### Scrutinising video game and gambling advertising using social media ad repositories enabled by the EU Digital Services Act

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- gambling and wanting to participate more.
- game loot box ads, which are not age-restricted...)

# Concerns around gambling advertising

Exposure to gambling advertising is linked to more positive attitudes about

Young people (18–25 young men, in particular, who's known to be more vulnerable) are often shown many gambling adverts on social media.

Under-18s might also be exposed to gambling advertising because Ofcom says a third of children aged between 8 and 17 have false social media accounts purporting to belong to someone aged 18 or above. (Also video

# EU/EEA Digital Services Act (DSA)

Providers of very large online platforms or of very large online search engines that present advertisements on their online interfaces shall compile and make publicly available in a specific section of their online interface, through a searchable and reliable tool that allows multicriteria queries and through application programming interfaces, a repository containing the information referred to in paragraph 2, for the entire period during which they present an advertisement and until one year after the advertisement was presented for the last time on their online interfaces. They shall ensure that the repository does not contain any personal data of the recipients of the service to whom the advertisement was or could have been presented, and shall make reasonable efforts to ensure that the information is accurate and complete.

- 2. The repository shall include at least all of the following information:
- (a) advertisement;
- (b)
- (c)
- the period during which the advertisement was presented; (d)
- (e) one or more of such particular groups;
- (f)
- (g)

As regards paragraph 2, points (a), (b) and (c), where a provider of very large online platform or of very large online search 3. engine has removed or disabled access to a specific advertisement based on alleged illegality or incompatibility with its terms and conditions, the repository shall not include the information referred to in those points. In such case, the repository shall include, for the specific advertisement concerned, the information referred to in Article 17(3), points (a) to (e), or Article 9(2), point (a)(i), as applicable.

The Commission may, after consultation of the Board, the relevant vetted researchers referred to in Article 40 and the public, issue guidelines on the structure, organisation and functionalities of the repositories referred to in this Article.

### Article 39

### Additional online advertising transparency

the content of the advertisement, including the name of the product, service or brand and the subject matter of the

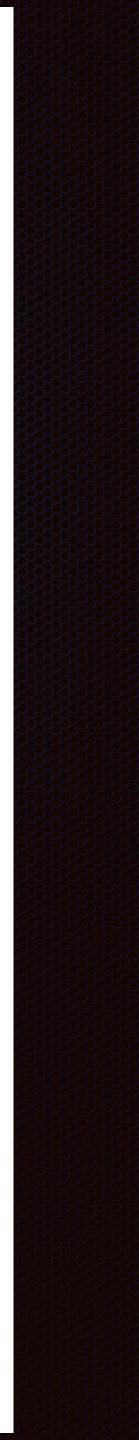
the natural or legal person on whose behalf the advertisement is presented;

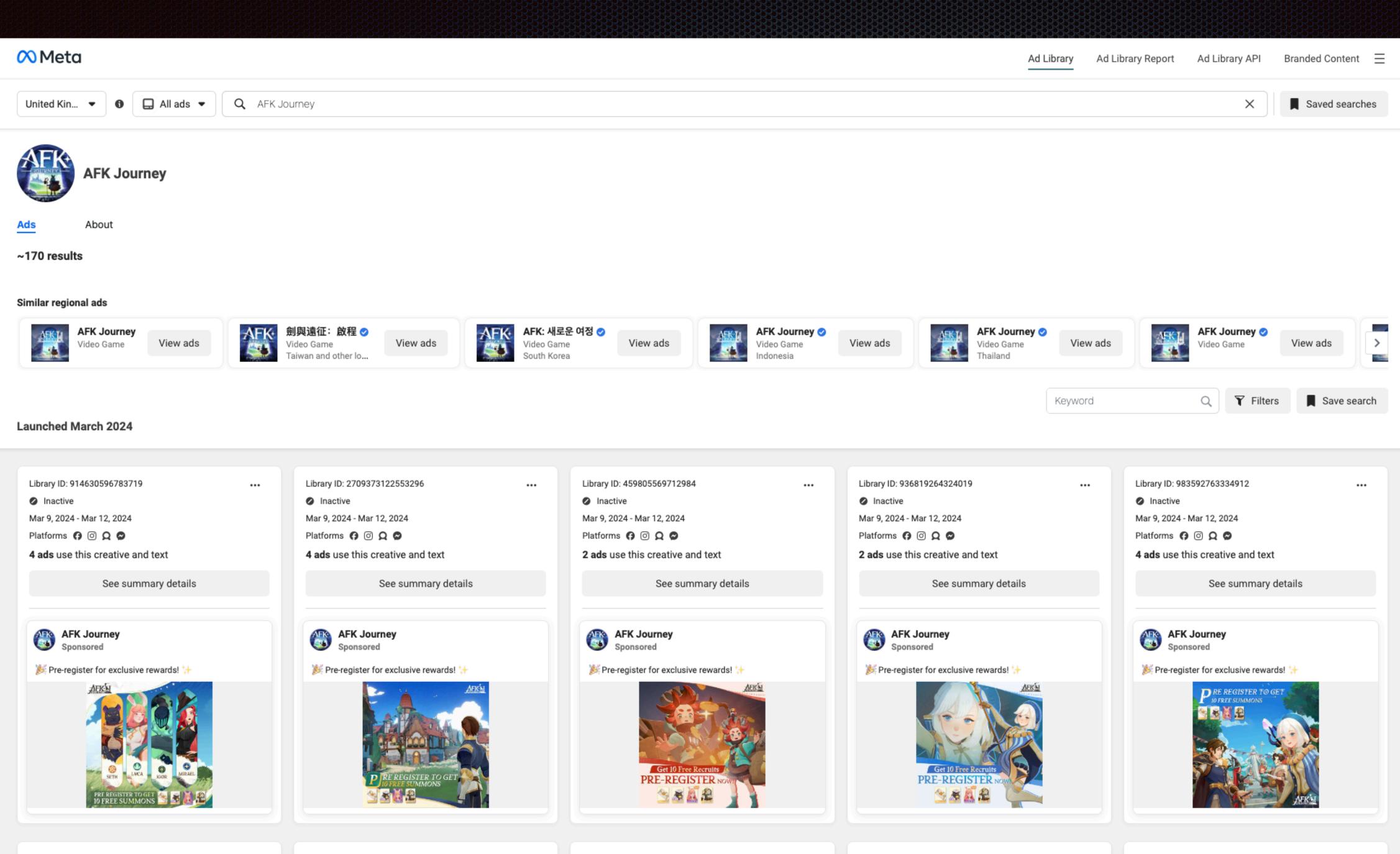
the natural or legal person who paid for the advertisement, if that person is different from the person referred to in point (b);

whether the advertisement was intended to be presented specifically to one or more particular groups of recipients of the service and if so, the main parameters used for that purpose including where applicable the main parameters used to exclude

the commercial communications published on the very large online platforms and identified pursuant to Article 26(2);

the total number of recipients of the service reached and, where applicable, aggregate numbers broken down by Member State for the group or groups of recipients that the advertisement specifically targeted.





