

Digital, Culture, Media and Sport Committee

Oral evidence: Immersive and addictive technologies, HC 1846

Wednesday 26 June 2019

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Watch the meeting

Members present: Damian Collins (Chair); Clive Efford; Simon Hart; Julian Knight; Ian C. Lucas; Giles Watling.

Questions 1257 - 1463

Witnesses

I: Alex Dale, Senior Vice President, Head of Portfolio and New Games, King, and Adam Mitton, Vice President for Legal, King.

II: Chester King, Chief Executive, British Esports Association, Ian Rice, Director General, Video Standards Council, Dr Jo Twist OBE, Chief Executive, Ukie, Dr Richard Wilson OBE, Chief Executive, TIGA.

Examination of witnesses

Witnesses: Alex Dale and Adam Mitton.

Q1257 Chair: Good afternoon. I welcome people to this hearing of the Digital, Culture, Media and Sport Select Committee as part of our inquiry into immersive and addictive technologies. We are delighted to welcome representatives from the games company King, better known as the makers of Candy Crush Saga, to give evidence to the Committee.

I would like to start off by asking a question that has taken the Committee's interest during the inquiry so far. It is about the use of data gathering by video games companies to fine tune or improve the design of games. Alex Dale and Adam Mitton, could you tell us a little bit about the sort of data that your company gathers in order to improve the design of its games and also how it seeks to characterise players by game play?

Alex Dale: Thank you. We are happy to be here. I will give a little bit of background on the business, which will help give some context to the question you are asking. I will be brief. We have a lot of players, 270 million players worldwide every month all over the world in every single country. We are part of a US public company, so we have to be very careful about what data we share. We have thought about what is available to share without commercial consideration and we will try to be as helpful as possible with that.

The most obvious point is that we are a free-to-play games company. That means that the game in its entirety can be played and completed without payment, and that is the case for the vast majority of our players. I will switch now to market data, so this is not King data and you should not assume that King is either better or worse than the data I am about to give but it is indicative of the category of games that we are operating in, free-to-play games. Roughly 3% to 5% will pay in any one month.

Q1258 Chair: On that figure, just so we are clear, is that 3% to 5% of total players?

Alex Dale: Of all players, yes.

Q1259 Chair: We have had evidence from other games companies as to what people who play regularly might constitute. I would be interested to know how you would define "regularly" and what percentage of regular players would pay.

Alex Dale: I will explain why people play, which will then inform the answer to that question as well. Essentially, because you can complete the game without paying, the reason you pay is primarily to complete the game more quickly or to progress more quickly. Therefore, there is not an obvious relationship between the amount of time you spend in the game and the amount of money you pay in the game if you are a payer.

The top 20 spenders of last year play less than me each day. They will spend a couple of hours playing every day. That is the order of magnitude.

Q1260 **Chair:** How much do you play?

Alex Dale: I probably play an hour of Candy and an hour of other games minimum every day.

Q1261 **Chair:** Please continue.

Alex Dale: Going back to the data point, when we make a game we are thinking about the audience and our core audience is female 35-plus. That is our core demographic. We do not make games for kids or market games for kids. It is their mums, grandmums and, to a reasonable degree, their dads and grandfathers too. The games are designed to be played primarily on mobile in bite-sized sessions—that is the phrase that we use a lot—and an average player will play for 38 minutes a day.

Q1262 **Chair:** I think this is important because you have millions and millions of people who have registered. There probably will be a large number of those that are dormant accounts. I think I have heard that only about half the people who are registered play frequently. For these statistics to have meaning for the Committee, I think we need to look at people who are regular players of the game. Let's say they play every week. How many of those people who play every week will spend money playing? Of those people who play every week, how long will they spend on it? I think the average stats for all users does not give us a true picture of what a typical player who plays frequently will do.

Alex Dale: We will try to deaverage it. The 270 million is active players. It is not dormant accounts.

Q1263 **Chair:** How do you categorise an active player?

Alex Dale: They need to open the app. They may or not play but generally they do. A lot of people will have the app open while the television is on.

Q1264 **Chair:** How often do they have to open the app?

Alex Dale: Once a day.

Q1265 **Chair:** Active players are people who open the app once a day?

Alex Dale: Yes, but generally they play as well. They might be doing something else. If the telly is on and they have Candy Crush open, the adverts come on, they switch to Candy Crush, the adverts finish and they go back to the telly, or they are playing on a commute and they don't want to miss their stop, obviously. Deaveraging it, 3.4% of our daily actives play for three hours a day or more. If I was playing only Candy Crush I would be in that category myself. It is 0.16% of the 270 million play for six hours or more, but there we have this issue of the app being open, multiscreen usage being not uncommon¹. We should also



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remember that a fair number of our players are retired. We have players in their 60s, 70s and 80s and the oldest player I have been in contact with was 92 or 94 years old. It is people who have plenty of time on their hands as well.

Back to the data, we make games. We are also a business but we make games. We want to have games that are fun and also require genuine player agency—you have to think in order to play. We also want games that are fair, that the rules apply to all the players. When it comes to the use of data in terms of the design of the game, we don't differentiate between players. Level 500 of Candy Crush is going to be the same for everyone. We are not altering the design based upon the profile of the player or using algorithms or anything like that. What we will do is try to balance a level in a game so that it is appealing and sufficiently challenging at the same time.

When Candy Crush was first growing there was the infamous level 65 and level 65 was just too difficult. We had to change level 65 because people were dropping out of the game. We changed level 65 to make it the right level of difficulty. When we speak to our players they very much appreciate that there are some levels that are difficult and some levels that are hard and they enjoy that variety in the game. We have a lot of information about how people are playing the game. We use that to make the game fun and challenging in the right mix but we don't differentiate with that data.

Q1266 **Chair:** In changing the user experience of the game?

Alex Dale: Correct, yes.

Q1267 **Chair:** The data is designed to analyse levels of difficulty. Do you make assumptions based on enjoyment, based on the amount of time people play?

Alex Dale: Yes, essentially. We want to get the right level of difficulty for each level. That is the way it works.

Q1268 **Chair:** You have data based on the usage player behaviour of each player?

Alex Dale: Yes, although typically we look at this data in the aggregate, so it is statistically analysed. It is not looked at at the individual player level as individual players. It is across millions and millions of players: how are millions and millions of players enjoying or not level 65, level 100 or whatever?

Q1269 **Chair:** Presumably you can identify individual players and you can identify data about their game, about their player patterns of behaviour?

¹ Note by witness: Please see clarification in supplementary written evidence: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/digital-culture-media-and-sport-committee/immersive-and-addictive-technologies/written/103993.pdf>



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Adam Mitton: Let me chip in there. As part of the compliance with GDPR when that came into effect last year, we did a big restructure of the database so that the individual identifiers were separated from the aggregated game play telemetry type data. The majority of the business has access to only the aggregated telemetry level data and not the individual identifiers. Some bits of the business do need to have access to individual accounts, such as customer services and things like that, but generally speaking the business works with the aggregated data rather than the individual player data.

Q1270 **Chair:** What partners do you work with, do you share data with?

Adam Mitton: In what sense, sorry?

Chair: If you have player data, do you work with partners to share the insights and information about player usage of the games?

Adam Mitton: Not that I know of, no. The way our players play our games is pretty sensitive to us and something we protect pretty closely.

Q1271 **Chair:** We will come on to talk about the data you share with Facebook later on. That is certainly something we will be raising.

How important are data gathered about games play to the design of the game, to adaptations and the future design of the games? Are you learning from the way people are playing to improve the design of new levels or new aspects of the game?

Alex Dale: We are in the free-to-play games business so it is very easy for players to switch from one game to another because they are free to play. We want to keep the players we have entertained. We want it to be fun and exciting and challenging for them. That is both through the game itself and changes we might make to the game and through the side quests or side challenges that exist within the game.

Maybe I should explain a little bit about how the games are designed in the first place. Would that be helpful? Game design is a very peculiar art and science. It combines left brain and right brain. The chap who invented Candy Crush trained initially as an accountant, then he ran an online dating service and then he decided to be a games designer. There was not a degree in games design for him to follow.

Q1272 **Chair:** He ran an online dating service before?

Alex Dale: Yes.

Q1273 **Chair:** He has a history of data gathering, data analysis, behavioural insight, psychology.

Alex Dale: Well, he is analytical and also creative and that is the left brain-right brain side of things. When we are designing a game we really start with what is the core concept here. It could be matching candies, it could be clicking blockers. That is called the core loop and we are thinking about that in the context of a target audience. As I mentioned



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earlier, that will be typically female 35-plus. We then go into a prototype stage where we have built a rough model of the game. In the Barcelona studio, for example, which I look after, we will have something called a mothers' day. This is when the developers and the designers and the artists bring their mums into the studio to get initial feedback on whether the prototype concept is appealing or not, whether the rough art is appealing or not.

Q1274 Chair: You are a company that acquires a massive amount of data for games play and there are many people who work for the company whose job it is to analyse that data and use that data to design new functions of the games and so on.

Alex Dale: Yes.

Q1275 Chair: I suppose the concern for us would be is that data used to encourage people to play more.

Alex Dale: There are two points in response to that. First of all, I should stress that it is both an art and a science. You cannot create a compelling game with data and science alone. There needs to be creative design spark and intuition that is very much part of what we do. Second, we do want people to play more. We don't want them to switch to other apps, and I have given you some of the statistics about how much people play.

There is an e-mail we received a year or so ago that really makes the point quite clearly. I can paraphrase it. This was "What King did for my mother". It was sent to our CEO, "My name is Y and my mother E passed away at the age of 48. She was sick with a rare cancer. She was invalided for three years. I convinced her to get a smart phone and she has been playing Pet Rescue, Candy Crush, Candy Crush Soda and everything like that from you. She is at level 900. She had a positive outlook on her disease at all times and your game helped with that and kept her sane. Thank you for what you're doing." I am paraphrasing. There are going to be people who like to play our games a lot and we don't know why they are doing that but we see that they do.

Q1276 Chair: How many people work in the player insights team at King?

Alex Dale: In player insights? Probably about six.

Q1277 Chair: Who do they work with across the business?

Alex Dale: The game design teams and the marketing teams.

Q1278 Chair: Their job is really to aggregate this data and use it to help design games.

Alex Dale: No, they are doing the qualitative research. They will be doing things like talking to our players, particularly those who are either looking at a new game or a marketing campaign. That is very qualitative, focus group, survey type work. Then we have business performance



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people who are looking at the numbers and the business, and that is a separate group.

Q1279 **Chair:** I was looking at this earlier. I see that the insights team is looking to hire people to work in it, particularly a senior player insights manager, so I was looking at the job spec for that and the role within King. There it says that, "You are required to develop learnings by consolidation and synthesis across multiple datapoints and creation of thought pieces". That would sound like it is pretty quantitative not qualitative.

Alex Dale: No, the multiple datapoints there will be from surveys, from qualitative surveys and quantitative surveys but not the sort of online data I think you are referring to.

Q1280 **Chair:** It also says that, "Your job is to incorporate behavioural data and research, leveraging our internal understanding of players and their gaming habits and practices".

Alex Dale: Yes. You would be doing the job badly if you did not acknowledge the behavioural data from game play as well, but the specific job you are talking about is a qualitative research type job.

Q1281 **Chair:** It says "incorporate behavioural data" and also "leveraging our internal understanding of players and their gaming habits", which would suggest that you do have profiles of individual players and their gaming habits that people can analyse.

Alex Dale: There are two points. Again, it is both art and science and on the art side I would put very much the qualitative focus group type.

Q1282 **Chair:** I think it is fair to say we are focused on the science side.

Alex Dale: On the science side, we run the games for the average player. We don't split them into clusters or segments or similar. We will differentiate between a payer and a non-payer, absolutely, but we don't divided the overall 270 million into apples and oranges and pears and clusters like that. The game is run for the average.

Q1283 **Chair:** It also says here about the skills that people need to work in this job, "Significant quantitative experience, ideally including regression analysis and modelling".

Alex Dale: Anyone in a survey orientated—like someone working for Nielsen today would be expected to have those skills. We are not looking for a PhD in mathematics or computer science, which is where the behavioural people would sit. The job you are referring to is very much on the qualitative research side.

Q1284 **Chair:** It barely mentions qualitative research here at all. I used to work in an advertising agency. I have some idea of what qualitative research is and it does not really mention that at all in this. It seems to be all about analysis of company data, quantitative metrics, quantitative research.



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Alex Dale: That role is about things like Nielsen and MORI. It is equivalent to Nielsen and MORI.

Q1285 **Chair:** It does not really mention working with those sorts of public datasets either.

Alex Dale: No, but that the type of dataset we would be creating from surveys and similar in that role. But if you want to talk about the other roles I am quite happy to.

Q1286 **Chair:** What is interesting is that you look at this and what it suggests is that there are people—and I am not saying there is anything wrong with this—whose job it is to look at company data and from that company data, which is based on insights of players, to work to improve the company's understanding of players and the design of the game around players. I would imagine the regression analysis is to understand when people start to disaggregate from the game or increase their activity, to understand people's behaviour within the context of the game, not just basic data about them.

Alex Dale: To your first point, absolutely, yes. We have lots of people looking at how we design the game to make it more appealing. There is no doubt about that. I used to run the team that this role is being hired into and the regression analysis will be about taking survey data and doing basic regression analysis on that. That player insights role is really on the soft side of marketing analysis. On the quantitative side we have lots of data scientists in King who will look at that behavioural data and analyse.

Q1287 **Chair:** How many do you have, roughly?

Alex Dale: I think we have about 50 or 60. I am not sure.

Q1288 **Chair:** Their job is to analyse the data of player behaviour?

Alex Dale: Yes.

Q1289 **Chair:** We have spoken to other companies who have similar functions in their businesses and they create multiple different categories of types of player, based on a profile not so much of individual players but there might be 100 different player profiles. Do you have something similar at King?

Alex Dale: No, we don't. As I said earlier, the game is optimised for the average, which is a very technical way of saying we make the game fair, the rules are the same for everyone. We will look at people who spend in different tiers of spend. We will also look at what type of handset is being used, because that can make a difference to the coding of the game: do you make a game that is available to relatively older models of Androids or iPhones or iPads or similar or not, which obviously affects the audience potential?

