The video games industry: A responsible attitude towards parents and children October 2011



Executive Summary

The Association for UK Interactive Entertainment (UKIE) is the trade association that represents a wide range of businesses and organisations involved in the video games industry.

UKIE exists to ensure that our members have the right economic, political and social environment needed for this expanding industry to continue to thrive. UKIE's membership includes games publishers, developers and the academic institutions that support the industry. We represent the majority of the UK video games industry: in 2010 UKIE members were responsible for 97% of the games sold as physical products in the UK and UKIE is the only trade body in the UK to represent all the major console manufacturers (Nintendo, Microsoft and Sony).

Introduction

The video games and interactive entertainment industry is one of the fastest growing creative industries in the UK. With 1 in 3 people identifying as "gamers", interactive entertainment is increasingly part of everyone's everyday lives. 1,181 games were released in the UK last year. Overall, in 2010 UK consumers bought a total of 63 million Console & PC video games.

£63 million

Number of console and PC video games sold in the UK in 2010

In recent years the internet has played a vital role for our industry as the main driver in the rapid growth and development of online games. All the popularly available game console systems connect to the internet and most games today include an internet-related aspect, for example the option to play a game online, with other players. Whilst games consoles' primary function is for game play, games consoles have internet capability and functionality. Accordingly, issues around child safety that may arise on any piece of connected consumer equipment may apply to games consoles. Whilst the average age of a gamer is 33¹, it is clear that video games are enjoyed by all ages, including those under the age of 18.

UKIE is an Executive Board Member of the UK Council for Child Internet Safety (UKCCIS) and was recently one of the sponsors of the hugely successful UKCCIS Summit. UKIE is also taking a major role in the parental controls project strand being led through UKCISS and is an active participant in other work strands.

1 - ISFE, Video Gamers in Europe (2008) - http://www.isfe.eu/sites/isfe.eu/files/isfe_consumer_research_2008_report_final.pdf

This document aims to set out what the video games and interactive entertainment is doing in the field of child safety. The focus of this report is the following games consoles: Nintendo Wii, Nintendo DS, Microsoft Xbox, Sony² PlayStation and Sony Playstation Portable.

Parental Controls on video games consoles

Tanya Byron's Review of Progress (2010) urged internetenabled device manufacturers to develop parental controls and include them on their devices. Similarly, the Bailey Review (2011) made the following recommendations regarding parents' ability to block adult and age-restricted material from the internet:

> "the internet industry must act decisively to develop and introduce **effective parental controls**."

UKIE is pleased to report that the video games industry leads the way in this regard.

Games consoles all come with parental controls. Different manufacturers offer different degrees of control and functionality, but generally they all have the ability to:

- Block the playing of games based on their age rating
- Block the playback of nonlinear audio-visual content (i.e. films) based on their rating
- Disable or restrict access to network functionality including web browsing and messaging
- Disable voice chat

These parental controls are password protected.

Microsoft Xbox was the first video game and entertainment system on the market to feature built-in parental controls. Xbox supports safety at both the console and individual user level providing the flexibility to protect families as parents see fit.

The Xbox Console Safety settings apply to all users of the console, regardless of age. The settings include:

- Deciding what content users can interact with, both online and off (including movies, television shows and PEGI rated games where applicable)
- · Blocking explicit and unrated content
- Setting up title exceptions: The ability to allow users to play specific games above the console's designated PEGI rating(s) if parents deem this appropriate

^{2 -} Sony Computer Entertainment Europe Limited

- Set limits on console play time using the Family Timer
- Block access to Xbox LIVE entirely

Content restrictions may be overridden on a one time basis by users who enter the console passcode, which is set when Console Safety is enabled.

In addition, when a user joins Xbox LIVE, they are automatically assigned default Online Safety settings based on the user's age. Xbox LIVE Online Safety settings may be set to Child, Teen or Adult each with progressively more permissive default settings. Xbox LIVE Online Safety settings protect the user's privacy and can be used to limit what activities the player can do in the Xbox LIVE community. This includes:

- Who the player can communicate with over text, voice or video communication
- Whether the player needs their parental approval of Xbox LIVE 'Friends'
- · Player purchase of new content
- Ability to play online games
- What profile information other players on Xbox LIVE can view (inclusive of which games and /or movies have been played and who they are friends with)

An individual (or their parent, in the case of children) can change Online Safety settings at any time via the Xbox Dashboard or Xbox.com.

The Xbox LIVE Family Pack subscription also features further services to help manage families' Xbox activities. This subscription is specifically tailored for families and provides additional features to make Xbox LIVE more accessible for all members of the family including simplified management through the new Family Center, activity monitoring reports, and the ability to purchase and give Microsoft Points allowances to their children.