Inactive

Inactive

Library ID: 796619312279019

Inactive



$\infty$	Meta

### Summary Data

3 ad versions

Library ID: 994279045472478 imes

Library ID: 994279045472478

Inactive

Jun 13, 2024 - Jun 21, 2024

Platforms 👩 💿

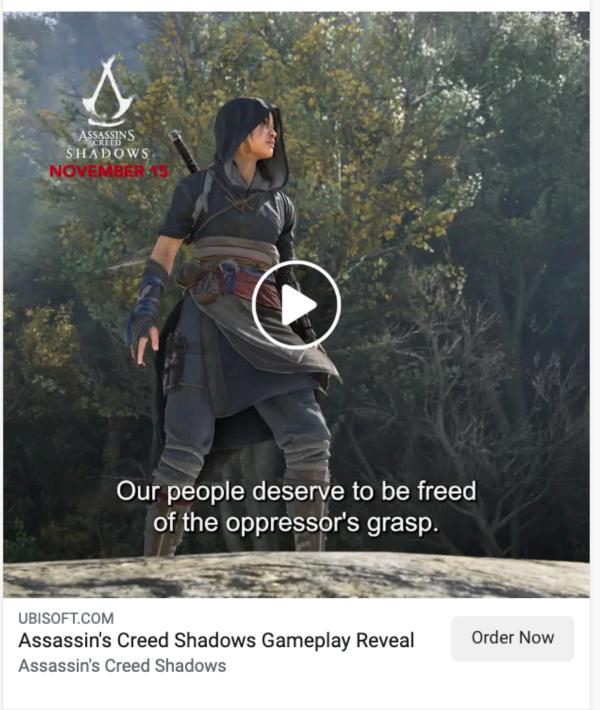
This ad has multiple versions 🚯



Assassin's Creed Sponsored

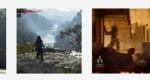
Library ID: 994279045472478

Watch more than 12 mins of gameplay and become a Shinobi Assassin and a powerful Samurai in feudal Japan on November 15th.



This ad has multiple versions 🚯





**European Union transparency** 

•••

1 of 5

EU ad audience
Location 0
Advertisers can targe
All location types
Location 1
Ireland
Age <b>()</b>
18-45 yea
Advertisers can choo
Gender

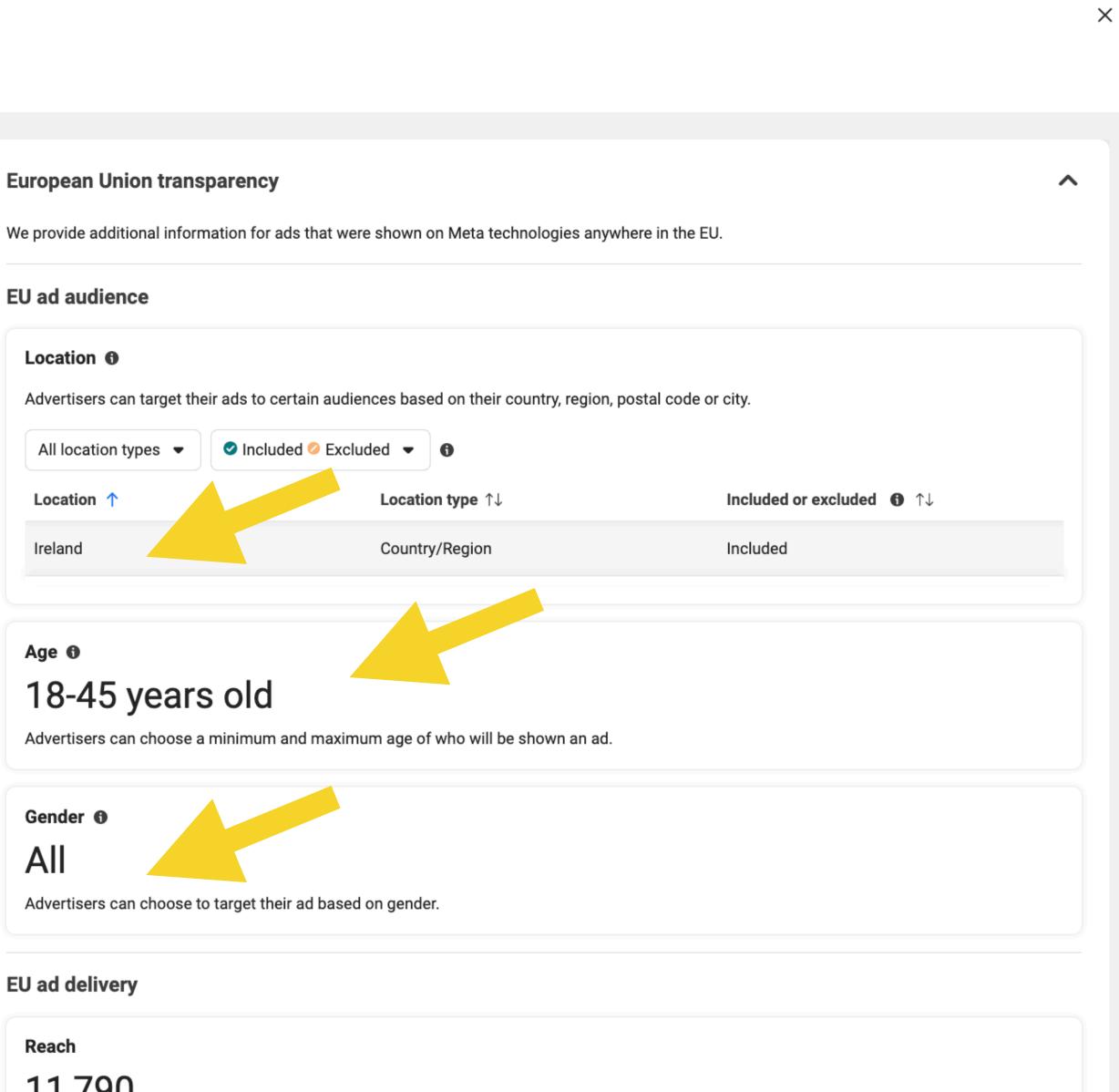
All

EU ad delivery

Reach

11,790

Reach by location, age and gender ①



The number of Accounts Center accounts in the EU that saw this ad at least once. Reach is different from impressions, which may include multiple views of your ads by the same Accounts Center accounts. This metric is estimated.

