

## **NATIONAL COUNCIL ON PROBLEM GAMBLING (US)**

### **GRADE: Social Games Consumer Protection Guidelines**

**3<sup>rd</sup> Draft: October 21, 2013**

Social games with casino themes are among the fastest growing segments of the game industry. Yet significant uncertainty remains about the definitions and risks. Indeed, many social game developers and operators, including major gaming companies, argue that social games do not meet the definition of gambling and therefore requires no regulation. NCPG does not take an opinion on the legality of social games or whether they should be regulated.

NCPG believes that consumer protection standards are important as it is likely that some users of social games with casino themes may experience negative consequences. Operators benefit by protecting a significant source of revenue, providing good customer service and engaging with regulators and legislators in a positive manner. Regulators have an obligation under the “precautionary principle” to protect the public especially when faced with a brand new and fast-growing gambling-like activity. Organizations like the National Council have a duty to advocate for consumer protection.

Many social games with casino themes utilize features that are regulated, prohibited or not possible in regulated gaming environments. Some of these features are argued by some to contribute to greater risk of problem gambling. They include high frequency and speed of play, lack of minimum age policy and enforcement, “opaque” game mechanics, no specific oversight or consumer protection, unclear differentiation between social and “real money” games, among others.

The intent of the standards is to facilitate discussions about consumer protection among operators, regulators, legislators, consumer advocates and the public. While it is likely that many social games encourage lengthy play, our focus is placed on social games with casino themes that are free-to-play but have ways in which the consumer can spend real money. As noted, some argue that it is likely that some users are currently or at-risk for gambling addiction, and that as a result they may spend excessive amounts of time and money on social games with casino themes, leading to negative consequences.

As with internet gambling, the graphical and interactive structure of the social media provides an opportunity to create informed consumers with access to a variety of information designed to encourage safe choices and discourage unsafe behavior. Some game features could be utilized to promote responsible play, such as granting coins for setting voluntary limits, or for reading through the educational information.

These guidelines are a work in progress as social gambling continues to rapidly. As we collect more information on actual player behavior we will be able to further determine what, if any, consumer protection and regulation is necessary. We encourage the social game developers and operators to work with NCPG to provide this data. We encourage feedback and comment and believe all stakeholders have an interest in reducing possible harms from social games with casino themes

## **Gambling-Like Monetized Games**

### **Responsible Gaming Features**

### **Age Controls**

### **Data Driven Research**

### **Education Of Players**

**G:** The standards are intended to apply primarily to social gambling that uses gambling themes, images, words and game mechanics. While payment is usually not required to initiate play, monetization is a significant part of many models. We believe such games are most likely to raise concerns about addiction and thus require additional consumer protection features.

**R:** Social games with casino themes should also have consumer protection features. These consumer protection features are based on an informed decision making model. Much more thorough information on online responsible gaming is found in NCPG's Internet Responsible Gambling Standards ([www.ncpgambling.org/irgstandards](http://www.ncpgambling.org/irgstandards)). Important features social gaming operators are encouraged to include are:

- Personalized information on play, including summary of time & money spent per session and overall.
- Limit setting, for both time and amount of money spent in the game.
- Self exclusion option, which includes a ban on further communication or solicitation from the game operator.

**A:** Establishing and enforcing a minimum age to play is important for gambling-related games that are monetized. As social media platforms are generally not well equipped to verify age, special consideration must be given to verifying the age and identify of paying customers. Advertising should only target those of age to play.

**D:** Play data from social games sites should be made available to qualified independent researchers. Data must be de-identified to remove personally identifying information, consistent with Federal and state privacy, intellectual property and freedom of information laws. Research will help determine how to tailor policy and practice to minimize harm.

**E:** In general, social games with casino themes should provide users with a variety of information to help make informed decisions about their play. Suggested consumer protection information may include:

- Practical tips on how to keep spending within safe limits
- Information on how individual games work, including plain language discussions that reflexive, adaptive or algorithm based gaming is not random
- Warnings on the risks associated with excessive play, including signs of a potential gambling problem
- Links to at least one organization dedicated to helping people with potential gambling problems.
- Notification when customers shift from free to pay, and reminder that purchase is not necessary to proceed within the game.

**About NCPG:** The National Council on Problem Gambling is the United States advocate for programs and services to assist problem gamblers and their families. NCPG was founded in 1972 and is a non-partisan, non-profit organization that is neutral on legalized gambling. NCPG and its 37 state affiliate chapters work together to provide hope and help for those affected by problem gambling.

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