Sony takes its responsibilities just as seriously and offers the following parental controls or safety features in respect of its online stores and network functionality (such functionality includes chat or online gameplay with other players over the internet via the console):

Block the purchase of, and advertising for, games rated higher that the user's registered age. For Sony's PlayStation Network (a global online platform offering content, commerce and community features via PlayStation devices), this is automatic and cannot be overridden by a parent. Once downloaded, the parental controls on the console (referred to above) can be used to prevent the play of any game by children. This means that adults can download games to their console without the risk that their children can access and play those games (a password is needed to override the parental controls)

- Disable chat. For Sony, disabling chat also disables access to user-generated content (UGC)
- Prevent or permit access to spending³ and set a monthly spending limit.
- Block the online gameplay of games rated higher than the user's registered age. For Sony, this control is automatic and cannot be overridden by a parent.

Further, you have to be over 18 to set up a master account on Sony's PlayStation Network. A master account holder may set up sub-accounts for each of their children. The master account holder enables the parental controls and controls all spending by the sub-account, and can apply different settings to each sub-account, appropriate to that child's age and maturity. Similarly, Xbox LIVE Family Settings allow everyone to configure their account settings to customize what information is shared and the level of online communication with others, and allows parents to manage these settings for both their and their children's accounts. When a child attempts to sign up for Xbox LIVE, their parent will be required to create a new or associate an existing Xbox LIVE account identifying them as the parent of the child. A parent has full authority and parental oversight of the child's account and can modify the Online Safety settings on the Xbox Dashboard and Xbox.com. In addition, by default the parent is required to approve any friend requests that the child has received from members of the Xbox LIVE community.

Online Safety settings protect the user's privacy and can be used to limit what activities the player can do

It should be noted that it is not necessary to use the online stores or network functionality offered by the console manufacturers in order to enjoy playing video games. Many users choose simply to play disc-based games on their console, and this does not require network functionality.

^{3 -} Sony operates a wallet system whereby the master account can load funds into the wallet using a credit card or voucher and the wallet funds are then used to make purchases. The master account can choose to allow a sub-account access to spend funds from the wallet and set a monthly limit or prevent all spending. Sub-accounts cannot have and control their own wallet.

Parental Controls - Active Choice

The Bailey Review went on to say:

"the internet industry should ensure that customers must make an **active choice** over what sort of content they want to allow their children to access... specifically, we would like to see industry agreeing across the board that when a new device or service is purchased or contract entered into, customers would be **asked to make an active choice about whether filters should be switched off or on.**"

As set out above, parental controls exist on all games consoles. In addition, parents are given the choice to switch on parental controls as soon as they set up the console. For example, when a Nintendo console is switched on for the very first time you must select an option to enable or disable parental controls. Likewise on Xbox, a parent must make a choice on whether or not to enable parental controls before gameplay can proceed.

Parents should be encouraged to take an on-going and active role in their child's online activity and to discuss their activity

To ensure parents actively think about their child's online activities and interactions and set controls that are appropriate to that child's age and maturity, thereby ensuring their child has the best online experience, it is important that parental controls are at a default 'OFF' position. The video games industry agrees with Tanya Byron that this is the best way to encourage parents to take an active role in their child's gameplay, and in setting up the relevant parental control functions.4 Having filters set 'on' by default would not make parents engage, since they are presented with a simple choice of leaving the filter on or turning it off. Encouraging engagement, alongside education and awareness, is the best way of ensuring parental control functions are used to protect children whilst allowing children to have an engaging online experience that is tailored to their individual needs (which only their parent can know).

Parents should be encouraged to take an on-going and active role in their child's online activity and to discuss their activity and guide them through their interactions with others to make them aware of risks and opportunities, just as they would in the offline world. Console manufacturers cannot and should not be expected to take on the role of parent but should provide tools to assist their parent in fulfilling their role.

4 - In her Review "Children and New Technology" (March 2008), Tanya Byron stated (para 4.70): I believe that a more effective approach is possible, where technical tools take parents through a series of steps which require them to mentally engage with the issues and think about what parental controls are appropriate for their family. Having filters set on by default would not make parents engage, since they are presented with a simple choice of leaving the filter on or turning it off.

Parental controls should be an informed choice, made by parents or guardians, for the protection of their children. Our industry provides the tools and education to empower parents to make this choice.

PEGI – An Age Rating System for Video Games

The video games industry has its own system of formal self-regulation to keep children safer offline and online: the PEGI age rating system. This self regulatory age rating system operates through a principles based code of practice, against which content providers across the EU self-declare their practice. A content rating is given by designated national games rating authorities (NICAM and the UK's Video Standards Council), who independently review and monitor self-declaration. The PEGI system itself is also overseen by a number of independent bodies.