Q1290 **Chair:** You are categorising people by spend levels and you obviously can



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identify people who play for longer periods and shorter periods from the data you have given us. We discussed this last week with EA and Epic at some length. What responsibility do you have or monitoring do you have in place to identify people who may be playing for excessive periods of time or spending excessive amounts of money within a short period of time?

Alex Dale: I will answer each of those in turn. On the excessive time one, given the story I read about the hospital experience, it is very difficult to know what excessive is in that context. If we had a block per day of X hours, that would have cut off that patient from her ability to enjoy the game and, as I mentioned, we have a fair number of people in their 60s, 70s and 80s playing Candy Crush. I gave you the statistics: 3.4% play for three hours a day and that is daily users. It doesn't mean they do that every day. It means that in any one day 3.4% will be playing for more than three hours and 0.16% for more than six hours, or at least they will have the app open for more than six hours.

Q1291 Chair: There are press reports of people who have played for 18 hours straight, people who may have a serious addiction and play for excessive periods of time. There will be people who are spending excessive amounts of money and your systems can spot this. Do you think you have any obligation to intervene and say to players or even to suspend the account of a player who may be behaving in an excessive way?

Alex Dale: I did not answer your money question, so I will come back to that. We look at how people spend. The highest level of spend in Candy Crush in 2018 worldwide was \$2,600 in a day. That was the top. That sounds a lot and it is a large amount of money, but what that player bought was 25 \$106 bundles that they then used over a seven-month period, so that works out at roughly \$370 per month. After they had depleted that—because when you spend you are buying gold bars that you only use in the game—they bought another 10 packages of \$106 each. There was a sale on at the time, so they were making a rational decision, because they are obviously a Candy Crush fan, to spend that money in one go in the game. It is down to player choice whether that is what they want to do and they decided to buy that level and rationally deplete it and then buy again.

We have customer support available in, I think, 24 languages. From the 270 million, we have between two and three contacts a month from people who are concerned about having spent too much money or time in the game.

Q1292 Chair: That is people self-referring. What I am asking is: is it your policy as a company to look at a player who is suddenly spending a lot of money that they did not spend before or whose game play has gone on a path where they are playing for longer and longer periods, well over six hours a day, or spending increasingly large amounts of money? Is it ever your policy to contact that player and say, "We may suspend your account. We may intervene to see are you content with the amount—are



you aware of how much you are playing and how much you are spending”?

Alex Dale: We used to do that and we would send an e-mail out when a player's spend was \$250 in a week for the first time. It was an e-mail that said, “We notice you are enjoying the game a lot at the moment. Are you sure you are happy with this?” E-mail is very effective for the most engaged players, including those who spend a lot of money. We got back, “I wouldn't spend the money if I didn't have it” and things like, “I'm fine, please leave me alone”. We felt it was too intrusive so we stopped doing that. Obviously with the WHO announcement we should look at this whole area again, and we will do that, but we have tried it before and players said they didn't like it.

Q1293 **Chair:** There was a survey done by “Time” magazine of 1,000 Candy Crush players, 30% of whom said they thought they were addicted to it. What was your figure for daily players? Was it 270 million?

Alex Dale: Yes, monthly players.

Q1294 **Chair:** If 30% of those were addicted to it, that is a lot of people. Even if we just took the general theory that about 1% of people who play games are addicted to them, that is still a lot of people who are addicted. What I am not getting is any sense that you feel you have a responsibility as a company to identify people who may be addicted and are either playing for excessive amounts of time or spending excessive amounts of money. You are happy for people to refer themselves to you as having a problem but you don't see you have a responsibility to identify them yourselves.

Alex Dale: We also talk to players who are high spenders and spend a lot of time in the game.

Q1295 **Chair:** How many do you talk to? You have 270 million people playing a day.

Alex Dale: Remember it is a very small number who spend at high levels or play at high levels—0.1% for six hours a day². When we speak to them they are happy with what they are doing. We have player meets where they might come into the studio, meet the people who make the game and it is generally mums and sometimes their husbands come along and they are happy with what they do. We also survey. We did a recent e-mail survey of players who are in the high-spend category. The majority believed that it is value for money and is a great hobby—they like it.

Q1296 **Chair:** By your figures, even taking 0.1%, which I think is rounded down slightly from 0.16% but it is easier maths, that is still 270,000 people a day who are playing it for over six hours.

² Note by witness: Please see clarification in supplementary written evidence: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/digital-culture-media-and-sport-committee/immersive-and-addictive-technologies/written/103993.pdf>



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Alex Dale: A lot of people use the word “addicted” in a colloquial fashion, “I am addicted to ‘Game of Thrones’, I am addicted to ‘EastEnders’”.

Q1297 **Chair:** It is not the same though, is it?

Alex Dale: No, of course it isn’t, so we need to understand where the science is in this area. We absolutely acknowledge the seriousness of the WHO decision. We note that the American Psychiatric Association does not agree with the WHO. I think you had a Professor—

Q1298 **Chair:** What does King think? Does King agree with the WHO?

Alex Dale: We are not psychiatrists. We are happy, however, subject to normal commercial confidentiality and data privacy, to work with experts in this area if they want to discuss it with us.

Q1299 **Chair:** I think your answer is no, you don’t agree with the WHO, because if you did I think you would be behaving differently.

Adam Mitton: The WHO classification is a relatively recent classification. The WHO itself acknowledges that time spent on its own and money spent on its own does not necessarily mean addiction. We are working with our industry bodies and we will—

Q1300 **Chair:** Let’s just be clear, by your numbers you have over 270,000 people who play the game for over six hours a day who could be considered to be addicted to it. Even though you track game play in terms of money spent and time spent on the game, you don’t necessarily think you have responsibility to intervene if someone is showing the signs of being affected by a gaming addiction.

Alex Dale: I will come back to my example and the other players we have spoken to. If someone is watching television for six hours a day and has the Candy Crush app open at the same time, we should not assume anything about their intention. It is perfectly possible that they are enjoying both.

Q1301 **Chair:** As I said earlier on, what you can do, using the data you have on each player, is monitor patterns of behaviour and your systems should be able to monitor someone who is suddenly massively increasing either their spend or their game play.

Alex Dale: Drawing on your point, we do look at how people are spending, as we discussed earlier, and when we see someone move into a high level of spend, it is not bang like that. It is measured over time and then it decreases at a lower rate over time. It is very unpredictable as to when it will start and there is lumps in it on the way, but it is not like suddenly, bang, we see a massive change in behaviour.

Q1302 **Chair:** What we have discussed now—and I know other members want to come in—is that you are a data rich business, you gather data about each user. You use that data to enhance the game, which probably means people spending more time on it, people playing it more frequently and



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people spending more money on it. That is the nature of your business. What you don't do is use that business to intervene if you think people are spending too much time or money on it.

Alex Dale: The question is what is too much.

Q1303 **Simon Hart:** As a continuation on the same theme, we have heard quite a lot from you about the analytical element of what you do to understand your players more thoroughly. From the exchange you have just had, to me there does not seem to be very much inclination or evidence that you, on a broad scale, explore what the potential consequences are arising out of addiction. You do or you don't accept the World Health Organization. What work do you do to try to measure the full extent of online addiction within your own particular products?

Alex Dale: I will just refer to the earlier comment. This is a very new judgment and we are happy to co-operate with independent academics to understand it more. We are not psychiatrists.

Q1304 **Simon Hart:** To be honest, that is not really the point and we have made this point when we have had other witnesses. You are producing a product that consumers are obtaining in many millions. If you were producing a physical product you would not be sitting here saying that you will co-operate with academics at some stage in the future to ascertain what impact those products might have on your customers. You would have had to do that before you released them to the market. You would have had to satisfy yourselves and the market that there were no adverse effects even if it is a tiny proportion or the risk is minimal. You would have had to demonstrate there were no adverse effects for people using and enjoying your product.

I don't want to put words in your mouth, but what we are hearing now is not dissimilar to what we have heard from other witnesses, which is slightly a case of, "That isn't our problem". I would suggest that it is your problem. Even if the player profile that you have described to us is perhaps more adult than in some of the other instances we have looked at, there is still none the less the risk that some of your products have addictive qualities that could significantly impact on people's lives. Yet it seems to me that you have made no attempt to research what the extent of that is or what to do about it if you were to uncover some difficulties.

Alex Dale: I will answer that in two stages. Adam can take the second stage. First of all, we have no indication from our meetings with players or the customer care contacts we have or any of the surveys that there is a problem in this area beyond two or three people contacting us every month. For the second point, and Adam can give more detail, we absolutely follow all the consumer protection requirements and the OFT guidance as well.

Adam Mitton: Exactly, and there is consumer protection legislation in the UK and the Europe and OFT principles that were put together with the industry five or six years ago about how to market games to people.



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Q1305 Simon Hart: Can I go back a step? As the Chairman said earlier on, to some extent you are relying on quite an informal way of ascertaining the extent of the issue here, including self-referral. What I am suggesting is that that may not be a particularly scientific or effective way of measuring the effect of this addiction or the addictive qualities of the products that you put the market. Surely you should be undertaking research that is a great deal more penetrative than simply relying on people to get in touch with you when they feel like it, which as we know with other addictions is a highly unlikely scenario anyway. Surely you should be undertaking the qualitative and quantitative research to such an extent that you can absolutely satisfy not only us but anybody who is coming into contact with them that there is absolutely no issue with the addictive qualities of your product and that, if there are, there are means of dealing with them. Yet that is not what you are saying you do.

Alex Dale: What we are saying is that we don't have evidence that there is a material problem here.

Q1306 Simon Hart: But you don't have evidence that there isn't either, because you have not bothered to do the work.

Alex Dale: As I said, we ask our players, "Are you enjoying the game? Do you feel that you get value for money from the game?" We have two or three contacts a month saying, "I think I'm doing this too much", at which point we offer to block their account.

Q1307 Simon Hart: We know with every other addiction that all of us have to contend with from time to time that that is a very unreliable means of measuring the extent of the problem.

Alex Dale: I am not sure it is fair to say all other addictions. Absolutely we should take the WHO seriously and we are reviewing our policies, particularly around proactive contact, which is the one we dropped a number of years ago. We are absolutely prepared to work with researchers on this topic. But expert opinion is divided and I am not sure we can see that if Grandma X is playing for six hours or 10 hours or 12 hours because she has the app open for that length that means she is addicted. We can't see that.

Q1308 Simon Hart: That is because you are not bothering to do the research that would demonstrate that one way or the other.

Adam Mitton: The WHO classification of gaming disorder is a relatively recent development and it acknowledges that time spent on its own and money spent on its own does not equal addiction. We do not have data about our players beyond that so it is hard for us to extrapolate from our data where there is or is not gaming disorder. It is a relatively recent classification. As Alex said, we are absolutely prepared to work with our industry bodies and experts to understand what can be done in this area more practically.

Q1309 Simon Hart: The frustration to some extent is that when we have had



similar discussions with other witnesses, as soon as we get on to this area of line of inquiry, which is quite an innocent one from the Committee's point of view—it is actually trying to better inform the debate and about us trying to understand it. It is not about us trying to close down the gaming industry or us trying to embarrass you or Epic Games or anybody else. It is trying to acquire information that we can use usefully and, when it comes to legislating in this area, we can apply in evidence and principle fairly. Yet when we get on to this area there always appears to be a sort defensive mode that you get into.

Alex Dale: If that is your objective, my recommendation would be that either the Department or this group works with the industry body and independent experts to do a proper scientific analysis. That would be the right way to approach it, I think, rather than rely on any individual company's set of players. Of course you would need to use their data to do that, but you are going to get different answers depending on which games and services you look at. I think pulling back, looking at the industry as a whole and working with multiple services is the right approach.

Q1310 **Simon Hart:** You would co-operate with any investigation that—

Alex Dale: Subject to normal commercial protections, yes, absolutely, and data protection, obviously.

Q1311 **Simon Hart:** Clearly and data protection, and make a financial contribution to that research?

Alex Dale: I would have thought so. We would have to find out how much it is first. I am not in a position to make a commitment like that, but within the bounds of normal market research, yes, I would have thought so.

Q1312 **Simon Hart:** That is a preferable option to you undertaking this work yourself?

Alex Dale: We must be wary of false positives here. Presumably you would be looking to have a set of rules that works across all games companies or all service companies rather than just the match puzzle category. In order to do that, it necessarily needs to be industry level research.

Q1313 **Chair:** My slight concern is that when you strip out the commercially sensitive data and information and data that you might otherwise say is covered under GDPR, there would not be a lot left for academics to analyse.

Alex Dale: Not necessarily. We have done research with academics before on what makes a good game level, so a good level in Candy Crush. We are not sharing personal information because it is about devices and how they play a particular level, but the research is still useful.



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Q1314 **Ian C. Lucas:** Mr Dale, you have been very helpful in providing a lot of figures and information. What we are concerned about here is unintended consequences. I am not suggesting for a moment that you are trying in any way to ensnare people or create addiction or anything of that nature and I have been impressed with much of the evidence that you have given. But our concern is that in other areas in which we have made investigations we have found that we are closing the stable door after the horse has bolted. You have 270 million users. Do you employ any psychologists in the business at all?

Alex Dale: No.

Q1315 **Ian C. Lucas:** Don't you think that, bearing in mind the success of your business, it is incumbent upon you to at least consider that there may be adverse consequences to excessive use of the game and to take advice internally on that by, for example, employing people to look into it?

Alex Dale: That would be marking our own homework. I think this is a very important area and the right way of dealing with it is at an industry level and we would be happy to co-operate.

Q1316 **Ian C. Lucas:** I don't think it would be marking your own homework. I think it would be taking your responsibilities as a very successful business seriously. The scale on which you operate is huge and you have been very successful, and that is a good thing. We are concerned because in other areas we have found difficulties in dealing with issues that were unintended but have had adverse consequences.

Alex Dale: What we are focused on in King—and we spend a lot of energy talking about and discussing this topic—is that we are a business but we are also a game. What does being a game imply? It implies that there are rules that are the same for everyone and that there is genuine player agency involved in what we are doing. There is lots and lots of debate about what we should or should not do in the game. The simple test we have, which we call the TV test, is are you happy going on to national TV in your country—and we are talking about Sweden, Spain, UK, Germany here—and explaining, “I’ve designed this level or designed this mechanic or designed this product and I am proud to say I have done that. This is a great product, a great level, a great design and it is fun and it is part of what normally would be a considered a game, that is that it is fair and there is genuine player agency involved.” That is what we spend our time talking about.