<sup>∞</sup> Meta	
Summary Data	
3 ad versions Library ID: 994279045472478 ×	
Library ID: 994279045472478	All
Inactive	Advertisers can ch
Jun 13, 2024 - Jun 21, 2024	Auvertisers current
Platforms (?)	
This ad has multiple versions 🚯	EU ad delivery
Assassin's Creed	
Sponsored	Reach
Library 10. 994279043472478	11 700
Watch more than 12 mins of gameplay and become a Shinobi Assassin and a powerful Samurai in feudal Japan on November 15th.	<b>11,790</b> The number of Acc views of your ads b
ASSASSINS SHADOWS NOVEMBER 15	Reach by locatio The demographic b Location 个
	Ireland
	Ireland
	Ireland
	Ireland
Our people deserve to be freed	Ireland

Our people deserve to be freed of the oppressor's grasp.

UBISOFT.COM

Assassin's Creed Shadows Gameplay Reveal Assassin's Creed Shadows

Order Now

About the advertiser

Iroland

This ad has multiple versions 🕚



1 of 5

Beneficiary and payer

 $\times$ 

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hoose to target their ad based on gender.

counts Center accounts in the EU that saw this ad at least once. Reach is different from impressions, which may include multiple by the same Accounts Center accounts. This metric is estimated.

### on, age and gender 🛛

breakdown of Accounts Center accounts in the EU that saw this ad.

Age Range ↑↓	Gender ↑↓	Reach ↑↓
25-34	Male	5379
25-34	Female	557
45-54	Male	203
45-54	Female	18
35-44	Unknown	31
25.44	Mala	2226

# What is a loot box?

- Virtual items in video games that contain randomised rewards.
- Some loot boxes are purchased with money. Others are obtained for free.
- Conceptually similar to gambling.
- Loot box purchasing is positively correlated with problem gambling.
- Subject to public controversy and regulatory scrutiny.

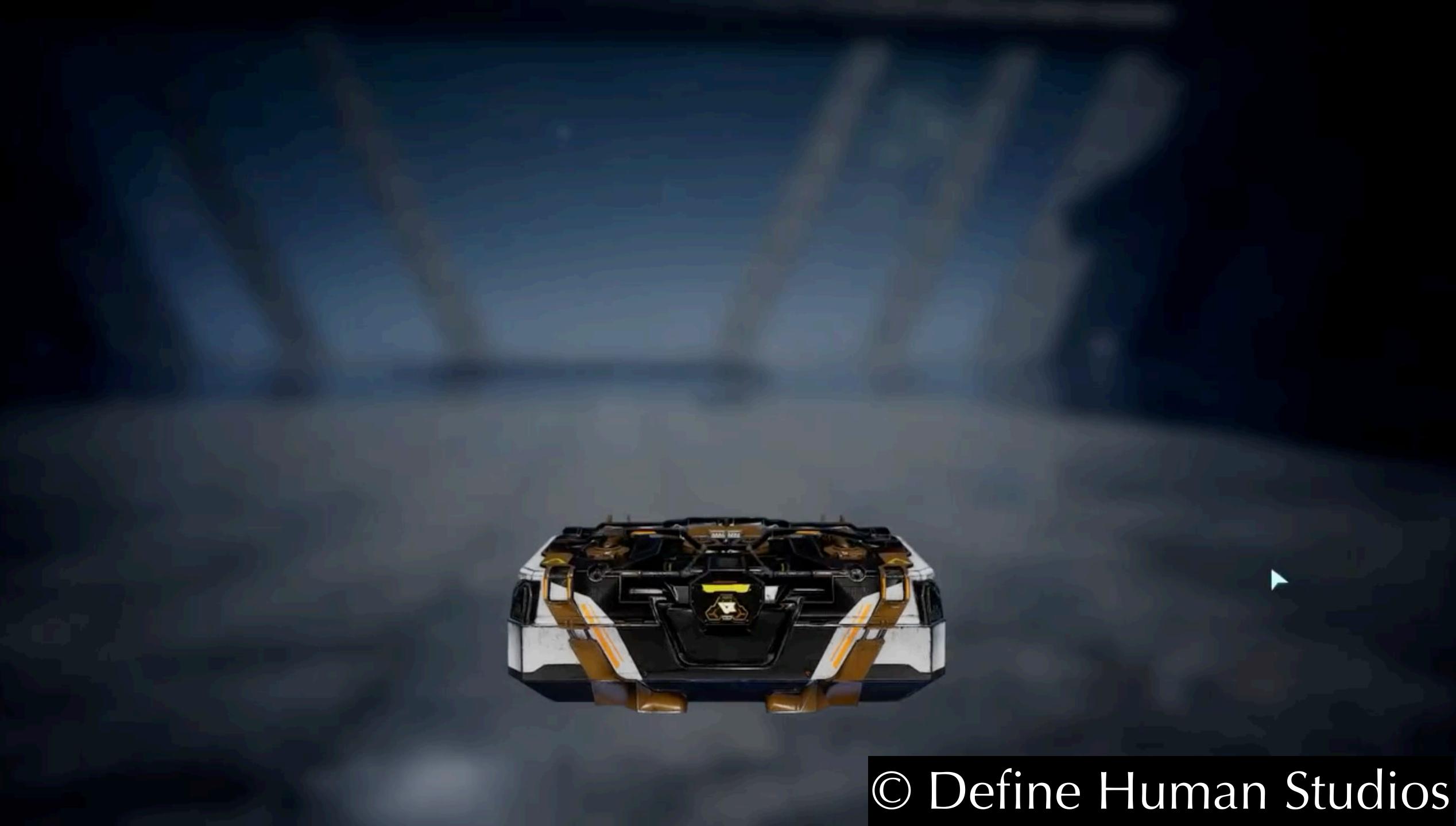


### Probability of AT LEAST one:

- Rare or Better item:
- Epic or Better item:
- Legendary item:

100% 24.8% 7.4%

© Electronic Arts





Wish



### **Character Event Wish** Reign of Serenity

Probability increased

Every 10 wishes is guaranteed to + include at least one 4-star or higher item.

View Details for more.