PEGI - What is it?

The PEGI (Pan-European Game Information) system is a set of ethical standards in the format of a Code which reflect the industry's commitment to conduct in a responsible manner towards children. The Code's main aim is to provide parents with objective, intelligible and reliable information regarding the minimum age for which a given product is deemed suitable, but the Code also deals with related advertising and promotion, consumer redress & sanctions, commits members not to offend human decency and, after its merge with the PEGI Online Safety Code, now also aims to provide a safe online gaming environment for children.

PEGI is the basis for which parents can age-restrict access to game content whether that content is delivered on physical media (such as a disc) or online as a download or browser-based game.

The PEGI age rating system was voluntarily adopted by the industry in 2003 and is used throughout Europe (other than Germany which has its own game rating system). It is soon to become a legally enforceable age rating system in the UK following UKIE's (then as Elspa) successfully arguing for PEGI's inclusion into law in the Digital Economy Act 2010. Once the relevant sections of the Video Recordings Act have been transposed into law, selling a video game PEGI rated 12, 16 or 18 to an underage person will become illegal for the first time, and statutory penalties will apply. The Video Standards Council (VSC) will have designated authority for the rating of all video games and will also have the power to ban games that are inappropriate for release in the UK (based on an assessment of likely harm).

After examination by PEGI, all games will be given a PEGI age rating denoting the age-appropriateness of the material. Additional content descriptors appear alongside the age rating icon, providing further information about games content and why a particular rating has been applied. One of the content descriptors indicates whether a game purchased as a boxed product in-store can be played online with other people connected to the internet and playing the same game.

The age rating icons and content descriptors empower parents and caregivers to make informed decisions about the type of content their children are exposed to. Awareness of PEGI is already very high: 60% of gamer and 62% of non gamer parents in the UK are aware of an age rating system for video games and over 60% (nearly 80% in the case of gamer parents) recognize the PEGI age rating labels. Similarly, 60% of parents in the UK find the PEGI symbols either 'extremely useful' or 'very useful' when deciding whether to buy a video game for their child.⁵ These results are extremely positive. Nevertheless, industry committed to a public awareness campaign about PEGI, as part of our discussions around the Digital Economy Act. This campaign will begin once the timeline for PEGI's implementation in the UK has been finalized.

PEGI – self regulation and independent monitoring at its core

PEGI was born as a self-regulation system, but has now developed into a co-regulative framework. While the independent organisations of NICAM and the VSC grant the PEGI ratings, the day to day management, supervision and future development of the PEGI system resides with PEGI S.A., a Belgian not for profit company. The PEGI Management Board is the core of this. The Managing Director is responsible, following guidance from this Management Board for running the day-to-day activities of PEGI. The board is made up of representatives of; the users of PEGI (games publishers), the gatekeepers of PEGI (the game console manufactures) and the promoters of PEGI (national trade associations) plus the Chairmen of the PEGI Council and the PEGI Experts Group. This board structure ensures there is proper oversight whilst not weakening PEGI's selfregulatory strength.

The PEGI Council is comprised of representatives of the European countries and gives the countries that use PEGI a voice. The Council is responsible for making recommendations so that national as well as European developments are communicated and reflected in the PEGI system and its code of conduct. Of equal importance is for the authorities in the PEGI countries to keep abreast of and be involved in PEGI. The Council ensures this two-way flow of information. Members of the Council are appointed for a 2-year term. They are primarily recruited from the authorities in the PEGI countries, working as psychologists, media specialists, civil servants, and legal advisers versed in the protection of minors in Europe. An Experts Group comprised of specialists and academics in the fields of media, psychology, classification, legal, technology, online games etc. advise PEGI by considering technological and content development as recommended by the PEGI Council, the PEGI Management Board or through circumstances brought to light by the complaints procedure.

PEGI – a system that works online and offline

An ever-increasing number of small games apps are now being published online and on smartphones. Many of these games are cheap to develop and have a small market or relatively short "shelf-life". A complex or expensive rating process for such games can wipe out any profit a publisher

5 - Full results of this survey can be viewed at: http://www.isfe.eu/about-isfe/news/isfe-publishes-2010-european-consumer-survey

makes from such games. As such, it can effectively prohibit many of these games from coming to market. PEGI has addressed this by creating PEGI Express, a bespoke rating system for mobile games. PEGI Express, in association with Windows Mobile, is a system designed to cope with a very high volume of ratings required and the need for a quick turnover time to match the flexibility of the digital distribution model, whilst at the same time keeping child safety at the forefront. Alongside PEGI Express, the standard PEGI rating system still includes an online content rating process for games less than 250MB to be rated at low cost.