Q1317 **Ian C. Lucas:** On the basis of the figures that you have just given us, over 9 million play your game for over three hours a day. It just seems that is a long time.

Alex Dale: I do that. People who commute—what is the average commute in the UK? It is probably over an hour each way plus Tube. When we look at when people are playing our game, in Europe there are peaks in the morning commute and peaks in the evening commute, so people are playing as they are commuting. In the US people drive to



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work so they are not playing Candy Crush. They tend to play last thing at night, quite often as a married couple, we understand.

Q1318 Ian C. Lucas: Do you not agree with me that it would be helpful for you as a business, given the financial success that you have had and the scale of numbers of people who play the game, to have some independent research within your business about the possibility of addiction for use of your game?

Alex Dale: I totally agree with you. The key word there is it needs to be independent and we are happy to participate in that.

Q1319 Ian C. Lucas: That could be internal.

Alex Dale: It is not independent if it is internal.

Q1320 Ian C. Lucas: I think it could be. You could commission some academics. It may be seen as criticised but if you had come here today and you had told me that you had commissioned research into this issue, I would have been pleased to hear it. I am disappointed that you have not.

Alex Dale: Okay. I am saying very openly and publicly that we are happy to do this.

Q1321 Clive Efford: How do you determine the market value of your games and how might that differ from how value is determined for a game that is paid for upfront?

Alex Dale: Essentially, every player will be deciding for themselves whether they wish to pay to progress faster or not. The minimum spend at the moment is \$1.99 for 10 gold bars. Those 10 gold bars are used at the player's discretion. They can then decide to spend more to get more gold bars to buy additional lives or boosters or whatever in the game or they decide that it is not value for money and they spend their money somewhere else. The level of spend they want to make in the game is very much player driven.

Q1322 Clive Efford: In making that choice of do you make it a game that people pay a single fee for upfront or a game that people buy extra lives for, how do you assess that value? What comes into that?

Alex Dale: A bit of historical context is important here as well. Ten years ago games, including mobile games, were generally young—and by young I mean 25, 35—male, typical console audience. Then we had the growth in casual games, particularly on smart phones. That coincided with, or necessitated really, an ability to play in bite-sized chunks, that is you could play for three or four minutes at a time rather than need to learn complicated moves on a console and train in order to be able to play the game, which would mean you needed a lot of spare time. That is what led to the growth of the mobile casual games audience and it also led to the emergence essentially of female gamers in the mainstream, and that is really the market we have been going for.



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Part of that growth was free to play as opposed to premium. Premium is when you pay a fixed amount upfront although sometimes you have to pay extra as well in those games. Free to play is as I have described. Our philosophy has always been to make sure the game is truly free to play and that design principle is very important. The vast majority of people at the end of Candy Crush, so level 4,990-something now, have never paid. We were accused early on when we were growing of fixing the levels to try to convert people into becoming spenders. That is absolutely not true. The levels are the same for everyone. People who are paying are paying because they want to progress faster through the game and that is their choice.

Q1323 Clive Efford: How do you make the choice yourselves between a game that is a premium upfront to pay one fee and then you have access to the game, albeit that in some games you can have additional payments as you go along, and a game where people have free access and then you try to monetise their engagement in that game? How do you assess how people make that choice and whether it is value for money for you to do that, to organise your game in that way?

Alex Dale: We do not offer premium games. We do only free to play and historically what you saw around 2012, 2013, 2014 is as free to play became the normal way of playing, the number of companies offering premium games and the number of games offered in that way went down and down and down. Players preferred free to play because you could try the game without any upfront payment. It is obviously appealing.

Q1324 Clive Efford: Is there anything about players that you look for that makes them more likely to be someone to spend money with your games?

Alex Dale: It is very difficult to understand that in advance. We do not know and the conversion from being a free player to a paying player can happen at any point in a player's lifetime with us. It could happen in the first week, after a year, after five years. It is very unpredictable.

Q1325 Clive Efford: You have no way of recording data or any information you exchange perhaps with a platform like Facebook that would assist you in identifying those people who might be more likely to spend money with you?

Alex Dale: There are two different points there on customer acquisition. First, Facebook and Google and our other partners will have identified devices that they believe are highly engaged gamers, although it is not certain because it is statistically based,. Obviously those are people in the casual space that are of interest to us. Secondly, if a player stops playing Candy Crush and leaves King, maybe they would be interested in another game for King, so we might offer another game from our stable of games to them through advertising.

Q1326 Clive Efford: That is advertising that you purchase through Facebook or some other platform?



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Alex Dale: We buy the advertising ourselves, yes.

Q1327 **Clive Efford:** How much does it cost to build and maintain Candy Crush? How much do you need to make from each player on average to make it a viable game?

Alex Dale: That is something that I think would be going too far in public data sharing. What I will say is that the value of a player varies enormously by country, by device, by time, and there is no single answer to that question.

Q1328 **Clive Efford:** You would not be able to tell me what the average monthly revenue per player is?

Alex Dale: I have some data here that I can share, if you like. This has been "approved". There are 270 million players a month; 2 billion net revenue to King, which is 62 cents per active monthly player on average; 60% Americas, 30% Europe, Middle East and Africa. That is the King published data. Moving to third-party market data, we have 3% to 5% of players spend monthly. That does not mean they spend every month but it is in any one month and they will spend on average \$10 per month in any genre. That is a cross-genre statistic.

What we have done for the Committee is looked at third-party market data for match puzzle, and this is the category that we operate in. It is games from companies like King, Peak, Playrix and similar. What we see there is that of all payers the annual mean is \$170. That is slightly above the all genre number and the median is \$21. The top 8% of payers, that is 8% of 3% to 5% of 270 million, represent two-thirds of the match puzzle spend in any one month. That is the core of the market for us and these are players who are spending \$30 a week. That does not mean they are spending \$30 every week but at any point in time that is the core segment of value to us.

Q1329 **Clive Efford:** Just going back a bit, do you use Google advertising?

Alex Dale: Yes.

Q1330 **Chair:** Does Google provide you with any information regarding players who are likely to play and spend money?

Alex Dale: Indirectly yes, but things have changed quite a lot since I was in charge of marketing. It is very rapidly evolving technology.

Q1331 **Clive Efford:** Is that good or bad?

Alex Dale: Probably good. Anyway, my successor is doing a fine job. I think I will get back to you in detail on the types of service we get from Google.

Adam Mitton: I think I am right in saying that they do not hand over their data about their customers to us.

Q1332 **Clive Efford:** No, they probably wouldn't but they could identify for you



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people who it is worth your while targeting. Is that how it works?

Adam Mitton: We would buy advertising inventory and the partners typically try to target out segments.

Q1333 **Clive Efford:** It is not just a trawling exercise, is it? It is more sophisticated, isn't it? Doesn't Google sell itself to you on the basis of its ability to get in the right market for you?

Alex Dale: Yes, it is very sophisticated, but I think the important thing to remember is that the vast majority of our players do not come through advertising. They see someone playing Candy Crush, they are interested in it and they go to the app store. We call these organic installs. They know that the game is reputable and King is reputable and they download the game. The vast majority of our installs are essentially free; they are organic.

Q1334 **Giles Watling:** Gentlemen, you must be aware of the famous addictive spiral. I have a copy on the wall in my office, and it applies particularly to Twitter. You make a tweet and then X minutes later you feel the urge to check if anybody has responded and if they haven't you go round again and you might retweet and then you go round in circles. Did this accountant/dating agency fellow who came up with the idea of Candy Crush build an addictive spiral into the game?

Alex Dale: Candy Crush is a compelling game. On the prompts you are talking about, we do send e-mails to players and we do send push notifications to players, but what we find is that it is the most highly engaged players who respond to the e-mails and the push notifications. It is not the e-mails and push notifications are making them more highly engaged. It is that the more highly engaged players respond to those e-mails and push notifications.

Q1335 **Giles Watling:** Earlier you used the term "when people complete the game" and I understand that Candy Crush is not a game you can ever really complete. You have thousands of levels but you do complete sections of the game at a time. Is that designed in an addictive way, so you complete one and you go on to another?

Alex Dale: The game is designed to be fun. I go back to the principles I was talking about earlier. We are making a game with genuine player agency and consistent rules and we want it to be fun. We do not discriminate between different types of player in the actual game play. Fun is the mantra, make every day more fun, and that is what we believe.

Q1336 **Giles Watling:** I thoroughly concur with that. When something is hugely fun, there must be a point where you want somebody to invest. You need to make a living and you are a business. Is there a built-in signal within the game that now you need to invest, you need to make—

Alex Dale: No, absolutely not.



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Q1337 Giles Watling: There isn't? It is just something that people want to do because they get the urge to do it.

Alex Dale: We encourage people to spend but it is not a built-in signal in the game. We might put together a conversion offer and this will be seen by all players. It is a bundle of lives and boosters that we would like you to take. It might be \$1.99 or something like that. We are a business so we need to do that.

Q1338 Giles Watling: But you are not proactive, you are reactive on that. It is the player's desire.

Alex Dale: Someone who has not spent before might receive that. The rule is that simple.

Q1339 Giles Watling: Right, as simple as that. Can I ask you about these gold bars? I understand the Candy Crush store requires people to buy these gold bars. You are turning real world currency into gold bars. Is that an attempt to disguise what people are spending so that they are now removed from real world currency and don't realise what they are spending on the game? Is that the idea?

Alex Dale: No. It is very common.

Q1340 Giles Watling: Why do you do it then?

Alex Dale: We want people to get good value for the game, and I am now talking about our core payer base. We will put together offers for them and they will get some boosters and they will get some gold bars. If it was just cash, that would not be possible and that is good value for the payer.

Q1341 Giles Watling: We have had evidence before us of one particular young man who managed to spend 32 hours in one sitting playing a particular game. Clearly that is not an ideal situation. Is there a way that you would limit play at all?

Alex Dale: I will go back to my earlier comment. We have a lot of people who are retired. We have the story of the person in convalescence, the person in hospital. It is for them to decide if they should be playing only two hours a day or six hours a day. We have not heard of people playing Candy Crush for the sort of length of time you are talking about.

Q1342 Giles Watling: The other limit, of course, is would you consider building in a cash limit that people can spend on the game over a period of time? You mentioned that somebody spent the figure of \$2,600 in one day. That is a serious amount of money. I do quite understand that it was a sale and they were buying for the future and all of that, but do you think there might be some sort of advantage for you, as you said, as an honest broker in the games world, to have a limit so that people can't get carried away as they can with other forms of gambling?

Alex Dale: I will give some quotes from players. These are from the meetings we have with our high spenders and highly engaged players.



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This is from Sarah, who over, I imagine, the full seven-year period, has spent \$7,000 in Candy Crush. She filled in a questionnaire and we sent her a Candy Crush-branded monopoly set to thank her for filling in the questionnaire. She says, "My husband and I play all three Candy Crush versions every day and we are very excited to be rewarded for our loyalty. We both spent a fair amount of money on boosters and were thrilled to have something fun we could physically play at home and share as a group. Thank you, King, fabulous idea."

Another one would be Lauren, at a US event we held earlier this year, with a lifetime spend of \$3,500. She was a management consultant, an MBA graduate at an Ivy League university. She had an accident in 2013 with a traumatic brain injury and several neurological conditions. She could not work, she couldn't follow a conversation and she could not watch TV. In 2016 a friend encouraged her to start playing Candy Crush and she noticed over time she was better able to concentrate, speech improving and the doctors noticed improvements. I quote, "I am absolutely convinced that playing Candy Crush helped me repair my brain injury and greatly improve my neurological conditions. My changes in functioning began shortly after I started playing Candy Crush and there really is no other explanation for why those improvements happened."

Both of those players spent a lot of money. It is incredibly rare that people will spend that level of money. It is a tiny fraction of a fraction of a fraction of our players but I do not think that anyone would deny that they have found great value and pleasure in that.

Q1343 Giles Watling: That is great news and I think those glowing endorsements are splendid, but do you have any examples, for instance, where somebody has gone the other way and they have come to you and said, "Please help me, I am carried away by this"?

Alex Dale: Yes, we have two to three people a month contact our customer care to say this is too much, and we will help them turn off their account if that is what they want to do.

Q1344 Giles Watling: Picking up on an earlier point made, if you are getting two or three people a month like that, do you not think you need some sort of psychiatric care for these people built in within the company to guide them out of whatever problems they seem to be entering?

Alex Dale: Customer care is very easy to find. It is a click on the screen. I can show you after the meeting if you like, a click on the home screen. When we look at the volume of contact and at the surveys and the meetings we have with our highly engaged players, we do not see this as an issue. That said, as I talked about earlier, we are happy to participate in industry research on this topic.

Adam Mitton: The two to three contacts that we have a month worldwide, when we get back in touch we respond to the contact that we have and we give them the range of, "We can block your account" or



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explain to them how to limit purchases on their device. The operating systems on mobile devices have the ability to turn off in-app purchases and things like that. I think one player in the last 18 months has asked for their account to be blocked in response to that.

Alex Dale: Eighteen months, in the UK.

Q1345 **Giles Watling:** Would you accept that perhaps this might be the tip of an iceberg? As you earlier said, these are self-referred; there may be many more out there. Is there any reaching out you feel you should be doing to your players?

Alex Dale: It is not just self-referred, it is also the meetings we have with the players and the surveys we do. As I mentioned earlier, we used to send out a proactive e-mail and essentially we were told, "Please do not do this. I am fine; it is intrusive". Given what the WHO has said, we will look at that again. Absolutely we need to take this issue seriously and we want to be a good company.

Q1346 **Chair:** I would like to go back to something we discussed earlier on, going back to the job advertisement for the player insights manager. There were three parts to this. I think we covered two of it but not the third.

Alex Dale: You are very interested in this job.