**Time Remaining** 20 day(s) 7 hour(s) 20 minute(s)

🛞 38 🛛 🚸 2235 Shop

Details

History





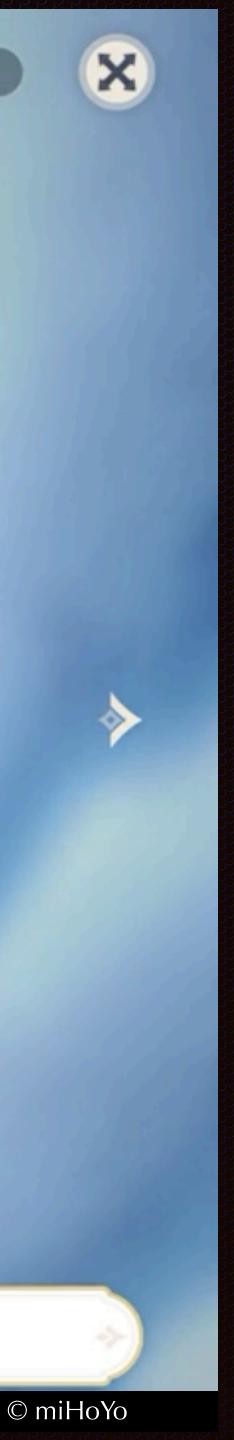


### Raiden Shogun

\*\*\*\*\* Plane of Euthymia

> Wish ×1 🌍 x 1





# How many games contain loot boxes?

- Amongst the highest-grossing iPhone games in 2024?
  - 80%+ in the UK ¥;
  - 86% in the Netherlands :;
  - 90% in South Korea :; and
  - 97% in China





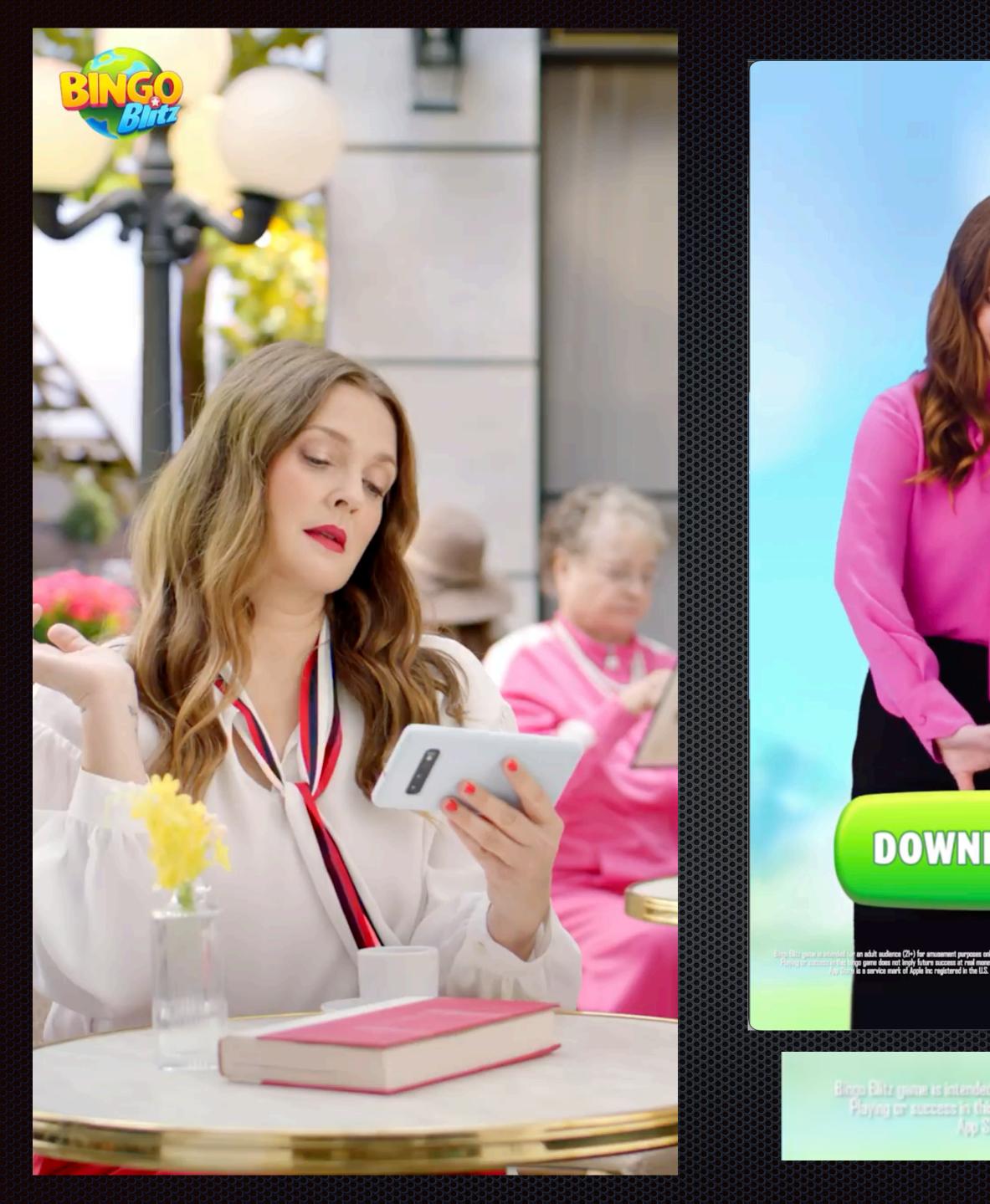
# UK loot box advertising

- that the game contains loot boxes.
- consumer needs to make an informed purchasing decision.
- countries)

In the UK, any advertising of video games with loot boxes must disclose

The presence of loot boxes is deemed to be material information that a

A consumer law approach... (that applies also to EU, EEA, and many other





# ss not offer real money gambling, or a non g. Bingo Blitz contains optional in-app parts ' countries. Google Play and the Google Play

"Bingo Blitz contains optional in-app purchases."

### **DOWNLOAD NOW**

er an adult audience (21+) for amusement purposes only and does not offer real money gambling, or a popurtunity to win real money or prizes based on gamplay, Ingo game does not imply future success at real money gambling. Bingo Bitz contains optional in-app purchases, 10 Playtika Senta Monica, LLC Al rights reserved. The is a service mark of Apple Inc registered in the U.S. and other countries. Google Play and the Google Play logo are trademarks of Google LLC.



# What about compliance...? Cor C?

- 10 impressions per active user, conservatively estimated.