The age rating icons and content descriptors empower parents and caregivers to make informed decisions about the type of content their children are exposed to

Further, rigorous standards are set out in the PEGI Online (safety) requirements available through the PEGI system. These standards include, among other things, the obligation to keep websites free of illegal and offensive user-created content and undesirable links, as well as the obligation to maintain an effective protection of privacy and grief reporting.

Extracts from the PEGI Online Safety Code include:

- 9.2 Removal of Undesirable Content; Signatories shall use their best endeavours to ensure that Online Gameplay Environments are kept free of content which is illegal, offensive, racist, degrading, corrupting, threatening, obscene or might permanently impair the development of minors. When Online Gameplay Environments also contain user generated content, Signatories shall use their best endeavours to immediately take down any such content which is illegal, offensive, racist, degrading, corrupting, threatening, obscene or might permanently impair the development of minors. Observance of all the foregoing should, where possible, also include removal of undesirable links or 'hyperlinks.'
- 9.3 Appropriate Reporting Mechanisms; Consistent with the foregoing paragraph, Signatories will ensure that appropriate reporting mechanisms are in place to allow players to notify Signatories of the existence of content such as described in the previous sub-section within any Online Gameplay Environment.

^{6 -} Small games rated under this procedure are not pre-examined by PEGI. For the sake of speed and ease of use, PEGI uses a post-release audit system to check the games to ensure the rating is correct. In the case of a mis-rating, the game will have to be relabelled or removed from circulation.

- 9.4 Chatrooms; Signatories should take reasonable precautions to ensure that Online Gameplay Environments which allow voice or video chat, protect children from access to age-inappropriate content introduced by other users.
- 9.5 Other Operators; Signatories shall use their best endeavours to ensure that operators of Online Gameplay Environments offered by Products published by the Signatory and which are authorised by, but not under the control of, the Signatory, abide by these rules and/or subsequently become Signatories themselves.

In order to provide for better integration between PEGI Online and the PEGI rating process, PEGI SA, who manages and created the PEGI system, has developed and is preparing to introduce a new streamlined process that it expects will lead to an expanded application of the PEGI Online standards across all games with online functionality. Similarly, PEGI SA has developed PEGI Express to allow mobile games to receive an age rating. The icons and rigorous rating criteria will remain in place, but other elements have been redesigned to cater specifically to the needs of mobile platform operators and mobile game developers.

PEGI - Marketing and Advertising

PEGI has detailed Labeling and Advertising Guidelines ("the Guidelines") to ensure the age rating icons and descriptors are displayed to consumers prior to purchase of both discbased and online games. Games that are accessed through a website must display the age rating icon and content descriptor(s) on the web page or on the web page delimited area dedicated to the interactive software product, so that the age rating is visible prior to purchase, download or play. As discussed above, where it is technically possible, the PEGI icons must hyperlink to: http://www.pegi.info or to a dedicated webpage explaining the meaning of the PEGI icons.

When joining PEGI, a games publisher sigs up to the PEGI Code of Conduct. A number of the principles of the PEGI Code of Conduct apply to advertising and promotion to ensure children are protected. This is a unique feature of the PEGI age rating system (say, compared to the BBFC rating system for films in the UK, which does not have advertising rules). For example, the Code states:

"companies shall not specifically target advertising for interactive software products rated 16 or 18 to consumers for whom the product is not rated as appropriate."

and

"companies shall ensure that ancillary or separate products that are sold or promoted in association with an interactive software product, contain content that is appropriate for the audience for which the interactive software product is intended."

For example, a packaged product rated 3, 7 or 12 cannot include any demo or video of interactive software with a

(anticipated) rating of 16 or 18. Guidelines similarly extend to in-game advertising, for example games rated PEGI 3 would not be able to include alcoholic drinks promotions on bill boards to enhance to the 'real life' element of the game.

Game advertising is also subject to the CAP Guidance on advertisements for Video Games and Films as well as the CAP and BCAP Codes.⁷ UKIE also provides all of its members with information about the British Code of Advertising and Sales Promotion, monitored by the Advertising Standards Authority.

Finally, the Guidelines set out detailed rules on how age icons should be displayed in advertisements in print, static and electronic media, including at what points within the advert, and how big the icon should be. The Guidelines also deal with radio advertising. These Guidelines are to ensure that consumers are aware of age ratings when (they consider) purchasing a product, and can make informed decisions about the types of content their children are exposed to. These rules effectively act as a perpetual awareness-raising campaign ensuring that PEGI icons are widely displayed to the public both on advertising as well as on the games themselves.