Chair: I am not. What I am interested in is that you and your colleague have been slightly more open with us today than some of your competitors or other games companies have been, but this does give some insight into the way data is gathered and analysed within the company, and that is what interests me. I read this line earlier on where one of the roles within the job was to, "Incorporate behavioural data and research, leveraging our internal understanding of players and their gaming habits". Incorporating behavioural data and research—you referred to that—could be external commercial data, the Nielsen data or other datasets and could be—

Alex Dale: And the quantitative data. Both.

Chair: Yes, understanding their gaming habits. You said that obviously the company gathers data about levels of spend and so on. The one thing I did not think we quite covered was, "Our internal understanding of players". It says, "Our internal understanding of players and their gaming habits". I am interested in what the internal understanding of players is based on.

Alex Dale: That would be things like you have this core audience of 35-plus female players. What are they like? Create a mental image. You will be familiar with this from your advertising experience. Create a mental image of who this person is, what sort of supermarket might they go to, where might they eat, do they have pets, children and so on. I think that is what that refers to.



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Q1347 **Chair:** It says, "Our internal understanding". You can get that data about people of that demographic commercially and in all sorts of places. But "our internal understanding", what is that internal understanding based on?

Alex Dale: This is when we are asking questions like that of our players. It is not bought in from MORI or whatever. We have brought the players in or we have done a phone survey or an e-mail survey and we are building a mental picture of who they are.

Q1348 **Chair:** What sort of questions do you ask them?

Alex Dale: A range of things. We are interested in what sort of games they play, what sort of games besides King games do they play. For example, we learnt that people play other puzzle games, word games, that sort of thing, from asking our players what they like to do. We are interested in helping our game designers have a mental picture of who they are.

Q1349 **Chair:** Do you know roughly how many questions people get asked as part of these questionnaires?

Alex Dale: No, I would need to get back to you on that.

Q1350 **Chair:** A dozen, 20, 30?

Alex Dale: We try to make them short and sweet.

Q1351 **Chair:** It could be any one of those numbers from that point of view.

Alex Dale: No, 30 is a lot.

Q1352 **Chair:** More like 20?

Alex Dale: I would just be guessing.

Q1353 **Chair:** If a person does an omnibus survey they could answer 30 or 40 questions.

Alex Dale: I can send you a copy of the last survey we did.

Q1354 **Chair:** Could you? I would be very interested in that if you could. Presumably those answers are then linked back to individual players so you have a piece of research that says, "Here is someone's gaming habits and here is some insights about them as a person".

Alex Dale: Yes, we can do that and we would do that for gaming habits in particular. I think for the other stuff, like do they have a cat or not or what pets do they have, that would be largely irrelevant. The cat stuff is really for understanding what sort of picture we are painting of a customer.

Q1355 **Chair:** How is that valuable?

Alex Dale: It is to help the designers imagine who they are building a game for.



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Q1356 **Chair:** It is interesting because you said you do not employ psychologists but this to me sounds like psychology, which is not just designing a game around gaming habits but designing a game around what makes someone tick.

Alex Dale: It is common marketing. You want to know your customer, and we do that.

Q1357 **Chair:** Yes, but there is a behavioural science behind this as well as just understanding game play. This is about trying to get a deeper understanding of a type of player, which you must analyse against their game play, otherwise it would be largely pointless.

Alex Dale: We want to understand game design. We are game designers. Obviously not all of us, a relatively small number of people in King are game designers. That is the art or one of the arts in what we do. We want to provide as much colour and insight into our audience as is reasonable for a game designer. But a game designer will not be saying, "It is female 35-plus, therefore I must do A, B and C". They will be using that information as part of a palette in order to create their game design. It is not linear.

Q1358 **Chair:** No, but presumably that data is only worth something if you can say, "We understand this is our core demographic of who plays the game and what sort of people are they and what are they interested in". You might have growth sectors and say, "We would like to understand why 25 to 30 year-old men do not play the game more". I do not know what your growth sectors would be. Presumably this data is only really valuable if you can link the insights you are gaining through surveys, the psychological insights, into people's game play as well. Then you can say, "Here is a typical person and this is what their world is like, this is what they are like and this is how they play the game".

Adam Mitton: If you mean doing that on an individualised basis, I do not think we do that. I am pretty sure we have not done that. Alex used to run the department but I remember from not long after I joined the company one of the questions we asked the audience was do they consider themselves as gamers. A lot of the people in our demographic, 35 year-old women, would say they were not gamers, yet they were playing Candy Crush. It said to us that we need to make sure that we have a game that is easy for them to understand and pick up quickly and maybe we need to have tutorials in there. It is that kind of level of insight that we can get from the surveys and that might be an example of how we use it.

Q1359 **Chair:** Are the surveys anonymised?

Alex Dale: I am not sure I know.

Adam Mitton: We will get back to you on that. I imagine they are. We follow normal data protection requirements so I will get back to you on that.



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Q1360 **Chair:** If you have a known player—you approach someone who is one of your customers—you have their games play data and you ask them to fill out a survey about themselves, if it is not anonymised I would imagine the purpose of that is so you can link the psychological profile of someone to their games playing.

Adam Mitton: As Alex said, we do not change the game design on an individualised basis.

Q1361 **Chair:** No, but you are gaining insights to inform game design in the future. You are not creating a unique game for each individual player but you are using, I would say, psychological insights as well as insights on game play to improve the design of the game for everybody.

Alex Dale: Going back to your earlier question, we do not employ behavioural psychologists or similar. We have game designers, who are a unique bunch with very varied backgrounds, whose first concern is about games and they are driven by a passion for games. They will be looking for insight and clues as to, “Is this concept I am working on going to be fun for a particular audience or not?”

Q1362 **Chair:** Sorry to interrupt. To me the distinction you make there sounds like someone saying, “I do not employ a chef in my home but I do employ someone who cooks my food”. You are saying, “I do not employ a psychologist but I do have loads of people who are gaining psychological analysis and insights into our players, which they use to help inform games design”.

Alex Dale: When you are playing a game, whether it is Scrabble or Monopoly or Candy Crush or something else, that game has been designed by someone. There will be feedback incorporated into it. I was reading about Game of Life, which is a traditional game. It has been through multiple iterations and the game will have evolved as people’s appreciation and understanding of different elements of the game have changed over time. That is a quite normal product development/marketing thing to do. Every business would want to do that.

Q1363 **Chair:** Thank you for agreeing to send a sample survey to us. Obviously we do not expect that to include any individual’s personal information, just the questions that someone was asked. One of the reasons we are interested in that, in the work that we have done looking at the work of companies like Cambridge Analytica and Facebook, is that these sorts of surveys added to data are used to gain psychological insights about people. Obviously that has been done to a games design but that is something we take an interest in because from our point of view—as a company within the rules that exist you can do as you please—we want to make sure that if people’s data is being used in this way it is something they have given their informed consent to.

Alex Dale: Going back to how we design the games, I mentioned mothers’ day. The next thing we would do is what we call a play test,



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where we take a game—it could be at a relatively early stage—and allow people to play it through something called Test Cloud. There they know exactly what they are doing. It tends to be biased towards expert gamers and we will see how they are playing this game. Then we might do more of a quantitative play test where the game is released to tens of thousands of people in a particular market and we will look at how that game is being played. All that quantitative feedback will be incorporated into the design of the game.

Q1364 Chair: A final one on this. How many of these surveys do you think you do in a year?

Alex Dale: I don't know. We will get back to you on that. Not many. I do not know if it is one a month or more than that. I don't know.

Q1365 Chair: One survey. How many people?

Alex Dale: I have not been involved in the marketing for two years, so I will get back to you with a proper answer.

Q1366 Chair: The number of respondents is the thing rather than the number of surveys.

Alex Dale: Okay, you want the number of respondents. Fine, we will see if we have that.

Chair: Thank you.

Q1367 Ian C. Lucas: Do you know what proportion of Candy Crush players log in via Facebook and play directly on Facebook?

Adam Mitton: I cannot give you the numbers. Let me say, though, that a significant majority of our players do not create any kind of registration with King to play the games at all. You can download the game from the app store and just start playing. We create, effectively, an anonymous account for you so that we can make sure that the sessions work and that if you buy something through the platform that you are playing on we can deliver that purchase to you and so on, but you do not have to give us a username, an e-mail address or anything like that.

Q1368 Ian C. Lucas: What proportion of your users do give an e-mail address? You need not give me numbers; give me a rough percentage.

Adam Mitton: A significant majority do not.

Q1369 Ian C. Lucas: Do not. Do you know if that is 30%, 10%?

Adam Mitton: I cannot really share that because of the sensitivities around public information. I am sorry about that.

Q1370 Ian C. Lucas: Okay. Can you give me a percentage of what proportion of your Candy Crush players play directly on Facebook?

Adam Mitton: I do not know that. Do you know that, Alex?



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Alex Dale: We can get back in confidence. I do not know that.

Q1371 **Ian C. Lucas:** Is that commercially sensitive information?

Adam Mitton: Yes, I think so.

Q1372 **Ian C. Lucas:** Do you share data with Facebook?

Adam Mitton: If somebody plays Candy Crush on the Facebook website, from that platform, Facebook will get some information about the fact that they are playing the game. It is its site.

Q1373 **Ian C. Lucas:** It will know from the site that somebody is playing Candy Crush through that?

Adam Mitton: On its site it will know that its customer—it is its website—has played Candy Crush. It will be able to see that. On that platform the payments run through Facebook so it will know whether its players have spent or not.

Ian C. Lucas: Do you share any data with Facebook from Candy Crush players who are not Facebook users or who just play Candy Crush through you? Do you pass on any of that information?

Adam Mitton: Only if someone playing on a mobile device creates an account on Candy Crush, or whichever game it is, using Facebook's log-on API. It is a facility that we offer to enable a player to create an account. The reasons that they might do that is so that they can track their progress across multiple devices, typically, or they can restore progress if they get a new device or something like that. Some players do it also so that they can see that their friends who are Facebook connected are also playing Candy Crush. They can see them on the saga map in the in the game so they can see each other's relative progress in that sense. In that scenario Facebook would get some information about who has logged in and when but not much else.

Q1374 **Ian C. Lucas:** If someone has no connection with Facebook whatsoever on their account and they play Candy Crush, do you share the fact that they play Candy Crush with Facebook?

Adam Mitton: No, except that we have some ads in the game and if Facebook is the ad network that delivers the ad, it will see that—the inventory is available in Candy Crush as the inventory source.

Q1375 **Ian C. Lucas:** Facebook would know that a Candy Crush player was playing Candy Crush even though an individual had no relationship with Facebook?

Adam Mitton: I think I am right in saying that Facebook only serves ads to people who are also its customers elsewhere, so, no, it would not. It would be someone who has a relationship with Facebook. But the information that it gets in the advertising scenario is what the inventory is. It is somebody playing on a mobile device playing Candy Crush and the dimensions of the ad inventory that is available.



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Q1376 **Ian C. Lucas:** You mentioned GDPR earlier on and how you differentiated as a result of GDPR. Has your relationship with Facebook changed because of the introduction of GDPR?

Adam Mitton: Yes. Facebook changed the number of the ways that it shared data with us and with everybody else as a result of people using their Facebook login. It changed its APIs and, as a result, our relationship has changed.

Q1377 **Ian C. Lucas:** That was a result of GDPR?

Adam Mitton: GDPR and Cambridge Analytica happened at the same time. We would have to understand what happened.

Ian C. Lucas: They happened quite close together.

Adam Mitton: You would have to ask it what prompted what.

Q1378 **Ian C. Lucas:** Before GDPR and before Cambridge Analytica you had a relationship with Facebook. At that stage, was Facebook able to access business through Candy Crush?

Adam Mitton: What do you mean by access business?

Ian C. Lucas: Access individual users and identify individual users.

Adam Mitton: If a user connected to their account using the Facebook login, a function that we have in the game, yes, Facebook would know who that player was and when they were playing, because that is what the login allows it to do.

Q1379 **Ian C. Lucas:** What about if they did not access it through Facebook, they accessed it just through you?

Adam Mitton: No.

Q1380 **Ian C. Lucas:** You did not have a data-sharing agreement with—are you a Facebook developer?

Adam Mitton: We have an app on its platform, yes.

Q1381 **Chair:** So that I am clear, Facebook customers who log in to Candy Crush via the Facebook login, Facebook will know who they are, it will know when they play and it will know when they make a purchase?

Adam Mitton: Not if it is on a mobile device. On its website Facebook will know when they have made a purchase, because it processes the payments on its site.

Q1382 **Chair:** Yes, I understand that. In its developer agreement for games, it could often know what level within a game someone has reached as well. Would that be data that King shares with Facebook? From the Facebook developer portal, that is listed as one of the sources of data that Facebook would get.



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Adam Mitton: I am pretty sure that it does not get that from the mobile integration. It may see that on the website, I am not sure.

Q1383 **Chair:** Also, gathering this data means that if I was an advertiser and I wanted to target people who are Candy Crush customers who frequently spend money on Candy Crush, Facebook could give me—Facebook would not give me the data, Facebook would allow me to market to people like that.

Adam Mitton: For people who are on its platform, yes, it would know that.

Q1384 **Chair:** I want to be clear on the data you get back from Facebook. Could you tell us what your understanding is of the data you get from Facebook, from people who use the login?

Adam Mitton: I have a list of people who use the login. We get a username from them. We get an e-mail address from the user but that is user-configurable. They can disable that if they want to. We get an access token. We do not get their Facebook password, we get an authentication token from them. In the player's option we can see their friends list but only those players who are also playing Candy Crush and have logged in and agreed to share their friends list. Both players have opted in, basically, to enable us to see, and placed each other on their friends map. We see that.

Q1385 **Chair:** If they are both Candy Crush customers but they happen to be friends on Facebook, they will see each other on Candy Crush?

Adam Mitton: They both have to have agreed to share their friends list with us in their Facebook settings. We get the profile picture and we get country and language, so we know what language to serve them in. In some instances we get gender and we get some information on age range.

Q1386 **Chair:** Do you get information about pages they have liked on Facebook?

Adam Mitton: We do not collect that, no.

Q1387 **Chair:** According to the Facebook developer portal, that is data that is often given.

Adam Mitton: We do not collect that.

Q1388 **Chair:** You do not collect that. Do you collect any data about videos that they have posted or been tagged in?

Adam Mitton: No.

Q1389 **Chair:** What about places they have been to?

Adam Mitton: No.

Q1390 **Chair:** Their hometown where they live, location data?