Only 7% of social media adverts on Meta platforms (Facebook, Instagram, & Messenger) and TikTok disclosed loot box presence as required. 😳 💆

The vast majority of social media advertising (93%) was non-compliant with UK advertising rules 🗯 and also EU consumer protection law 💷.

In the UK alone, the 93 most viewed TikTok adverts failing to disclose loot box presence were watched over 292,641,000 times total or approximately

# Disclosures are again hard to see

- Ads that did disclose also often disclosed using very obscure methods.
- - though the disclosures have technically been made.

Can people really see the disclosures? (You might need a magnifying glass!

If not, consumer protection regulator ought to punish the companies even





### $\bigcirc$ Sign in / Sign up

# Make a complaint Quickly and easily submit your ad complaint with us online.



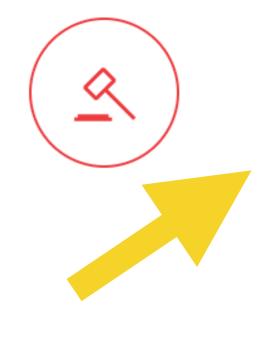




### **Electronic Arts Ltd t/a EA**

Upheld | Social media (paid ad) | 20 March 2024

Two paid-for Facebook ads for Golf Clash, a mobile app game, omitted material information about the inclusion of loot boxes.



### Miniclip (UK) Ltd

Upheld | Social media (paid ad) | 20 March 2024

A paid-for Facebook ad for an online game omitted material information about the inclusion of loot boxes.



### **Jagex Ltd**

Upheld Social media (paid ad) | 20 March 2024

A paid-for Facebook ad for online game RuneScape omitted material information about the inclusion of loot boxes.

# Excuses...

### Response

Electronic Arts Ltd t/a EA said that the ads were mistakenly published without the prescribed disclosure. They explained that they had a company policy which required paid ads for games that included in-game purchases and random-item purchases to contain the text "Includes optional in-game purchases (includes random items)" prominently within the ad. In ads (a) and (b), they explained that the omission of the disclosure was a result of human error and was not representative of the standard policies and practices they had in place to ensure their ads were compliant. They confirmed that the error had been resolved and the ads had been removed. They reiterated their commitment to compliant advertising.

### Response

Miniclip (UK) Ltd believed that material information had not been omitted from the ad because the game did not require users to make a purchase in order to play and progress. However, they confirmed that the ad had been withdrawn after being notified of the complaint and said that future ads would not omit such material information. Jagex believed the paid-for Facebook ad was constrained by time and space. As such, they had taken measures to ensure that consumers had all relevant information about the game by other means, before making the decision to download and play the game. They explained that the ad linked to a landing page which





### Gambling

• This article is more than **5 months old** 

### Video game firms found to have broken own UK industry rules on loot boxes

Government criticised over decision to let companies selfregulate gambling-style features after expert finds numerous breaches



government had been "clear that video games companies" must do more to protect children and adults from the harms associated with loot boxes".

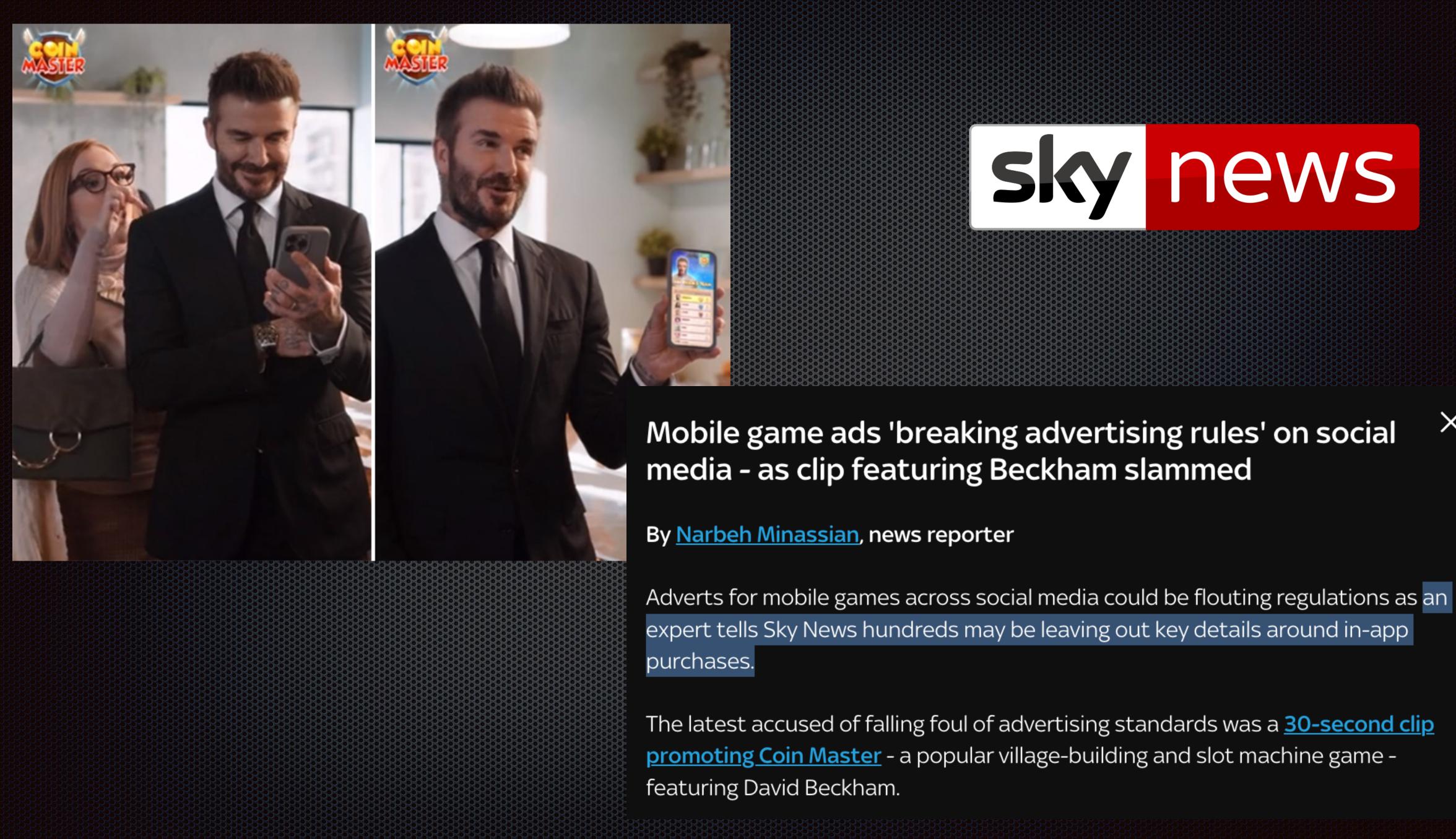
They said the government would monitor the impact of the industry guidelines and would "keep possible future legislative options under review".

