seriously, effort could be deeply much more (paragraph 189).

Government response

36. The government recognises the critical importance of diversity and strongly encourages the UK's world-class creative industries, including the video games industry, and Film Creative Industries Council Diversity Charter in 2019* that aspiration. The creative industries as a whole. However, we agree that more work is needed in the industry to ensure that it is more diverse and inclusive, and that the representation of women and minorities, both in the industry and online, and understanding the impact of this. We are discussed to note in February 2019 the Department for Digital, Culture, Media and Sport and the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Education (DfE) to discuss the issue of equality, diversity, and inclusion (except which sets out all game businesses across the creative industries to:

- Attracting more diverse talent by ensuring fairness and equity in recruitment and retention;

- Creating an inclusive culture where all can thrive, by educating, and inspiring those in the sector to take more personal responsibility for ensuring equality, diversity and inclusion;

- Reflecting gender diversity in their work, including in games design and development, marketing and support services;

Initial Pledge partners include Rise, Kong, EA, Jagex and Facebook.

37. We look forward to seeing the sector's targets for the impacts of this initiative and the outcomes of its annual assessment. We will continue to engage with the Network, such as BAFTA in GAFM in Games and Women in Games. We are also initial discussions with the Department for Digital, Culture, Media and Sport Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Education (DfE) to discuss the issue of equality, diversity, and inclusion (except which sets out all game businesses across the creative industries to:

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ambassadors scheme. This now has eight corporate ambassadors and some 110 individuals in the UK signed up to help women and girls understand the games industry and the opportunities it can offer them.

39. The government is committed to strongly encouraging the consideration of diversity within video games research programmes including the development of the framework supporting future independent video games research. Areas that research should explore include understanding representation within the sector, across participation, and within gaming content, and the impact that this has, including on societal norms and attitudes.

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1. Newzoo, The U.K. Gamer 2017 (2017) ↩
2. https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/screen-business-full-report-2018-10-08.pdf ↩
3. For example, a study of adults in the U.S., United Kingdom, Canada and Germany and published in the American Journal of Psychiatry in March 2017 found that 0.3 to 1.0 percent of the general population might qualify for a potential diagnosis of internet gaming disorder ↩
4. Between Gaming and Gambling: investigating children and young people's experiences and understandings of gambling style systems in digital game. ↩
5. Young People and Gambling ↩
6. DCMS Areas of Research Interest ↩
7. https://www.telegraph.co.uk/gaming/news/digital-minister-calls-video-game-providers-use-age- ratings/ ↩
8. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/777 026/UK_CMO_commentary_on_screentime_and_social_media_map_of_reviews.pdf ↩
9. Gaming the System, Children's Commissioner October 2019 ↩
10. Skins in the Game, RSPH December 2019 ↩
11. PEGI Introduces Notice To Inform About Presence of Paid Random Items ↩
12. Entertainment Software Association : video games industry commitment to further inform consumer purchases ↩
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