Adam Mitton: We get country-level information. I do not think we get hometown information.

Chair: Thank you. That concludes our questions. There are some things we want to follow up on. I want to say on behalf of the Committee we appreciate you coming prepared to answer in the level of detail you have some of the questions we have put to you. Thank you very much.

Examination of witnesses

Witnesses: Chester King, Ian Rice, Dr Jo Twist OBE and Dr Richard Wilson OBE.

Q1391 **Chair:** Good afternoon. Thank you to members of our second panel for joining us today. I will start off by asking my first question to Dr Jo Twist and Dr Richard Wilson. As you know, we have heard throughout the inquiry from individuals coming forward and by organisations like Game Quitters about problems some people have with gaming addiction and how they try to manage that. You will have heard as well our discussions with some games companies about the World Health Organization's categorisation of gaming disorder as a medical condition. As you are the leaders of two trade bodies that are relevant to this sector, I am interested to know what your position is on that, both on the claim made by many games players that they feel they suffer from addiction and also the view of the World Health Organization.

Dr Twist: Thank you so much for inviting us to this session today. It is important that the WHO inclusion of gaming disorder in ICD-11 is about—ICD-11 is a statistical manual and it is a very critical tool in order to understand, attract, codify, compare and share data on public health globally in a consistent manner. It is important that we understand that because the WHO itself says, "Inclusion or exclusion is not a judgment on the validity of a condition or the efficacy of treatment". We do agree with a large part of the scientific and expert community who do not necessarily think that the WHO is basing this decision of inclusion on robust enough evidence and they think that this is premature.

Saying that, we are aware that people play to excess and what we want to do as an industry is to help find balance. We actively and will be redoubling our efforts proactively to make sure that people are empowered, that they understand that they can find balance, like the millions of players who do find balance. We also want to empower caregivers so they can protect their children, set parental controls and screen-time limits.

We believe that there is a more nuanced understanding of different kinds of games and genres of games, different kinds of reasons why people choose to spend time in games, whether that be because, "I like a puzzle game to relax" or whether that be because, "I like a good story and good characters and good narrative". We are in agreement and we would like to see more robust research done. This is why we will continue to engage and be in dialogue with the academic community and with health carers.



Q1392 **Chair:** Thank you. I have one or two further questions but perhaps Dr Richard Wilson would like to respond as well.

Dr Wilson: Yes, thank you. Thank you for inviting me here today as well. I believe that anything can be done to excess. That is the first point. The second point is we have seen from evidence to this Committee that there clearly are some people who play games excessively. I was particularly struck by the two individuals who turned up who said they contacted Game Quitters. They were clearly playing games to excess and were addicted.

I am also struck by the WHO's definition of gaming addiction, which is very tightly drawn. I think we have to recognise the WHO's decision on gaming disorder. It is important to recognise it because it has been drawn in a very reasonable and conservative way. I think we need to take steps as an industry, and obviously working with Government, to make sure we can minimise the potential for gaming disorder.

I remember when we had our informal evidence-gathering session at the beginning of February, end of January. One of the things I said was I hoped it would identify good practice. One thing that has come out is that it is quite clear that we need to do more to minimise potential gaming disorder. One of the positive things that has come out is that most of the evidence we have seen seems to indicate that small proportions of people could be suffering from gaming disorder. That is not to minimise the problem but at least that is a positive thing to reflect on.

Q1393 **Chair:** One of the things that has struck me during this inquiry, which has looked at both social media as well as gaming, not specifically gaming, is that they are both data-rich businesses. When video games started, a game was made, people bought it and they played it. The person who made the game did not have any data about how they played the game, necessarily, or certainly not live data. They just knew they had bought it and hoped they would buy another one. Now games are being designed around the data that is gathered about play. On that basis, what responsibility do you think companies have to proactively identify people who could be in the harmful category, who could be people whose behaviour patterns are likely to indicate that they could be suffering from some form of gaming disorder?

Dr Twist: I think the diagnosis is not there. The tools to understand how to diagnose what is excessive screen time in general, what is excessive technology and that kind of thing, need more research. What we would rather do is empower people, give people the information, give people the tools, help people have the discussion with each other and players and understand how to balance their lives.

It is also fair to point out that there are many, many different kinds of games and hundreds of different genres. Not all games are the same. Not all games rely on live data. There are wonderful BAFTA-winning games that are 90-minute experiences that are pure story-driven narrative



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experiences that you play single player or you play on your own or you play without the use of the internet. Not all games rely on data but in a modern 21st-century society we are entering into a data-driven, algorithmic-driven world, and that is an internet-wide, 21st century, society-wide issue. We have to have a sense of digital literacy among young people in particular in order to understand how to protect their privacy, how to protect themselves and how to navigate this new world.

Q1394 Chair: Yes, but the difference between now and the future, the difference between these data-based games and games that are not data-based, online with play data, in games where they make their money out of in-game purchases or advertising based on the amount people play, is a very different mentality for the designer. The designer's objective is to get as many people to spend as long on that game as possible in order to maximise their return. Companies like King and Epic and EA are not charities. They make their money through people spending money on their games, EA obviously through purchase as well. That is the difference.

One of the questions we have to consider is that change in business practice based on technology and the application of technology, which for many people will deliver something in their lives that is pleasurable but in some ways does create an incentive for people to spend as much of their time and money on the games as possible and the games to be designed with that outcome in mind. That is a big difference between the gaming industry now, probably, and the gaming industry 20 years ago.

Dr Twist: As an important part of the creative economy and as any kind of content business, which games are, you want to provide experiences just like a film franchise or a soap wants people to stay loyal to that soap or to come back and watch "Avengers" or that new Marvel film. We need to recognise that this is a challenge for companies. There are over 2,000 games businesses up and down the country providing employment, but not a lot of them are big companies and well resourced. We think this is really important to take into consideration as well. That is also part of the decisions that they make around what kind of game and on what platform they want to make a game and who they want to make a game for.

Dr Wilson: Can I chip in there? At TIGA we have slightly different figures compared to Ukie on the size of the UK games industry. What I could echo is that certainly looking at some data that we have examined over the last few months, looking at games that were released in 2018—there were 150 games that were released by UK game developers in 2018—we found that almost two-thirds of those were premium games. I am not suggesting a third were premium but it was quite interesting. Those two-thirds of games are going to be typically adventures that have clear start points and end points. They are not going to be designed for prolonged or extended use. It is worth pointing that out.



Also to echo the point about the size of the industry—and I know we might come to this later—and the structure of the industry, it is worth pointing out that something like 66% of all the UK games businesses that we have analysed have four or fewer members of staff, quite small businesses. On the responsibility of games companies to address harms, the Government have issued an Online Harms White Paper and that will extend a duty of care to businesses, so this responsibility and the duty will be coming in any case.

Q1395 Chair: We will come on to the White Paper in a moment. On the question about research and the lack of research, one of the problems with that is the data is not available. This Committee cannot do a study based on the patterns of play of someone who might play Candy Crush for that top end, that top point of whatever per cent, and how that journey occurs, how much money they spend. We cannot look at that and take a view because that data is not publicly available. The same goes for the rest of these companies. It is difficult for the industry to say there needs to be better research when the industry is not commissioning that research itself and it is not making that data available for others to do it. As representatives of the industry, what is your view on that?

Dr Twist: It depends what we mean by research and what it is we are trying to do.

Chair: You brought the subject up so perhaps you can tell us.

Dr Twist: Absolutely. I am a reformed academic so I love research. We also know that some of the pushback from the academic and scientific community, for instance, on gaming disorder has been because many of the cited research studies that the WHO has based this decision on relate to technology use in general not to games. They do not have this robust nuanced approach to the motivations.

We also are really open to having that discussion and that dialogue with academic researchers to understand where the problems do lie. We would love to see far more evidence, and robust evidence that we can call upon to talk about the positive aspects of games, particularly around mental health and how it supports people with social anxiety, how games can offer a real, important social connection for people who are isolated. I think that speaks generally to the 21st century problem of mental health and how we support that in society.

We are big fans of research. Some of that other research that we are talking about is what data are we talking about that needs to be open or that needs to be shared. We often butt up against privacy and data protection, obviously. Games companies want to collect as little personal data as possible, which again we will get into when we talk about the Online Harms White Paper.

Q1396 Chair: Richard, do you have difficulty on that as well?



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Dr Wilson: On the issue of research, we would obviously encourage games companies to co-operate with academics and share data. They probably want to share their data in a confidential or anonymised way but I think they should share data to help address some of these issues.

I was struck by Dr Bowden-Jones, who gave evidence to this Committee. She made the point that it is very important to separate funding from research. I understand in the Online Harms White Paper the Government are looking for this to be cost neutral for the taxpayer and want the industry to pay. I was struck by her point saying that for research to be regarded as impartial it should not be associated with industry.

Q1397 **Chair:** The thing that strikes me from this is that we have spoken to a number of very big games companies that by volume of revenue and play and eyeball time have a huge section of the market. Not one of them believes they have a responsibility to proactively identify any of these issues in their players, even though they are gathering the data. They have this data but they do not believe it is their responsibility to proactively look for it. They have to wait for referral from players. They will not commission additional research into it themselves. The industry does not seem to agree on any kind of definition of what gaming disorder might be and, if anything, disputes the fact that it might exist, yet people are complaining of it.

The only thing you can really assume from that is the industry either think this is a niche problem that it does not have to worry itself about or thinks the problem may not exist at all. I cannot see anything the industry is doing now or proposing to do in the future that would add more clarity to this, which is probably where things like the Online Harms White Paper come in. If we cannot see the industry wishing to engage in this debate in a helpful way, others need to define the problem for it.

Dr Twist: I think we are absolutely keen to engage in a helpful way. We do know that parents who talk to their children, for instance, or play games themselves, have a far better understanding of how to protect them from excessive play time. You have rules and you have a vocabulary that you can understand and it becomes a really fruitful, consultative relationship. That is the big challenge. When we are talking about research and data, the academics cannot even agree themselves within the community about screen time and the effects on people's mental health in general. UNICEF found that the negative effect of excessive gaming on mental wellbeing was less than a third of the positive effect of eating breakfast regularly. This is such a new area, and remember the internet is young. We are young as an industry and we want to do the best for our players. We want to protect our community and we want to empower them.

Q1398 **Chair:** With respect, that sounds to me a lot like what Facebook would say, which is that ultimately it is down to the user, it is down to the family to control the settings, "There is not really any data to say what we do is harmful. We hold the data but we will not give it to you, so no



one can tell”.

Dr Twist: I do not think we are scientific experts, so I am not sure if we hold the data to show whether it is harmful. The academic community, who are the scientific experts, cannot—there is no consensus about screen time or about games in general. We would like to see much more research that is robust, that is using the Open Science Framework, that is preregistering methodologies. That approach we think is going to be very helpful for society. What is going to be sustainable is the tools, the settings, the information, the help and the support that is there for families to play in a healthy, balanced and sensible way together.

Q1399 **Chair:** We can go around in circles on this. The data that would inform that kind of research is data that is held by companies who will not share it, nor will they commission that themselves, nor will they come up with any definition themselves of what they think the problem might be that they should be looking for. Therefore, it seems to me that this will carry on until something really major happens that shocks everyone into doing something about it. When that happens, as most industries know, that is not a good position to be in.

Dr Twist: That is certainly not where I believe we are going to end up. I think the WHO classification is the start of a process. Implementation can take years. It has not been a very transparent process, we would say. We found out about this conclusion—and we have not seen any open papers on this—on 23 December 2017.

We want to continue a dialogue because the diagnostic tools are not even there. I took Game Quitters’ quiz last night and that is not a diagnostic tool. We need these robust diagnostic tools. That is what the diagnostic manual ICD-11 is designed to do and that is what we need to start looking at and watching and working with academics and protecting our players, constantly innovating in the way that we do that, which is what we have continued to do.

Q1400 **Chair:** The point is that until people have access to the data to do that, the industry will always say they do not accept the methodology or the results. People might say, or you might say, you want to be helpful. I have heard nothing that suggests what that help might be.

Dr Twist: Again, we are in constructive dialogue with the academic community. It also depends on what we are trying to find out, what we are talking about.

Q1401 **Chair:** Facebook says that, too.

Dr Twist: All games are really different.

Q1402 **Chair:** Facebook says it is willing to work with academics, but on its terms, only sharing data it wants to be shared, with no right for the academics to inquire internally, and you can have that dialogue forever and that dialogue will never take you to the solution because it is a



process that is designed to fail.

Dr Twist: Also games are extremely different. Are we talking about narrative-based games, are we talking about result-based based games?

Chair: I think we know the definitions of different games and we know what we are talking about here. I do not think we will make any more progress.

Q1403 **Simon Hart:** Jo, I will be concentrating on you a bit, but the theme is a consistent one. You mentioned earlier on about the wisdom of parents in being able to apply influence with regard to excessive usage, yet it seems that the very same parents who you trust to make those judgments are the parents who are highlighting some of the adverse effects of online addiction, if you make even a cursory investigation into this particular subject. While it is quite possible that academics do not agree, academics are still disagreeing about the negative impacts of smoking. That is not an uncommon contrast.

Parents are reporting, across the globe, significant negative impacts of online addiction, some games more than others. Given that there is the WHO decision and there is anecdotal evidence in huge quantity and across the globe, surely the responsibility is to adopt a precautionary principle rather than wait and say, "We will wait until the academics agree to a common position, on data that we are not prepared to give them, at some future stage". Surely there is a moral obligation to take the lead in this and to adopt the precautionary principle in the meantime.

Dr Twist: We adopt a proactive approach. All the consoles and devices that you can play games on have parental settings. You can filter content. We have robust global age-rating systems in place. We have community management teams for those games that have that kind of support or are that kind of game. We have AskAboutGames, which is funded by the industry.

Q1404 **Simon Hart:** Sorry to interrupt. It is not that I disagree with what you are saying but when we tackled Epic about that in relation to Fortnite a week ago and asked, "Do you know how effective your parental controls are? Do you know how many people access them? Do you know what the impact is?" they did not know the answer to any of it and did not seem particularly bothered by the fact they did not know the answer to any of it. They introduced these various procedures, I suspect, to protect them rather than to protect their customers, and they could not answer a single question that we put to them about their effectiveness.