The working group last met in February. Since the group was set up, Leon Xiao, an expert on loot-box regulation and PhD fellow at the IT University of Copenhagen, said hundreds of adverts for games, more than 90% of those he examined, did not abide by the group's own rule on disclosure.

A spokesperson for the Department for Culture, Media and Sport said the











### Question



### Lord Foster of Bath

Liberal Democrat

Life peer

To ask His Majesty's Government, following further breaches of the Advertising Standards Authority codes on publicising the availability of loot boxes by members of the DCMS technical working group on loot boxes, what steps they will take to ensure that the codes and their oversight are strengthened.



### Question



### Lord Foster of Bath

Liberal Democrat

Life peer

To ask His Majesty's Government what steps they are taking to ensure that companies, such as Meta, appropriately regulate advertisements on their platforms to ensure compliance prior to publication; and whether they will consider imposing a ban on platforms that repeatedly fail to do so.



### Question



Lord Foster of Bath

Liberal Democrat

Life peer



>

To ask His Majesty's Government, following the recent breach of the Advertising Standards Authority codes by DCMS Technical Working Group members Electronic Arts, Jagex, and Hutch Games, what steps they are taking to (1) evaluate, and (2) ensure compliance with, industryled principles and guidance on the use of paid loot boxes in computer games.





### B B C NEWS

Top-selling mobile games breaking rules on loot boxes

Ads for games are meant to say if they contain loot boxes - BBC News has found most do not.



## ln 2024,

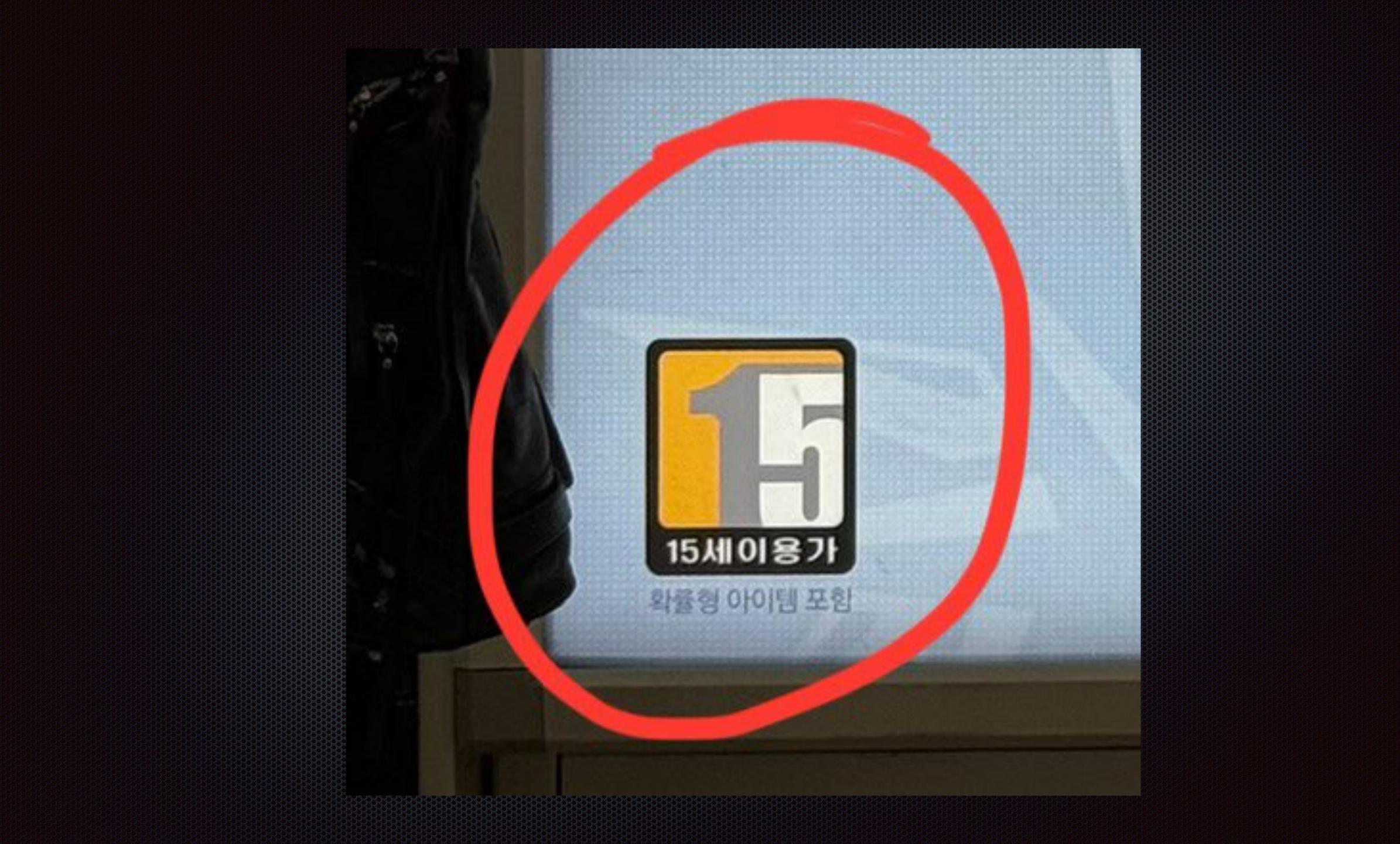
# 

### non-compliance









# Did anything change?

Only 7% disclosure rate in September 2023 amongst 300+ ad in the UK. ■ In late 2024, we did a BIGGER study. ■ 8.4% disclosure rate in the UK (n = 1330). 🗮 BUT, only 28.6% were visually prominent, so 2.4% compliance rate. ■ 7.6% in South Korea (n = 1028), but 58.2% for Korean language ads.

# Illegal advertising in Belgium?

- Belgium "banned" all paid loot boxes and social casino games, so they should no longer be available on the market.
- However, the law is not enforced, so 82 of the 100 top iPhone games sold them.
- But besides failing to remove loot boxes, did companies pay to illegally advertise on Belgian social media?





# Widespread illegal advertising

- We found social media ads for 172 popular games with illegal gambling.
- times by Belgian users, including 1.26 million times by under-21s.
- Spells and reached nearly 400,000 unique Belgian users.
  - entire country saw that one single ad.