UKIE provides all of its members with information about the British Code of Advertising and Sales Promotion

As mentioned above, Sony, on the PlayStation®Network also automatically blocks advertising for games and other download content rated higher that the user's registered age. This is automatic for Sony and cannot be overridden by the parent. On Xbox LIVE, dash advertising is never shown to users under 13. Display of game / marketplace advertising is otherwise at parents' discretion.

Mindful of the recommendations made in the Bailey Review, UKIE has engaged with the Advertising Association, in particular its Childrens Panel, designed to look at issues around advertising and young people. UKIE is pleased to note that Microsoft and Nintendo have signed the Brand Ambassadors Pledge, and we will look to promote this pledge to other members.

Monitoring and Compliance

From November 2009 through January 2010, PEGI monitored game advertisements in order to measure the compliance with the PEGI labeling guidelines. The analysis was based on a broad sample of more than 1000 advertisements from eight European countries (United Kingdom, France, Spain, Italy, Denmark, Poland, Belgium and the Netherlands). The research sample was taken from a variety of media:

^{7 -} http://copyadvice.org.uk/Ad-Advice/Help-Notes/Videogames-Guidance-onads-for-videogames-and-films.aspx and http://www.cap.org.uk/Resource-Centre/ Advice-and-guidance/Broadcast-guidance-and-help-notes.aspx

specialised games magazines, daily newspapers, games websites, billboards, TV and radio adverts, etc. In total, advertisements from more than 60 different game publishers were collected. The UK achieved a 78.9% compliance rate across all media, with compliance of nearly 90% for press advertisements and over 80% for TV advertisements.⁸

Similarly, in 2008, a survey by the Advertising Standards Authority in the United Kingdom showed that 99% of video games adverts were compliant with their advertising codes. The survey was done after the recommendation by the Byron Review that the British government should commission an investigation into whether video games were being advertised in a responsible way and whether children were being encouraged to play games that were unsuitable for their age or experience. (http://www.asa.org.uk/General/Search.aspx?s=guidance%20on%20ads%20 for%20video%20games%20and%20films)

Consumer redress

The video games and interactive entertainment industry values feedback from consumers and welcomes the opportunity to engage with parents and hear their views. Consumers can submit a complaint regarding a PEGI rating or related advertising and promotion. The complainant always receives a reply from the PEGI Administration after examination of the complaint and the rating. If no agreement can be reached, the complaint can be brought in front of an independent Complaints Board consisting of three experts.

The decisions of the Complaints Board are enforced by the PEGI Enforcement Committee which is also charged with implementing the recommendations of the PEGI Council and Management Board, ensuring proper enforcement of the provisions of the PEGI Code of Conduct. The Committee is made up of ten members, five of which are publishers, and five of which are chosen from the Council.

Publishers using the PEGI system are bound by its decisions. Consequently, they are obliged to carry out any corrective actions required and, in cases of non-compliance, are subject to sanctions as laid out by the code. These may include re-labeling or removal of the labels, recall of the product, modification of advertisements, as well as temporary suspension or disqualification of the product from PEGI and fines that can lead up to €500 000 per violation.

Staying safe online

We have already discussed parental controls and how these can be used to ensure children stay safe online. Similarly, one of the PEGI content descriptors indicates whether a game purchased as a boxed product in-store can be played online with other people. Parents are therefore made aware of online functionality in game play when purchasing games for their children. Parental controls can therefore be set accordingly, for example to limit online functionality.

The video games industry takes additional steps to protect children in an online environment. This includes ensuring that we promote the safe gaming message that: the same Safe Online Gaming Guide both for parents (http://ukie.org.uk/playsafe/parents) and for children (http://ukie.org.uk/playsafe/children). UKIE is also spreading its safe and sensible gaming message through a number of online forums, for example Mumsnet and Nominet.

rules apply online, as they do offline. UKIE produces a

Sony contractually requires all publishers providing online gameplay via its network to comply with the PEGI Online Code of Conduct. As discussed, this Code aims to make online interaction and gameplay safer for children.

Whilst Nintendo does not have an online network of its own, Nintendo operates a Friends Code System, preventing any direct communication with strangers. Players cannot exchange information with each other unless they have registered each other's Friend Codes. Although some Nintendo games and games made by third-party publishers allow you to play against randomly selected opponents, you will not be able to communicate with these opponents – only people with whom you've exchanged Friend Codes.

Whilst the Wii console also offers the possibility to send messages to other Wii users, this can only take place if both parties have registered each other's console-specific Wii number. You can block the sending of messages in the Parental Controls settings.