Dr Twist: We know that there is a high level of knowledge about age ratings, for instance. Perhaps Ian is better placed to answer those specific questions but we do know that particularly parents who understand games, who play games themselves—because it is a grown-up medium. The average age is 35. A typical player is a 43 year-old woman, in the UK. We do know that that kind of literacy, much like crossing the road or



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driving a car—I cannot drive a car, I failed three times. It is much like that; it is a learned process.

We do not want to police the living room but we really want parents and families and people to be able to have the enjoyable experience, because we love what we do. We love our industry, we love the content, we love the stories that we create. We think that is far more effective and that is what we see. Parents are far more likely, if they understand games, like any content or any activity that a child does in particular, if they understand and engage with that activity, they are far more equipped to be able to manage behaviour, to make agreements on the amount of time played or when you can play.

Q1405 Simon Hart: When the White Paper was launched and the Secretary of State said there should be a presumption by gaming companies not to design games with addictive qualities, do you foresee industry-wide co-operation with that ambition or do you see a battle ahead, with either this or the next Secretary of State or whoever might try to implement that particular ambition?

Dr Twist: Are we referring specifically to the Online Harms White Paper?

Simon Hart: Yes.

Dr Twist: We have welcomed the immense amount of engagement on that and the Online Harms team meeting with us, having roundtables and so on. We have been very proactive in feeding into that consultation process and demonstrating that the technical and human solutions that the games industry already employs and deploys and continues to innovate in is really effective.

Q1406 Simon Hart: Are you going to co-operate with the ambition not to create games with addictive tendencies, the qualities?

Dr Twist: We do not think that is even a thing that happens. That needs to be defined.

Simon Hart: Sorry, say that again? You do not think—

Dr Twist: What do you mean by an addictive tendency?

Simon Hart: I am asking you the question.

Dr Twist: I do not think it is a very helpful way to look at game design as a highly skilled job. We talked about core loops. You have a core loop in a board game like Monopoly, which I do not play, by the way, because I get very violent with Monopoly. You have a set of rules and you have a compelling or interesting story or an interesting thing to do.

As we heard in the earlier session, particularly in the free-to-play games space, people have choice. As a 46 year-old woman, I have a choice not to play Candy Crush any more. Not that I would; I will continue to play, I promise. I have choice in what games I can play. It is the same as I have a choice of what documentaries or what Netflix series I want to watch. I



want to do something that is enjoyable. As soon as it stops being interesting, I will go to something else.

Q1407 Simon Hart: I am sorry, it was probably my fault rather than yours that I did not completely understand that answer. The question that I asked was around addictive qualities and the Secretary of State's determination to address that in legislation that might follow this inquiry and when the full extent of the White Paper is understood and discussed. I got the impression from your answer that you did not fully accept that there were addictive qualities, for example in and around a game like Fortnite, that were arguably damaging, either directly in terms of people's own mental health or the consequence of spending very extended lengths of time on those kinds of games. Do you accept, in the first instance, that that is a problem or do you simply not accept what the WHO says and you do not accept what parents across the globe are saying about it?

Dr Twist: I will go back to my previous answer on that, which is even in the scientific community there is no consensus.

Q1408 Simon Hart: There is never a consensus in the scientific community. It is like the legal community; they never agree on anything. We are talking about real examples of people who we have had in here. We are talking about real damage to real people, including people in my extended family. I do not need an academic to tell me in five years' time whether it is having an effect on people in my family. I can tell you that now. We are talking about real problems now.

Dr Twist: We want to equip families like yourself. We would be happy to take you through the parental settings, happy to talk to you about how to have that conversation as a family. A major concern of the WHO decision is that sometimes there are underlying mental health issues going on in people's lives that may encourage people to seek solace or to seek an escape from. It is our responsibility as a society to make sure that we are supporting people in their mental health.

Games have been shown multiple times and in numerous different case studies and examples—albeit maybe it is anecdotal but there are addiction research papers around this—about quite the opposite and how games can support people with mental health. The five-times BAFTA-winning game Hellblade, made by a Cambridge-based company, worked with psychiatrists and psychologists to create a game that helped people understand and have empathy around quite severe mental health issues like psychosis.

Q1409 Simon Hart: One glass of wine helps me a lot at the end of the day, 10 probably does not. I completely understand the point you are making but that does not alter the fact for one minute that there are significant consequences. The question is whether the industry has a responsibility to deal with those upfront in a proactive way and in a way that is not just a token glance in the direction of a problem, or whether the industry believes it is always somebody else's problem and will wait for however



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many years it takes for somebody to come up with something resembling compelling evidence or will wait for however many years it takes for people like us to legislate.

Dr Twist: We already proactively do support players and we support people with the information they need, the parental settings, being able to switch off any in-game purchasing, being able to set time limits. There is a range of sophisticated tools, which I do not see on Facebook or I do not see in any other industries. People often say games need an off button. Well, they do have an off button.

We absolutely agree with the intentions of the Online Harms White Paper, absolutely, particularly around illegal harms. This is an absolute responsibility of society, but what we would encourage is that specific characteristics of different types of games and of different types of game mechanics and of different types of game play are taken into consideration when considering online harms.

I am the subject of abuse online through Twitter. Not on Facebook, because it is just people who like cats who I am friends with on Facebook. Within games I can choose what games I play, I can choose who to play with, I can choose to block people, I can choose to report, I can choose to get someone banned. The number of different tools that is available to me to protect my own experience and to protect my fun is huge.

Dr Wilson: Can I add to some of that? I think games companies and the games industry should not be doing anything that is tokenistic. We should be doing what we can to address online harms. In particular you asked what is the games industry going to do with regards to the Online Harms White Paper and how are we going to address gaming addiction. We should obviously come forward with proper solutions to that, proper solutions and improve what we already have. The time settings that Jo has already referred to are important and spending limits are also important. Those are quite sensible things that we are already doing but there obviously is more that we can do.

Last year—and we mentioned this when we met earlier this year—TIGA published a paper about safeguarding players and we updated that in Q1 of this year. One of the things we mentioned there was that game developers might want to consider ways to minimise the amount of time people were spending on games. They can build some of the features into the games, so you can have idle rest periods whereby a player would stop playing because his character cannot earn any points, for example. We think some of those design features should be considered in the future.

The Information Commissioner's Office produced an age-appropriate design code of practice earlier this year. That includes a number of ideas that would be very useful to address the issue of gaming disorder, for example prompting players to take breaks and prompting opportunities



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for pause buttons, for example. I think there are things that we can do to build on some of the controls you already have, but absolutely we need to do more.

Q1410 Ian C. Lucas: Mr Rice, you have been sitting there very quietly and expectantly so I am going to ask you a question. Can you tell us more about the voluntary approach being developed around the online distribution of games and age verification?

Ian Rice: Specifically in terms of age verification or the ratings in general?

Ian C. Lucas: Focusing on age verification, please.

Ian Rice: If I can talk a little bit about how it compares to the physical world as well. In the UK, as I am sure you are aware, the PEGI age-rating system became part of UK law back in 2012, which means that any PEGI 12, 16 or 18-rated game physically cannot be sold to any underage persons. That all stems from the Video Recordings Act, which I am sure you are aware was written back in the 1980s.

With regards to games that are made available online, from storefronts such as Nintendo eShop or PlayStation Network or Xbox Live, all of the developers that sell games on there, the actual consoles themselves, mandate the use of PEGI ratings so you cannot upload a game to those storefronts if it has not been classified by PEGI. Legally speaking, there are no restrictions as to who those storefronts can sell those products to in the same way, because the Video Recordings Act applies to devices capable of storing media, so you are talking about a physical disk rather than online distribution.

Q1411 Ian C. Lucas: Epic told us last week, as I am sure you know—

Ian Rice: I do, yes.

Ian C. Lucas: What do you think about what Epic said last week?

Ian Rice: I think the answer that Epic put across did not fully explain the situation. I do understand where it was coming from in terms of the responsibility of the person making the game versus the storefront that is selling it.

Q1412 Ian C. Lucas: It was trying to say that it was Sony's responsibility.

Ian Rice: Exactly, yes, in the same way that when it released its Fortnite disk and put it in HMV, legally it is HMV's responsibility not to sell that to somebody underage. In the case of online it would be Sony that is effectively the digital storefront. It is the one that is selling that through its platform in that case. If Fortnite is being made available directly from a website, it would be Fortnite's responsibility to determine who that product is going to.

Q1413 Ian C. Lucas: Do we need to change the law to educate or improve the behaviour of Epic?



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Ian Rice: I would say we have to try to remain impartial and independent as a ratings body. We cannot act as a lobbying organisation. However, if that is something that Government want to do, if they want to mandate the use of AV through online distribution, then so be it.

Dr Twist: I would like to build on that. Epic has its own storefront now and it was very pleasing to see it announce in March that it was going to be voluntarily signing up to IARC, which is the international age rating system, which the digital storefront pays for so that developers do not have to. That is an extremely important self-regulatory and voluntary move that also forces other to do the same.

Q1414 **Ian C. Lucas:** The answer that I was given last week on this issue was very disturbing. It seemed to be disregarding responsibility by the company for age verification.

Dr Twist: There is a difference between age ratings and age verification, so maybe that was where there was a slight confusion.

Q1415 **Ian C. Lucas:** There was no confusion. I was here, you were here, we heard the answer, it is on the record.

Dr Twist: I am confused as to whether you are asking about age verification or age ratings.

Ian C. Lucas: I was asking Mr Rice the question.

Dr Twist: Sorry, apologies.

Q1416 **Ian C. Lucas:** Which I will continue to do, thank you. Can I say, incidentally, I went to see some games developer students in my constituency at Glyndwr University the week before last to talk to them about careers in the games industry. I had a positive, sensible discussion and they were very receptive on issues like how do we deal with possible addiction, which contrasts with some of the senior representatives of the industry that I have spoken to. I think a lot of young people are aware of the concerns and they want us to try to work with the industry to address these issues. That is not the message I am getting from senior representatives of the industry. I just wanted to get that off my chest, thank you. I feel better now. I do not have it in for the games industry. I want the students to develop positive careers and they want to do that as well but they also think they have a responsibility and that is what we need to say.

How does PEGI and the VSC determine what content is suitable for what ages and what types of content to alert consumers to?

Ian Rice: The PEGI age-rating system is overseen by a number of independent bodies. We have the PEGI Council, which is formed of representatives from the member states that have adopted the PEGI system. We also have an independent experts' panel formed of psychologists, child welfare experts and experts in minor protection across Europe. In addition to that, as administrators of the rating system



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ourselves, we can feed into that classification criteria. On a practical level, if we can see things are not working particularly well or changes need to be made, we can do so.

It is important to note that this is an ever-evolving document. It is not a static piece of paper that gets looked at every five years. At any time there will be breakout working groups looking at particular areas of the criteria to improve it and keep it relevant. Just for example, at the moment there is a working group looking at the criteria for drugs use and encouragement within video games and there is a working group looking at self-harm and suicide in games and the best way that can be reflected in the criteria as well.

In addition to that, PEGI is very receptive to consumer inquiries and consumer complaints. If, for example, there was a complaints case and it was determined that the criteria needed to be changed after that, then the complaints board and the exports group would get together and see how best to address that in the classification criteria.

Q1417 Ian C. Lucas: Have you thought about voice or text chat features in games and whether they should be covered by ratings?

Ian Rice: With text chat and voice chat, this type of functionality is now apparent at the console level. If we were to say that a particular game has chat in it—or a particular game did not have chat in it, more importantly—so we are effectively telling parents, “This is completely safe. Nobody is going to chat to your child in this game because we have not labelled it as such” they can then do that at the console level, so we are effectively not helping them.

Through IARC, however—I am not sure how much you know about IARC in general—

Ian C. Lucas: Not much.

Ian Rice: It is basically a collaboration of rating authorities worldwide to make a single system for publishers to get a rating from. We don’t just deal with games in IARC, we deal with a plethora of different types of apps. Because you can have chat functionality specific to the type of product that you are dealing with, we do notify consumers if there is user interaction with a content label with products classified through IARC.

Q1418 Ian C. Lucas: Mr King, can I ask you a question? You have been even more patient. Obviously we are talking about game age and content ratings. You run grassroots e-sport competitions. How do you approach the issue of age verification in the context of what you do?

Chester King: We have national tournaments using schools and FE colleges. The verification is done by the schools. What we have is three games that we currently use: Overwatch, which is age-rated 12; Rocket League, which is age-rated three; and League of Legends, which is age-rated 12. We use Discord—I do not know if you know what Discord is—for



chat, which is a closed-user group so no one externally can contact. We set up in the gaming lobby matches on a weekly basis, school versus school or college versus college. The teachers set it up. No one else externally can contact those schools and it is done in a very safe environment. The age-appropriate games that PEGI select are chosen by us as an association, then we have a national tournament that is online and then we have the live finals. The last one was in April at Insomnia64, which is fantastic, to create national champions.

Q1419 Ian C. Lucas: How many schools take part in that?

Chester King: We just finished season 2. We have 100 schools, so we engaged with about 200,000 pupils in those schools. We had 600 active players in those teams.

Q1420 Ian C. Lucas: So you do not interact with parents, it is through schools?

Chester King: It is via the teachers, yes. Two years ago we did a pilot before we started this. We did 20 schools, ranging from mainstream schools, secondary schools and alternative provision schools and we had incredible feedback from the parents on that, about these children taking part. We did it as after-school club, like a chess club. During that time, we did a lot of research and we did surveys as well to understand whether they understood what the children were doing.

I work in e-sports; I do not work in video games. As you know, e-sports is always human versus human and it is the competition element that is the key for us. You are trying to beat another school, you are trying to compete against another human or humans. We had interaction then via the teachers. We did some surveys, but now that we have kind of progressed to the national championships, we do not interact personally with parents. We do it all through the schoolteachers.

Q1421 Julian Knight: I should declare at this point that I worked with Dr Twist at the BBC for a number of years. It is so long ago I think The Darkness had a Christmas number one, if I remember rightly.

Chair: I worked with Dr Wilson even longer ago than that.

Julian Knight: Right, okay. Was it Boney M? I don't know. Anyway, Dr Twist, I am going to turn to you first. Do you agree with Electronic Arts' assessment that loot boxes are, in their words, just "surprise mechanics" with no ethical implications? Yes or no.

