

European Commission DG JUST Mr Angelo Grieco Acting Head of Unit CPC Network Rue du Luxembourg 40

B-1049

Brussels

By email

Ref.: BEUC-X-2024-069

Brussels, 12 September 2024

Subject: CPC external alert about unfair commercial practices in the video games sector

Dear members of the CPC-Network, Dear Mr Grieco,

I am writing to you to inform you that today, together with 22 consumer organisations from 17 European countries,¹ we are submitting to the CPC-Network an external alert coordinated by BEUC-the European Consumer Organisation pursuant to Article 27 of EU Regulation 2017/2394 (the CPC Regulation).

This alert highlights several unfair commercial practices by leading video game companies (namely, Activision Blizzard, Electronic Arts, Epic Games, Mojang Studios, Roblox Corporation, Supercell and Ubisoft) marketing popular games played by millions of European consumers, including children and teenagers.

In the past years, video game companies have adopted business models relying significantly on in-game purchases³ made through premium virtual currencies⁴

BEUC member organisations participating in this action are: Testachats / Testaankoop (Belgium); Bulgarian National Consumers Association (BNAAC) (Bulgaria); Kypriakos Syndesmos Katanaloton / CCA (Cyprus); Forbrugerrådet Tænk, (Denmark); CLCV and UFC-Que Choisir (France); Kuluttajaliitto – Konsumentförbundet (Finland); vzbv (Germany), EKPIZO and KEPKA (Greece); Adiconsum and Altroconsumo (Italy); Consumentenbond (the Netherlands); Forbrukerrådet (Norway); Federacja Konsumentow - FK (Poland); Spoločnosť ochrany spotrebiteľov (S.O.S.) Poprad (Slovakia); DECO (Portugal), Sveriges Konsumenter (Sweden); Fédération romande des consommateurs – FRC (Switzerland); ASUFIN, CECU and OCU (Spain).

² Statista, Video game market revenue worldwide in 2022 (<u>www.statista.com/statistics/292751/mobile-gaming-revenue-worldwide-device/</u>).

³ European Parliament, January 2023, Consumer protection in online video games: a European single market approach (2022/2014(INI) (www.europarl.europa.eu/doceo/document/TA-9-2023-0008_EN.pdf). In 2020, in-game purchases generated more than US\$50 billion globally (approx. €46 billion).

⁴ The term "premium virtual currencies" is used in the alert to refer to in-game currency that can be purchased with real money (euros or local currencies). They can take different forms and terminologies depending on the games (e.g., "gems", "points", "coins", or others). We included a list of key terms in the accompanying report.

purchased with euros (or other local currencies). Based on our analysis and the accompanying evidence (in attachments), we have strong reasons to believe that consumers may fall prey to several deceptive practices when buying premium virtual currencies, and that the latter are essentially used to confuse and disconnect consumers from the real value of their in-game spending. We therefore take the view that the concerned traders fail to provide consumers – and especially children - with safe online environments fully complying with EU consumer rules.

More specifically, we suspect several widespread infringements with an EU-wide dimension of Directive 2005/29/EC (the Unfair Commercial Practices Directive), Directive 2011/83/EU (the Consumer Rights Directive) and Directive 93/13/EEC (the Unfair Contract Terms Directive) as well as the associated national provisions transposing the EU rules.

These developments are particularly worrying as the use and relevance of premium virtual currencies go beyond the sector of video games. They are also used nowadays by an increasing number of online actors, such as social media platforms (e.g. TikTok, Twitch) and online marketplaces (e.g. Amazon).

We call on the CPC-Network to stop the unfair practices highlighted in this alert and to ensure that the rights of consumers – especially those of young ones - are fully respected.

We remain at your disposal for any additional information you could need and to respond to any questions you could have.

Yours sincerely,

Agustín Reyna Director General

Attachments:

- Report Game over A legal assessment of premium in-game currencies from a consumer law perspective (September 2024).
- Annex 1 accompanying evidence 1 (September 2024).
- Annex 2 accompanying evidence 2 (September 2024).
- Report by BEUC's member Norwegian Consumer Council, Getting Played The true cost of virtual currency (June 2024).