99%

Percentage of video games compliant with the ASA's advertising codes in 2008

The Xbox LIVE Code of Conduct is a comprehensive set of rules designed to ensure that Xbox.com and Xbox LIVE are fun and safe for gamers of all ages. Microsoft encourages the Xbox community to communicate to them any behaviour or activity that violates this Code (which includes prohibitions against distributing, posting, publishing, uploading, disseminating or discussing defamatory, infringing, obscene, sexual or unlawful materials in any format (images, audio, video, text, etc.) as well as, without limitation, child pornography or illegal drugs). Once verified by the Xbox Enforcement Team (who also actively play on Xbox LIVE to monitor behaviour), Microsoft pledges to move swiftly to address the behaviour in a variety of ways, whether suspension, termination, removal of offensive or harmful content and/or elevation to legal authorities - thus encouraging a safe and enjoyable experience for everyone. The Xbox LIVE Enforcement Team service is also provided to third party publishers, who we actively encourage to implement their own "per title" moderation, as well as platform features that help regulate online behaviour. Titles need to respect Microsoft's global UGC policies on the console (as specified in the Xbox LIVE

^{8 -} http://www.pegi.info/en/index/id/1068/nid/media/pdf/332.pdf

Code of Conduct) and titles that have risky UGC options need to staff a team for moderation (including revocation). Also, there is the console-based complaint notification system alluded to above, where members can register complaints on a variety of UGC, which is system-specific, not game-specific.

Parents can report abuse on Xbox LIVE by using the free hotline 0800 587 1102 or via e-mail. Microsoft takes reports of inappropriate conduct very seriously. The Xbox LIVE Enforcement team reviews complaint information provided by our customers promptly and actively plays on Xbox LIVE to monitor behaviour and to encourage a safe and enjoyable experience for everyone.

Age Verification

Industry is constantly reviewing age verification services offered by third parties. The disadvantages of the age verification systems that are currently available are expense, lack of consistently accurate results and the lack of a global or Europe-wide solution. These systems are also only able to verify that someone is over 18; they cannot be used to verify the age of a child.

Parental controls allow parents to prevent children from downloading paid and non-age appropriate content

However, by encouraging and educating parents about parental controls, the video games industry tries to ensure that the setting for each child's account is configured appropriately, meaning they can only access ageappropriate content. The console manufacturers try to take steps to discourage children from lying about their age. If a child tries to change their date of birth during registration process on a PlayStation console, they may be forced to restart the process with another email address (although this would depend on how far they have progressed through the registration process). Otherwise, cookies are used on Sony online registration forms (on marketing websites e.g. playstation.com) to stop a child from re-registering when they realise that access is only available to adults for certain content or a website. Xbox LIVE requires input of credit card details as proof of age when setting up an Xbox LIVE account(s).

Purchases

The video games and interactive entertainment industry offers clear and transparent information about the costs of content or services so as to empower parents to better manage their children's expenditure. Our industry also puts a number of steps in place to help parents manage (or control) their children's expenditure.

The PEGI Online Code of Conduct requires signatories to promote responsible purchasing practices where minors are concerned. As mentioned above, Sony contractually requires all publishers providing online gameplay via its network to comply with the PEGI Online Code of Conduct. Parental controls allow parents to prevent children from downloading paid and non-age appropriate content onto their PS3 console. Sony, on the PlayStation Network also automatically block the purchase of, and advertising for, games and other download content rated higher that the user's registered age. This is automatic for Sony network services and cannot be overridden by the parent. Sony also provides the tools to enable parents to prevent child accounts spending on their network or permit spending but set a monthly spending limit.

The parental control to prevent launch of a web browser by the PS3 can be set to prevent children accessing the broader internet and third party shopping websites that may not have the same robust controls in place as the console's proprietary network - although those sites would usually require a credit card or other payment account which would suggest a level of parental consent or acquiescence.

Microsoft provides parents and caregivers with tools and resources to manage their children's gaming and entertainment experiences on Xbox 360 and Xbox LIVE so that they can play in ways that are safer and easy to manage. Parents who input their credit card details when setting up an Xbox LIVE account(s) are also asked to supply their e-mail address in order to receive transaction notifications every time purchases are made on Xbox LIVE (whether by themselves or via their children's accounts). The Xbox LIVE Family Pack subscription only allows dependents to purchase using their individual MS Points accounts to purchase content. They can receive MS Point allowances from the primary account holder or they can purchase MS Point cards at retail. This allows parents to more directly manage children's spending.