Dr Twist: I am afraid I cannot give you a simple yes or no on that. Loot boxes has become a very confusing term for a lot of people. Loot boxes appear in a very few number of games, to be fair, and I think even next year there will be fewer games that have loot boxes, just because we innovate in our business model so quickly. When I try to look at an analogue example to explain it to people who do not play games or do not encounter loot boxes, I often use the "mystery bag" genre of toys, which were the biggest-selling Christmas toy in 2017 and 2018. The example I would use is LOL Surprise dolls, which I think many parents



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would be familiar with. It is that you know there is something in there, but you don't necessarily know what is in there.

Q1422 Julian Knight: The Committee is going to use Dr Zendle's definition, which I am going to read to you, which is, "items in video games that may be bought for real-world money, but which provide players with a randomised reward of uncertain value". That is fairly clear. If it is described, as I say, by Electric Arts that loot boxes are just "surprise mechanics" with no ethical implication, is that a position that your trade body agrees with or disagrees with or do you see any ethical implication to their existence?

Dr Twist: We are always in dialogue with the Gambling Commission and also the gambling team in DCMS about this. We collaborate at a global level to watch the research, to understand the research and to understand gambling commissions around the world and what actions they are taking. Absolutely, loot boxes or surprise mechanics, or however you want to describe the random incidents in games, they are not a core part of games and the game play itself. They are optional. They do always have something of value. Value is a subjective term, however, because it may be of value to one player and may not be of value to another player because, "I already have that t-shirt or that dance move". I think that the way that a football game might sell packs of players, absolutely, they do it with the greatest respect to players.

Q1423 Julian Knight: Just rowing back though, right at the start of that you suggested effectively because you are having this dialogue that you do think there are ethical implications. They don't?

Dr Twist: No, I think it is quite right that gambling commissions look at this mechanic and understand the research. Eight gambling commissions around the world have agreed that they do not constitute gambling.

Q1424 Julian Knight: When Electronic Arts said that to ourselves and basically came up with that "surprise mechanics" and no ethical implications, we did receive some communications from gamers who—again, I am going to read here—rejected the characterisation. One gamer wrote to us to say that EA's testimony "is a bare face lie". Are you out of step with gamers on this issue? You have skated around the idea and you have just said that it did not have any ethical implications. Gamers that contacted us say that it does, very clearly, so are you out step with gamers?

Dr Twist: First of all, I do not use the word "gamers". I think it carries with it a lot of baggage.

Julian Knight: Customer then.

Dr Twist: We don't use customers either.

Q1425 Julian Knight: What do you use?

Chair: I think we know what Julian Knight is referring to.



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Dr Twist: Anyway, yes. Players can be very vocal and that is why we are a very responsive industry. You saw the responsiveness of certain companies when loot boxes suddenly became a *Daily Mail* headline. Again, they are optional, you can turn them off. Again, you can limit spending within games, you can set controls. You can stop people using this mechanic. It is optional. It is not a core part of games. That would be my view.

Q1426 **Julian Knight:** Dr Zendle does not agree. His research effectively suggested that there was a link between spending on loot boxes and problem gambling. In fact, in this very Committee, at certain points, at certain junctures during this inquiry, we have even put it in the same bracket or at least mentioned it in the same sentence as FOBTs, which is obviously a very serious matter. If that is the case, if that is what Dr Zendle's research suggests, what do you conclude in terms of the aspect of profiting from people with a gambling problem? Is this an ethical position for the industry to be in and what are you doing to address it? Because so far you have said that there is no ethical issue. We have here a leading piece of research that suggests there is a serious ethical issue, a problem gambling issue.

Dr Twist: Just to clarify, with problem gamblers?

Julian Knight: With loot boxes.

Dr Twist: With problem gamblers. There is no difference, no impact on spending with people who do not have an issue.

Q1427 **Julian Knight:** You could say that about FOBTs, because people who use them are problem gamblers, but they are still gaining access to and facilitating their gambling addiction or their gambling issue through the FOBT. In the same way, loot boxes are effectively facilitating problem gambling.

Dr Twist: I think that they are very different mechanics. When you open a loot box, increasingly companies are taking the move voluntarily to reveal drop rates or to reveal odds, and they are also in some games making—that is what they are called, unfortunately, but they are also taking some action to make the loot boxes see-through, so that you can see what is in them. It is a bigger question around how we do protect vulnerable people from gambling. We do not condone gambling in games. They are essentially games of skill.

Q1428 **Julian Knight:** What you have described to me is a number of ethical issues, yet less than five minutes ago you were telling me there were no ethical implications to loopholes.

Dr Twist: You were specifically referring to EA's answer around the packs of player cards, much like the—

Q1429 **Julian Knight:** Then I asked you whether or not they had ethical implications and you said no, so it does have an ethical implication.



Dr Twist: Specifically around EA's implementation of player packs.

Q1430 **Chair:** Just on the point about the FIFA player packs, the gambling commissions in Belgium and Holland have ruled saying that they are gambling. Do you think that is a matter for the gambling commissions around the world? Should we ask the games industry to do anything about this here or should we just wait for the UK authorities to determine that it is gambling?

Dr Twist: As I say, the gambling commissions have a job to do. It is important that we are in dialogue with them, as we are. We have a historical constructive relationship with all sorts of regulators, because we want to protect our players, we want players to have an enjoyable experience. Some of the issues that we have confronted over the last couple of years in the industry have shown that the industry does adapt, the industry changes its business models, that the industry wants to provide people with a fun experience. We want our stories and our characters and experience to be fulfilling for people so that they come back.

Q1431 **Chair:** Just being very specific, I would just like to focus on the FIFA player packs, because that was an issue we touched on with EA. If you have a reward mechanism in the game, which is based on play, you can earn points and you can use the points you have earned to purchase a pack or you can accelerate that process by using real money to purchase the pack instead. But the pack is randomised, so you are playing an amount of money to get a pack of players. You do not know who the players are: there might be some good that you like, there might be some bad; you do not know. Then it encourages you to keep on playing in order to keep on making more purchases to get more and better players. The better the players you have, the better your team performs, so there is a direct investment people are paying in the hope of improving their performance in the game, but it is randomised.

If all they wanted to do was say, "If you want to buy players, there is a mechanism in the game where you can buy players" and the different players have a price attached, you could do that. You would probably make less money doing that, because people would just buy the players they want and they would not bother with the rest of them. I think this is a very different sort of way. It is not just like using loot boxes to buy a different skin or to dress up your gameplay. It is a loot box that is designed to try to give you an incentive to spend money to improve the performance of your team in the game. That is very different. What I think is interesting again is that it seems like the industry does not wish to define this as gambling at all, even though it clearly is a form of gambling, and it is just going to sit back and wait for others to define it for it.

Dr Wilson: Can I just add something there? Again, I will send this information on to the Committee. The 150 games last year, these were developed only by UK-owned and controlled companies and we could not



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find any loot boxes in those 150 UK-developed games. I am not saying loot boxes don't exist in other games, obviously they do, but I suppose in answer to the implication of your question, "What is at least part of the industry doing?" our evidence has shown that UK game developers are eschewing loot boxes.

Q1432 **Chair:** That is a decision they have made, but I think we also have to look at the evidence that comes before us. With EA and FIFA, they have created a mechanism in their game that gamifies spending money, which gives people a risk/reward ratio on spending money. The point about odds, there aren't necessarily odds. People do not necessarily know what the risk is that they are taking. They are being encouraged to do it and the game has been deliberately designed in that way to try to make more money out of people doing it. I think it is perfectly reasonable that we should consider the ethics of that and whether that should be considered to be a form of gambling, but it seems that the industry does not want to engage in that debate at all.

Dr Twist: I think we do engage in the debate, but again, this is why it is important—

Q1433 **Chair:** We are engaging in a debate, but we are not making any progress. We could carry on doing this all day and we will not get any further.

Dr Twist: I think we have made quite a lot of progress with understanding gambling commissions and helping them to understand game design and even the level of this as a mechanic. I suppose we, just as normal human beings, do look at LOL Surprise dolls, we do look at the desire of humans to collect and swap and trade things. We know that kids in the playground, most of the gambling that they are doing is bets between friends. We know that—

Chair: Sorry, I think we are just going so far off the focus of the questions it has become ridiculous.

Dr Twist: My apologies.

Q1434 **Chair:** Do you think the industry should set any rules at all? I would contend that the FIFA player packs are a form of gambling. There are two gambling authorities that believe it is. Should there be any guidelines that the industry works to as to what would be an excessive level of risk if someone spends money on a loot box like that? There has to be a basic level of reward that that loot box offers in order for it to be ethical rather than just being extortionate.

Dr Twist: I think the issue is that people play games not for that.

Q1435 **Chair:** It is not the industry, so someone could make a loot box that is—

Dr Twist: People want to play games because of the experience, the story, the characters and what it offers them.



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Q1436 Chair: So the player experience is just they gamble on the loot box, they get some players back and they might be happy; they might be unhappy. If they are always unhappy, they will probably stop doing it, so the game has a design in that, but there does not seem to be any sense that the industry or some authority should have some basis of assessing these games and the way loot boxes are used and say, "We think, based on what we can see behind the scenes, that is exploitative and the level of risk is too great and you should notify people of what their level of risk is or you should make fairer". You do not think that is something the industry should take a view on and have guidance for people who wish to develop loot boxes within games?

Dr Twist: Again, we talk to the gambling commissions and we would take guidance from them.

Chair: So no, it is up the Gambling Commission to do it. Okay, thank you. Clive Efford.

Q1437 Clive Efford: One observation is that it seems to me that the industry is prepared to pray gambling commissions in aid when they make favourable decisions to the industry, but when the World Health Organization comes up with a definition that it does not like, it chooses not to accept it. I don't know where the future lies with an attitudinal approach like that.

Can I ask you about this issue about trading in game items and monetising them and the lengths the industry has had to go to to prevent people from corrupting what is going on in the games? We heard from EA last week about this. Do you think that given the FBI has had to get involved in investigations about this and that the industry has had to try to investigate these people who are doing this stuff that the games industry should find other ways of rewarding its players rather than introducing this sort of form of monetisation? I suppose you speak on behalf of Ukie.

Dr Twist: I think the reward is already there. We see the evidence of why people come to play games. It is for loot boxes, it is not for some randomised mechanic. It is for a highly-skilled, well-designed experience that they can do with friends or they can do on their own. They can explore the world around them, they can understand themselves a bit better, they can tackle difficult issues that they are facing in their lives. That is the motivation for people to come and play games.

Q1438 Clive Efford: It seems to me that there is a great deal of money that seems to be siphoned off the game, if you look at the games industry, if you like, in this area of where benefits in the games can be monetised and sold back to people, which is what EA were saying that they were working very hard to stop. Wouldn't one of the ways to stop that be—when we go back to perhaps the player groups from the FIFA game—that if you reach certain levels in the game or if you achieve certain things that then you can access those things, rather than have to purchase



them?

Dr Twist: That exists in all kinds of games as well. It is important that we understand the changing nature of monetisation in business models within games. Last year across Europe, 43% of revenue from games that were released in Europe came from micro-transactions or in-game transactions in general, which may including buying an extra level or buying a particular hat for your character.

Q1439 **Clive Efford:** But if there is a level of criminal activity of the sort that was described to us last week—and you were present, so you know what was said—shouldn't the games industry be doing more to deal with that?

Dr Twist: I think the games industry does a lot to deal with that and to deal with cyber-crime more generally and IP infringement and intellectual property theft.

Q1440 **Clive Efford:** It is all fine, the industry is fine?

Dr Twist: I think it is a constant challenge. I think people always find ways to circumvent technologies and that is a constant challenge. We found that in the IP infringement actions that we took and we signed up to the "follow the money" approach around that. We support the decision by the Danish Gambling Authority to go after the unlicensed third party skin trading betting sites that are completely contravening terms and services of games companies and in fact infringing IP.

We have also worked with the National Crime Agency and we have reached around 19,000 children through workshops around the dangers of going to these websites and why you should not, because you may get your identity stolen. We have also been teaching the teachers how to speak with parents, how to equip them and what to teach their kids. This year we hope to reach over 25,000 children with those lessons, in conjunction with the NCA.

Q1441 **Clive Efford:** To teach them about the dangers that are created in—

Dr Twist: Of skin gambling, skin trading sites.

Clive Efford: —your industry, yes.

Dr Twist: No. Just to be clear, skin trading sites are nothing to do with the games industry. They operate in an unlicensed way—

Clive Efford: Absolutely they do.

Dr Twist: —without any co-operation or agreement from games publishers or developers.

Q1442 **Clive Efford:** Yes, but one would not exist without the other, would it? That is the point. Given the technology involved here, there must be ways in which the games industry could construct its games that could close down a lot of that activity. It seems to me that that is one of them, where if you do not monetise and you allow players to gain rewards



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within a game by the level of success within that game without having to pay cash for it in an element of gambling, which is what the Chair has described, then you could cut down on a great deal of this.

Dr Twist: I am sorry, I am slightly confused as to the question there.

Q1443 **Clive Efford:** It is more of a statement, but there are ways that gamers—and you don't like the term "gamers"—could be rewarded by earning those rewards within a game than having to pay for them. It is that element of having to pay for them—

Dr Twist: That does happen a great deal.

Q1444 **Clive Efford:** Yes, but that element of having to pay for them, as happens in this FIFA game, is opening up this whole industry of illicit transactions. Surely the industry must consider the way it constructs those games in order to shut down this illicit trade.

Dr Twist: I think games companies, first and foremost—

Q1445 **Clive Efford:** I think we will just have to agree to disagree on that.

Can I just move on to this issue of the diversity within the industry? The latest statistics we have date from 2015, which showed that 19% of the workforce in the industry is female and 4% comes from the BAME communities. Are there any more up-to-date figures?

Dr Twist: We are launching an industry-wide census, which we hope to become perhaps every two years. We have been impatient for this kind of information. The information at the last census just was not a big enough or representative sample size of the size and nature and types of different companies across the country in order to be drilling down properly into the figures, for example, to understand all sorts of diversity, including neurodiversity, which is a very big topic of conversation in the games industry.