We studied 1,574 advertisements, which were viewed over 4.5 million

The one single most widely circulated ad was for Harry Potter: Puzzles &

Belgium has a population of 11.8 million, meaning that 3.4% of the

### ∧ Meta

### Ad Details

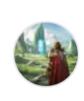
### Inactive

Library ID: 1889099111512466

May 17, 2024 - May 20, 2024

Platforms () 🗿 🔉 🔗

This ad has multiple versions 🚯



드래곤에어 : 침묵의 신 Sponsored Library ID: 1889099111512466

🦂100만 가지가 넘는 자유로운 영웅 조합!🦂 오픈 월드 고품격 판타지 RPG! 🔥마 법. 몬스터. 마스터리.🚸아덴시아를 구할 자격이 있음을 증명하세요!



### European Uni

We provide addit

### EU ad audien

Location 0

...

Advertisers ca

All location

Location ↑

Belgium

Slovakia

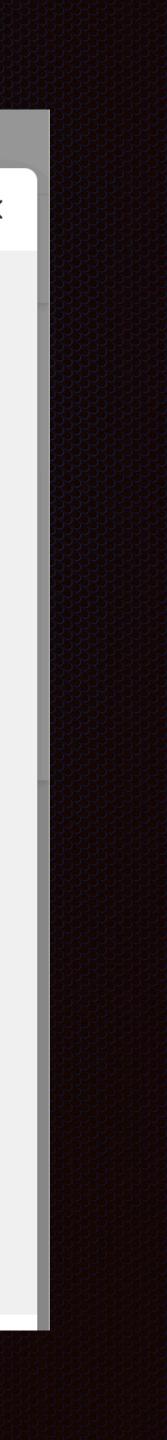
Worldwide

Age 🚯

Advertisers can choose a minimum and maximum age of who will be shown an ad.

		Ad Library	Ad Library Report	Ad Library API	Branded Content	Ξ
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ence						
can target the	eir ads to certain audie	nces based on thei	r country, region, post	al code or city.		
n types 🔻	Included 🥝 Exclu	uded 🗕				
	Lo	cation type $\uparrow\downarrow$	I	ncluded or excluded	● ↑↓	
	Со	untry/Region		Excluded		
	Co	untry/Region	I	Excluded		
	Re	gion		ncluded		

### 18-65+ years old



### 🔿 Meta

### Ad Details

### Inactive

Library ID: 1032140541783241

Sep 12, 2024 - Sep 18, 2024

Platforms 🚯 💿 🔉 🔗

This ad has multiple versions 🚯



Dragon Ball Z Dokkan Battle Sponsored Library ID: 1032140541783241

350 Million Global DLs Reached



### **European Uni**

We provide additi

### EU ad audiend

•••

Location 0
Advertisers ca
All location ty
Location ↑
Belgium
Europe

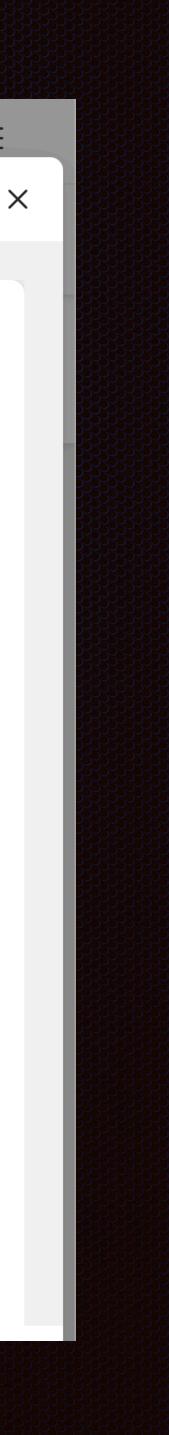
Age 18-65-Advertisers ca

Gender 0

	Ad Library	Ad Library Report	Ad Library API	Branded Content	≡
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nion transparency					^
itional information for ads that were sho	own on Meta te	chnologies anywhere	in the EU.		
nce					
an target their ads to certain audiences types  Included Ø Excluded		country, region, post	al code or city.		
Location	n <b>type</b> ↑↓	I	ncluded or excluded	6 ↑↓	
Country	/Region	E	Excluded		
Region		I	ncluded		

### 18-65+ years old

Advertisers can choose a minimum and maximum age of who will be shown an ad.



# Not targeting under-24s in NL

- advertise)
- 7.8% (18 of 230 ads) disclosed that they illegally targeted under-24s.
- failings and promised to improve future compliance.

230 ads from all Dutch gambling licensees (up to 10 each; many did not

Two gambling operators, including the state-owned operator, admitted to

### ∧ Meta

### Ad Details

### Active

Library ID: 559622930390440

Started running on Jan 2, 2025

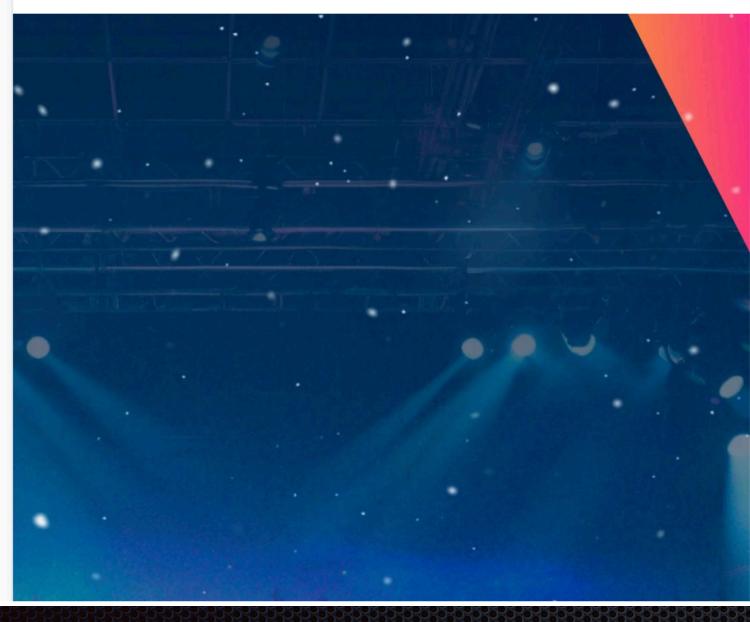
Platforms 🚯 🗿

This ad has multiple versions 🚯



Holland Casino Online Sponsored Library ID: 559622930390440

Gezelligheidsdieren opgelet! Check ons Live Casino, maak kennis met Live Dealers en win met roulette, blackjack en baccarat!