Similarly, Sony provides that PlayStation Network (PSN) master account holders can set their account up so a password must be re-entered before a purchase can be made. In addition, Sony enables the master account holder to select the amount any sub account user is able to spend on the PlayStation Network each month or prevent spending altogether. The master account can set different spending limits for each sub-account so the parent could, for example, prevent one sub-account accessing the master account wallet completely but allow the other sub-account access to the wallet and set that sub-account's spending limit to £5 a month.

If the master and sub account system is used as intended, it is a very effective way of controlling purchase amount, frequency and product age suitability. This again underlies the importance of parents taking an active role in setting up games equipment: controlling the master account allows them to set parental controls, which extends to monitoring how their children spend money online.

Similarly, Nintendo do not store credit card details on their system. Each time a consumer purchases a product, credit card details need to be re-entered.

Independently verified industry standards

The video games industry is dominated by globally recognised and respected brands, such as Sony, Microsoft and Nintendo. Brand recognition and trust is high, as consumers know they are purchasing products that perform to a high standard, and that they work hard to ensure gameplay can be enjoyed in a safe and sensible way. There is no evidence that the market is unsure how to distinguish between 'good' and 'bad' video games products. The market speaks for itself. The child safety filtering on games consoles performs to an extremely high standard, higher in fact than the specifications set independent of industry. The games industry can therefore see no advantage to signing up to alternative standards which brings no demonstrable benefit to consumers from a safety point of view.

The child safety filtering on games consoles performs to an extremely high standard, higher in fact than the specifications set independent of industry

And it has to be remembered that the video games industry operates in a global market. A UK-specific industry standard is unworkable in this context because, if each country within Europe was similarly to require its own standards, console boxes would become cluttered with symbols that would be confusing and meaningless to consumers outside the country at which they were directed. This could damage consumer confidence and, indeed, potentially inhibit the movement of goods through Europe.

As set out above, the PEGI age rating system is a robust, independently overseen, (soon to be) legally enforceable system which provides clarity and guidance to parents about the age appropriateness of games. One of the PEGI content descriptors indicates whether a game purchased as a boxed product in-store can be played online with other people, and there are clear and robust guidelines for those publishers who sign up to the PEGI Online (safety) requirements available through the PEGI system. UKIE has committed

to a public awareness campaign to increase recognition of age ratings and parental controls, once PEGI becomes law. The industry is focused on and committed to building on the current recognition of PEGI (which is already high in the UK).⁹ It would be inappropriate to introduce yet another mark, possibly creating consumer confusion.

Data protection

Data can sometimes be shared – either intentionally or otherwise - by those engaging in any form of online activity. UKIE's safe and sensible gaming messages include a reminder to children that the same rules apply online as they do offline, and that information should not be shared with anybody you don't know.

Companies also have a responsibility to ensure that they treat consumers' data in the correct way and respect privacy. Accordingly, the PEGI Online Safety Code contains the following provision:

9.8 Privacy; Any Signatory engaging in the online collection of personal information from subscribers will maintain an effective and coherent Privacy Policy fully in accordance with all applicable European Union and national data protection laws. The Privacy Policy will encompass the responsible collection, distribution, correction, and security of the personal details of users who shall be given full details of the Signatory's Privacy Policy before the finalisation of any subscription to an Online Gameplay Environment. Subscribers must be also be given the opportunity to comment on any perceived misuse of their personal details and therefore be fully advised as to ways, for example, of avoiding unsolicited or unwanted e-mail contact.

UKIE members have privacy policies, in line with best practice and abide by the law regarding disclosure on data collection; how data is used; how to opt out. Information regarding company privacy policies is available on company websites, usually in the form of a clearly displayed link at the bottom of web pages.

Sony has a network privacy policy explaining how data is captured and the purposes for which that data is used. The privacy policy is displayed to users at the time they create their online account and is also accessible within the PlayStation Network and via PlayStation websites. The policy is constantly monitored and updated to deal with new network functionality. Sony only markets to users who explicitly opt in to receiving marketing and requires parental consent for younger users, and constantly reviews and responds to changing security requirements.

UKIE's Play Safe gaming tips for example those included in our Safe Online Gaming Guide both for parents (http://ukie.org.uk/playsafe/parents) and for children (http://ukie.org.uk/playsafe/children), make clear that the same rules apply

⁹ - 60% of gamer and 62% of non gamer parents in the UK are aware of an age rating system for video games and over 60% (nearly 80% in the case of gamer parents) recognize the PEGI age rating labels. Similarly, 60% of parents in the UK find the PEGI symbols either 'extremely useful' or 'very useful' when deciding whether to buy a video game for their child.

offline as they do online. Our guides include information on data security, for example:

- Do not use your real name for your username or 'handle', use a nickname that is not going to attract the wrong type of attention.
- Do not give out any private information to strangers. Your address, phone number or any other personal details are private and should remain private. Get a family email address that you can give out rather than private individual email addresses.