We are also working with partners in the industry to launch a diversity and inclusion pledge. A number of diversity initiatives have launched over the last 12 months, including POC and Play. We, of course, have BAME in Games and they are meeting in our office right now as we speak. We have Women in Games. We have a Limit Break mentoring scheme that was launched. We have a number of new initiatives.

I am also the Chair of BAFTA Games. We have been looking at the BFI Diversity Standards, for instance, in order to understand how we can encourage more diverse representation within games and within the BAFTA awards. We are fully, as an industry, committed to making sure we relaunch our Video Games Ambassadors speakers network so that we can put as many diverse different faces in front of young people in particular to show them that people like them have fulfilling careers and make wonderful creative products and they could do that too.

Q1446 **Clive Efford:** But there are no more up-to-date figures than 2015?

Dr Twist: As I said, we are working with an academic institute to launch that survey this summer.

Q1447 **Clive Efford:** The Chair of BAME in Games told us that these organisations are run entirely on a voluntary basis and it needs help to put more into the industry and to create a secure financial footing for the organisation. Is that something that the industry should be doing?

Dr Twist: The industry itself does not receive very much in regards to public financial support. For instance, ScreenSkills does not necessarily receive the settlement that it would like in order to tackle skills in the games industry. It focuses more on sort of VFX, TV and film. We would like to see that situation changed because also, speaking as a woman in the games industry, I would argue that diversity is not a separate issue, it should be absolutely ingrained in the everyday practice of every company operating in this country. I agree that there needs to be more support. We are fundraising at the moment to try to offer that support. We know that companies themselves are very generous with offering, for example, travel bursaries so that people can attend meet-ups around some of the diversity collectives and groups that exist.

Q1448 **Clive Efford:** Do major games companies make contributions to any work in tackling diversity in the industry?

Dr Twist: Yes, they have a number of different initiatives or charities or organisations that they might support. We do a pretty good job. We are also going to be pulling together a report that does outline that for our colleagues in Parliament and Government in order to understand just how many initiatives and charities in the industry, for instance, are working with people on inclusion in particular. Yes, they also recognise the importance of the power. Games are a powerful communications medium.

On Saturday we have the BAFTA Young Game Designer competition awards ceremony. The games from the 10 to 18 year-olds who took part in that competition this year ranged from games that are dealing with depression, dealing with loss and bereavement, dealing with climate change, dealing with social action. We think that this is incredibly important for diversity of not just our games, but diversity of our industry. We absolutely know that difference and diversity is the absolute engine and foundation of our creativity and innovation.

Q1449 **Clive Efford:** I will just try to unpick your answer. Are you saying there is too much diversity in the representative bodies within the industry in the sense that it is all spread too much? Is BAME in Games seen as the vehicle or are you saying that there are too many different initiatives and that it is very difficult to see what is going on?

Dr Twist: I do not think I am saying that at all. I am saying that it would be great if we had more financial support for these initiatives. We have been a very resilient industry in terms of recognising this ourselves. We know that this is our creative future, increasing diversity. We know that



that is an absolute imperative. I am not saying there are too many; you can never have too many. I do not think they are spread too thin. I think people need support and we do have a very generous industry. Sponsored events, support to do proper research, longitudinal research at the scale of which Project Diamond achieves, for instance, would be wonderful. Unfortunately the industry does end up paying for a lot themselves, which is quite right.

Q1450 Clive Efford: But we have an industry that is very generous, you are saying, and we have an industry that has put a lot of money into it. We still don't know what the profile of the diversity of the workforce is since 2015. That does not sound like there is a great deal going on to get to the root of the matter to me.

Dr Twist: We are launching on our census on that this summer.

Clive Efford: Four years after the last one, but—

Dr Twist: Because we have been lobbying the likes of ScreenSkills and BFI and other organisations who look after the screen sectors to help us understand how we can get a decent census going.

Q1451 Clive Efford: I was going to come to that, because I was going to ask you what efforts there have been to learn from best practice in other industries, for example, in the broadcasting and creative diversity network. They operate for all major broadcasters to report on work diversity, so what could the games industry do to learn from that?

Dr Twist: Regularly I sit in the Creative Industries Council and we will be signing up to a diversity pledge there. We sit on many groups across the screen sector, the creative industries as well as the tech industry, to understand what is best practice and how we can increase diversity. We have many of our members, like Autistica, who is a research charity for neurodiversity. We believe that diversity obviously stretches far beyond gender and ethnicity, it is all-inclusive. I think that word "inclusion" is critically important to help support people coming into our industry.

We also are only about 40-something years old, so it has been interesting to observe—and this is unlike a lot of other industries, I would say—that we are reaching the age ourselves where some of us have grandchildren even—and some of us are still alive—the people who created this industry. It has been interesting, because again I think by our very nature we are adaptive. As our life stages change, we want to make sure that we are providing the best supportive workplaces, the most inclusive and welcoming industry to work in. We absolutely learn from best practice and bad practice.

Q1452 Clive Efford: Can you say what is being done in terms of output and what is being done to promote inclusive portrayals of the diverse groups within the content that the industry produces?



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Dr Twist: Again, we recognise our responsibility as an important communications medium that expresses stories and characters in compelling ways. Even in the last five years there have been some major blockbuster games that have featured very strong female and generally diverse characters. It is only improving is what I can say. Again, speaking as a woman in the games industry, I am glad to be able to play a strong person of colour or a diverse character in a way that is meaningful and that I have a story and a personality. I think the industry is making great strides.

Dr Wilson: Just to chip in there, I think there are some more data showing that more game developers, more games publishers are allowing the players to choose the gender of their character, for example. I think there was evidence recently at the E3 trade show showing that a lot of games were allowing players to choose the gender of their character.

I must come back to you on the point of data. We have carried out research on the issue of diversity in the sector. In terms of nationality, in very broad terms our data are showing that 75% of the workforce in the UK are indigenous UK employees, 20% is from the European Union, not including the UK, and 5% from the rest of the world. In terms of the female and male breakdown, it is not as positive as the figure you were referring to a few minutes ago. The most recent data we have, which was from 2018, shows that of the workforce, 12% of game developers are female, 88% are male.

Q1453 **Clive Efford:** Thank you for that. Can I just turn to Chester King? You are not getting many questions, so I will come to you. What is being done to ensure that there is diversity in the participants in e-sports?

Chester King: A month ago we had a big major tournament here up in Birmingham, a Dota tournament, and there was not a single British player in the team, which is disappointing for us as an organisation. We have decided to encourage children of every sex to start playing. We start at the age of 12 and we encourage teams to be mixed, we encourage the best players to play. For us, from a diversity point of view, there is not a barrier to entry at all, but what we are trying to start at ground zero is the fact that boys and girls should be playing together from day one.

Q1454 **Clive Efford:** What do you think is needed then in the pipeline to encourage talent among the diverse communities?

Chester King: We need heroes. At the moment we do not have any British global champions at all that have ever won anything over \$1 million. We do not have any British players that are significant, unfortunately. Like Andy Murray, I am sure we are going to have a lot of Scottish boys wanting to play tennis, but we don't at the moment have the British talent.

Q1455 **Clive Efford:** What does the industry do to develop that talent? Is there



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a system for identifying potential gamers? Sorry, I am using the wrong term there, but is there a method of identifying players and nurturing their talent without driving them insane with hours and hours of playing these games?

Chester King: Yes, there is. We are starting that and Ukie has a great schools tournament as well. If you look at British cycling, we had Chris Boardman, who won the gold medal and then it set up a brilliant strategy. I am involved in sport and e-sports so I have tracked that whole journey that it has done. We work very closely with Sport England as well. The whole thing about e-sports is it is competitive people. A lot of people might have been injured playing traditional sport and then get into games with some of the pro gamers there.

On the pathway, what we are doing is creating national champions at school level and college level. There is a university league called the NUEL that has been going for seven years and over 105 universities play every Wednesday. You can get a scholarship in e-sports at university level. You can obviously study e-sports at university level and then carry on in a career in e-sports, but not only as a pro player, but also around that in shoutcasting, in production. Britain is fantastic at developing or creating great shoutcasters and production people, but where we are poor is the actual talented players.

Q1456 **Clive Efford:** How far are we away from it becoming an Olympic sport?

Chester King: I sit on the ICE Sports and Gaming Group. We had a meeting 10 days ago in LA. The three things we did not discuss were—

Clive Efford: It is tough, isn't it?

Chester King: —whether e-sport is a sport and different countries have an argument about that. The thing we were not allowed to talk about is whether it will be in the Olympics. Personally, it is not going to be for a long time.

Q1457 **Chair:** If I could ask Chester King, when we took evidence earlier in the inquiry about e-sports, I think one of the questions we had about talent development was how many hours a day you have to play to be someone that could compete at the elite level. There was evidence that suggested that in South Korea, young players will play or train 10 hours a day so they can compete at the top level. What is your understanding of what it takes to be a top player?

Chester King: What has been interesting is KeSPA, the Korea e-Sports Association, was set up in 1997. They made e-sports the most important thing to do culturally. I think there has been a bit of row-back. There used to be things called gaming houses, where the teams would live and play together, and they were getting burnout. There has been a more sensible approach in the UK where pro players kind of advocate going to the gym and getting fit as part of their daily routine. They eat well, there



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is nutrition. There is obviously a high element of training, probably around six hours a day, but it is split up.

But what is interesting is every game has a patch-up date every couple of weeks, so as part of your gaming you are learning the nuances or the impact on that patch-up date, so you have analysts, you have coaches. It is very professionally done. Again, they are not going to want to have burnout with their players, because these players are potentially earning a lot of money for them.

Q1458 Chair: One of the things that was put to us was that burnout is sort of priced in and you just have a reasonably rapid turnover. What do you think of the reasonable life expectancy of a top player, someone competing at the world championship level?

Chester King: On our board there is a gentleman called Odee, who created a thing called Team Dignitas, which is one of Britain's great e-sports—

Chair: A slightly unfortunate name.

Chester King: Yes. There was an argument about is there a burnout or do people's reaction times stop in their mid-20s, because that is what has happened, but it is because there was no sustainable revenue before. People can earn an income or earn a salary going forward, so what is happening is now that there is more money going into e-sports, people's careers are longer. It is too early to tell if there is a natural burnout straight away because certain games have a different skillset, it is not all about reaction time. I would probably say in a few years' time you could answer that.

Q1459 Chair: One of the questions we asked earlier was about whether there are common standards of duty of care teams should have to their players. It did not appear that there are any common standards. Do you think there should be?

Chester King: I don't know who you asked that of, but I think in e-sports there are some great publishers, like Riot and Activision Blizzard and Synnex, who do have very clear codes of conduct. There are some charities like AnyKey. We have a code of conduct at a school level.

Q1460 Chair: For the professional teams?

Chester King: I do not work in the professional world.

Chair: No, but I was just asking your point of view. Do you think there should be?

Chester King: Yes, I think definitely there should be and I think there are some organisations out there that do that. There are about 35 different e-sports, so we are talking about a huge variety.

Q1461 Chair: If you talk about football, for example, in this country, the Premier League has a book that is thick, which is all the obligations clubs have



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towards players from under-eights up to players that play in the reserve teams and the senior and junior teams as well. It is what they are expected to do, the commitments to the players, all the rest of it. In other mature sports, that is not unusual. This is obviously a rapidly growing and maturing sector and it is whether there should be some sort of guidelines.

Chester King: The Overwatch World League has a pretty amazing player programme and it talks about community outreach. Again, there are some great examples. I only work with three publishers, so I don't know all of them.

Q1462 **Chair:** Thank you. Just a final question. I want to follow up on the diversity point, just to ask Jo Twist and Richard Wilson. Jo, you referenced the Diamond Project, the creative diversity network in television. That is not funded by public bodies, it is funded by the industry. I think the video games industry globally is as big as film and television. Do you not think the bigger companies should be putting more money into funding this research?

Dr Twist: Obviously I spend time at the BBC and Channel 4 and I think it is a wonderful project. It is not without its own issues. I do think that, yes, we are going out to our members and asking for contributions, because we are fed up waiting for it, but we will not be able to get to the level of Project Diamond immediately. But I think that again—and I am sure Richard will confirm this—it is important that, yes, we are a global industry. We attract a lot of IBORs, we are very successful and very responsible, but in this country—this is where we care about, we care about the businesses here and talent here—they are small companies. They might have a sudden breakout success, a two-person team making a game that featured a lot of diverse characters called Overcoat, which is a great family game. If you haven't played it, you should play it. Would they be able to contribute? Not so sure.

Dr Wilson: I think that is true. You wouldn't expect the smaller companies obviously to sponsor, for the sake of argument, some of these organisations, but clearly bigger companies, larger employers with larger financial resources should support organisations like Women in Games. Also, quite frankly—

Dr Twist: They do.

Dr Wilson: Some do, but there is always more that can be done. It is interesting, on the data point, we carry out some research, the data that I just referred to earlier on, and we find it quite hard to get organisations to participate. There is a fee to take part, because to carry out quality research you have to put some money in. But I found it quite hard over the years to get companies to participate in some research, so I think there is more that games companies can do, particularly the bigger ones.

Q1463 **Chair:** You will be well familiar with this: when you go to things like the



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Edinburgh Television Festival, there is a sense that the industry sees that it has a problem that it needs to solve, which is that it is not diverse enough. If anything, film and television is further down that journey, both in terms of diversity and investment in the problem than the games industry is. I do not know whether the people that run big games companies see it in the same way. In the companies we have visited, there seems to be a kind of acknowledgement that this is a massively male-biased industry and the product may be affected by that.

Dr Twist: That is a no-brainer, yes. I would love to invite you all to the London Games Festival and some of the big events that we have because they are getting more and more diverse. As we find each other and we support each other, we recognise that in order to continue our success and to give joy to billions around the world, we need diverse products. I demand more games, more Candy Crushers and more games that I can play that I love.

I think that it is absolutely right they have recognised this. The problem that we have still is down at school level, computer science and maths and arts and humanities subjects are being taken together and the stereotypes that still persist. We are working hard on that as an industry because they need to change, but again, the perception issue in society that is driven by how the media does perceive games sometimes can damage that potential. We want people to come into our industry with their ideas, with their creativity. We want polymaths.

Chair: That concludes our questions this afternoon. Thank you very much.