Age 🚯 25-65+ Advertisers ca Gender **0** 

All

...

### EU ad delivery

Reach

154,455

The number of Accounts Center accounts in the EU that saw this ad at least once. Reach is different from impressions, which may include multiple views of your ads by the same Accounts Center accounts. This metric is estimated.

Location 1

	Ad Library	Ad Library Report	Ad Library API	Branded Content	Ξ
					×
+ years old					
in choose a minimum and maximum a	age of who will	be shown an ad.			

Advertisers can choose to target their ad based on gender.

### Reach by location, age and gender ①

The demographic breakdown of Accounts Center accounts in the EU that saw this ad.

Age Range ↑↓ G	iender ↑↓	Reach ↑↓
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### Ad Details

### Active

Library ID: 1775809769863876

Started running on Jan 29, 2025

Platforms 🚯 🞯



**Holland Casino** Sponsored Library ID: 1775809769863876

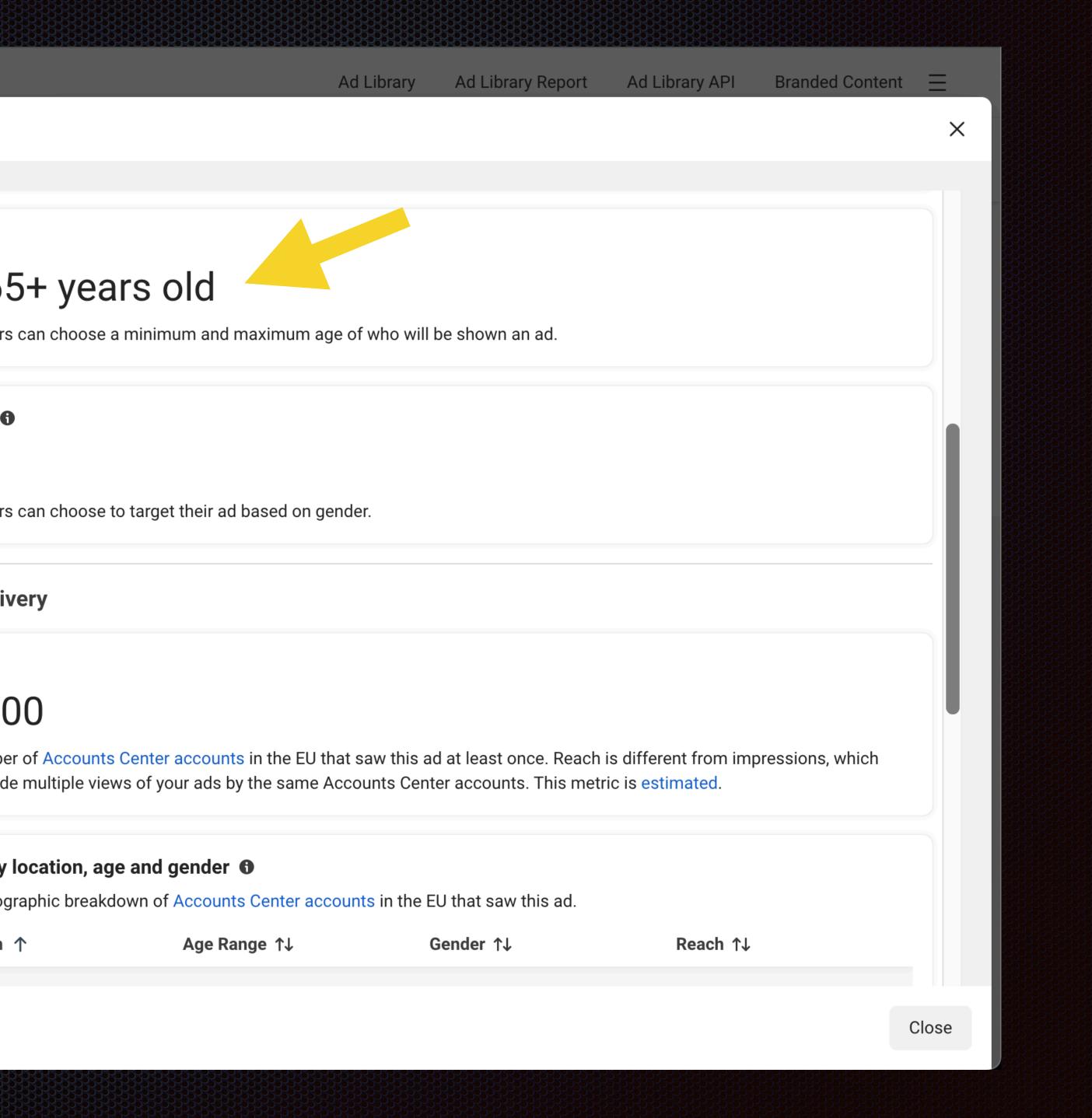
### Vier Chinees Nieuwjaar bij Holland Casino



Age
18-65+
Advertisers car
Gender 0
All
Advertisers car
EU ad delivery
Reach
69,800
The number of may include mu
Reach by loca
The demograph

...

Location ↑



We asked our media partner how it could happen that the advertisements you referred to received so many views within the 18-24 age group, as it is a standard requirement that they set up campaigns on social media for 24+. Our media partner checked all settings and unfortunately found that an error was made in the settings of the two advertisements related to Chinese New Year. For all Chinese New Year campaigns, the primary target group was set correctly (25 to 55), but there is also a secondary age filter, the so-called advantage+ targeting. This secondary age filter instructs to search outside the initial target group if views are lagging and is standardly set to 18+ within Meta. It was found that our media partner did not set this secondary filter to 25+ for a number of Chinese New Year advertisements. This is an exception but is, of course, regrettable.

To prevent this error from recurring in the future, we will first consult with Meta to see if the secondary age filter can be set to 25+ by default on Holland Casino's accounts. This way, no human action is required, eliminating the risk of incorrectly setting the secondary age filter. If this is not possible, we will work with our media partner to establish a process to prevent this in the future. As requested by you, the two advertisements related to Chinese New Year have also been deactivated.



# Conclusions

Video game context: Widespread non-compliance and non-enforcement Lots of research and enforcement opportunities public to scrutinise tech companies.

• Gambling context: Better compliance possibly due to better enforcement?

The EU and beyond should legally require more data access to allow the

# Thanks for listening! Questions!

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- LinkedIn: <u>linkedin.com/in/leon-xiao/</u>
- Website: <u>leonxiao.com</u>