Individual companies also encourage users not to include any information that could be used to identify them in their Online ID or other public statements. Personal information provided by users at account creation is not displayed during gameplay, as users are known by their Online ID instead. Unless a user chooses to disclose their real-world identity, it is not possible for other users to associate an Online ID with a specific individual. Similar to UKIE's Safe Gaming Guides, companies such as Sony also produce clear guidance for both children and parents, which can be found at http://www.ps-playsafeonline.com/uk/home/; likewise Microsoft's Play Smart, Play Safe website at www.playsmartplaysafe.eu.

Raising awareness both of age ratings and of the tools available to parents to help control what their children play is a priority for our industry

Education and Awareness

The Byron Review recognised the measures that had already been put in place, particularly by the video games industry, to help inform parents and children of the age-appropriateness of games and to restrict inappropriate access by children and young people. The steps our industry has already taken in the form of age classification (PEGI) and parental controls are outlined above.

Raising awareness both of age ratings and of the tools available to parents to help control what their children play is a priority for our industry. UKIE's recent sponsorship of the UKCCIS Summit and workshop on parental controls and age ratings is on example of the proactive work we are engaged in. The PEGI Marketing and Advertising Codes (outlined above) also give advice on how age labels should be displayed in advertisements and trailers in electronic media, including at what points during the advert, and how big the icon should be. These guidelines are to ensure that consumers are aware of age ratings when (they consider) purchasing a product, and can make informed decisions about the types of content their children are exposed to.

UKIE recognises that it is sometimes children that set up consoles, without their parents input. However, a games console is an expensive piece of equipment and just as they would monitor what their children watch on television or access on the internet through their computer, UKIE urges parents to engage with what their children are doing and to set up consoles (including parental controls) with them. In fact, there is a dedicated play safe section on the UKIE website (www.ukie.org.uk/playsafe), and the number one tip given to parents is to engage with what their children are doing. UKIE also produces an overview of how to set parental controls on each of the three consoles, available on our website (http://ukie.org.uk/playsafe/parental-controls).

Console manufacturers also make a conscious effort to raise awareness of parental controls, both through their own websites; by providing leaflets inside the console box; and at point of sale through the training of retail staff (for example, undertaken by Nintendo). Microsoft has a family settings tutorial on the Xbox LIVE dashboard, and a <u>Play Smart, Play Safe</u> website, which brings together the most current parental control tools, expert tips and resources to help families make educated decisions on what and how children play, watch and browse. Nintendo has a similar website, as does Sony. Sony (http://www.ps-playsafeonline.com/uk/home/).

As explained above, all games are age rated under the PEGI system. Awareness of the PEGI age ratings is also a critical part of child safety. PEGI labelling rules make it mandatory for each age rating icon to be displayed with the PEGI URL, www.pegi.info, a site which provides advice, for both parents and children, on parental controls as well as information about age ratings and safe gameplay.

Similarly, UKIE's Play Safe section on our website contains detailed instructions on setting up parental controls on the consoles and PC. Links to this site are available on the console manufacturers' websites.

In line with Tanya Byron's recommendations, UKIE will be carrying out a wider education and awareness campaign about age ratings and parental controls when the PEGI age rating system becomes legally enforceable later this year. In the interim, the PEGI Code provides clear guidance regarding how age labels should be displayed in advertisements and trailers in electronic media, including at what points during the advert, and how big the icon should be. These guidelines are to ensure that consumers are aware of age ratings when (they consider) purchasing a product, and can make informed decisions about the types of content their children are exposed to. Both PEGI and the VSC will also be working with retailers to ensure the new regulations are understood and that appropriate advice and information is passed on to consumers.

List of UKIE Members

Full Members

3MRT Ltd

4MM

505 Games Ltd

Activision Blizzard UK Ltd

Atari UK Publishing

Avanquest Software Publishing Ltd

CE Europe Ltd

ChangYou.com (UK) Company Ltd

Codemasters Ltd

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Easy Interactive

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Koch Media Ltd

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Licensed 4 U Ltd

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Nintendo UK Ltd

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National Film & Television School

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Sheffield Hallam University

Teeside University - School of Computing

University of Abertay Dundee

University of Bournemouth

University of Glamorgan; Cardiff Sch of Creative & Cultural

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University of Hull

University of the West of Scotland

University of Wales, Newport (Skillset Media Academy

Wales)

