

# Common position by competent authorities under Article 19(3) of Regulation (EU) 2017/2394 and concerning the commercial practices of Star Stable Entertainment AB

## 1 BACKGROUND

Under Regulation (EU) 2017/2394 on Consumer Protection Cooperation (the CPC Regulation)<sup>1</sup>, where there is a reasonable suspicion of a widespread infringement<sup>2</sup> of EU consumer protection law, the competent authorities responsible for enforcing consumer protection law<sup>3</sup> in the Member States concerned by the widespread infringement have a duty to coordinate their investigations and enforcement measures to address those infringements.<sup>4</sup>

On 12 March 2024, the Swedish Consumers' Association submitted a complaint to the Swedish Consumer Agency regarding the video game Star Stable Online (SSO).<sup>5</sup> After examining a number of commercial practices encountered on Star Stable Online under EU consumer protection law, the CPC Network, has concluded the existence of reasonable suspicions of widespread infringements and has decided to launch a coordinated action<sup>6</sup> against Star Stable Entertainment AB (Star Stable Entertainment) on 25 April 2024. The Swedish Consumer Agency and the Norwegian Consumer Authority were appointed to lead the coordinated action on behalf of the CPC Network. The European Commission was tasked with the role of the coordinator.

The CPC Network has identified several issues which raised compliance concerns under the EU consumer protection law, hereunder the Unfair Commercial Practices Directive (UCPD), Consumer Rights Directive (CRD) and Unfair Consumer Terms Directive (UCTD).<sup>7</sup> These include suspected direct exhortation towards children, misleading practices related to in-game

---

<sup>1</sup> [Regulation \(EU\) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation \(EC\) No 2006/2004](#), OJ L 345, 27.12.2017, p. 1–26 (CPC Regulation).

<sup>2</sup> Ibid. Article 3 (3).

<sup>3</sup> Ibid. Article 5 states the Member States should designate competent public authorities responsible for enforcing EU consumer protection laws in EU and EEA. The full list of competent authorities constituting the Consumer Protection Cooperation Network (the CPC Network) can be found here: [List of Single liaison officers and competent authority - CPC Network](#).

<sup>4</sup> Ibid. Article 16.

<sup>5</sup> Report of the Swedish Consumers' Association available only in Swedish: [ingen-lek.pdf \(sverigeskonsumenter.se\)](#).

<sup>6</sup> Article 17 of Regulation (EU) 2017/2394.

<sup>7</sup> The [Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 \(UCPD\)](#); the [Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights \(CRD\)](#); the [Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts \(UCTD\)](#).

virtual currencies and prices, practices pressuring children to purchase virtual items by exploiting their vulnerabilities, and influencer marketing.

By letter of 3 July 2024, the CPC Network informed Star Stable Entertainment about the Network's concerns regarding SSO and requested Star Stable Entertainment to provide several clarifications.

Based on its own investigations and the assessment of the information provided by Star Stable Entertainment in the reply letter of 17 September 2024, the CPC Network considers that there remain concerns about the compliance of certain of the company's practices with EU consumer law. The CPC Network has therefore adopted a common position<sup>8</sup> lining out the remaining issue. Star Stable Entertainment is by the CPC Network requested to cease the infringements addressed in this common position.

This common position is without prejudice to possible ongoing or future investigation and enforcement activity carried out by EU/EEA Member States' national authorities.

## **2. ASSESSMENT OF STAR STABLE ENTERTAINMENT'S COMMERCIAL PRACTICES**

### **2.1 Commercial practices directed to children who are vulnerable consumers**

#### **2.1.1 Children as target group on Star Stable Online**

[REDACTED]

However, in line with Article 1 of the United Nations Convention on the Rights of the Child 1989 (UNCRC), "children" are defined as human being below the age of eighteen years.<sup>10</sup> The principles set out in the UNCRC has been ratified by all EU and EAA countries and guide the European Commission when defining EU policy and legislative strategy. **Therefore, when assessing the compliance of a company's commercial practices targeting children with EU consumer protection law, the CPC Network examines the company's commercial practices targeting persons under the age of eighteen.**

---

<sup>8</sup> Article 19 (3) of Regulation (EU) 2017/2394.

<sup>10</sup> [Convention on the Rights of the Child | OHCHR](#).

More precisely, when assessing if a commercial practice is directed to children the overall impression of the practice needs to be considered. According to the CPC Network, and as expressed in the UCPD Guidance<sup>11</sup>, relevant factors in that assessment are, for example, if the practice includes products that are usually used and/or liked by children, features that are appealing to children, language or other audio elements specifically addressing children, design or layout or entertainment elements that are appealing to children and the presence of age limitations and/or age restrictions. Consequently, a video game or application could be considered as directed at children if it is likely to appeal to children<sup>12</sup> and even if a majority of the users are over the age of eighteen years.

On Star Stable's website, SSO is described as "*the ultimate horse game full of magic and adventure*" as well as the "*world's biggest horse game*" where consumers can live out their equestrian fantasy with their own horses and hang out with their friends.<sup>13</sup> [REDACTED]

[REDACTED] SSO is described not only as a video game, but as a community of millions of players with horses as a common interest. This sense of community is fostered by the company by allowing consumers to access live chat, participate in time-limited events, or purchase barbecue kits and picnic baskets [REDACTED] SSO is recommended from seven years old in Google Play Store, and from nine years old in App Store. Star Stable's website also provides additional information directed to parents, who also are advised to accept the terms and conditions of the video game on behalf of players under the age of eighteen.

**Given the gameplay design and environment of SSO, the presence of features and design that are particularly appealing to children as well as the presence of parental information, parental control features and age gating, the CPC Network considers Star Stable Entertainment's practices in SSO, the webpage [starstable.com](https://www.starstable.com), and social media channels, such as YouTube<sup>16</sup> and Instagram<sup>17</sup>, to be directed at children.**

---

<sup>11</sup> European Union, *Commission Notice – Guidance on the interpretation and application of Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market* (the UCPD Guidance), 2021, available at: [EUR-Lex - 52021XC1229\(05\) - EN - EUR-Lex](#), section 3.7 on Direct exhortation to children.

<sup>12</sup> Ibid. p. 70.

<sup>13</sup> Star Stable. (N.d.). *About*. Access date 20 November 2024 from <https://www.starstable.com/game/about>. [REDACTED]

<sup>16</sup> See [Star Stable - YouTube](#).

<sup>17</sup> See [Star Stable \(@starstableonline\) - Instagram](#).

### 2.1.2 Children as vulnerable consumers

**As stated in its request for information<sup>18</sup>, the CPC Network emphasizes the need for Star Stable Entertainment to take into account the vulnerability of children when entertaining online.**

This vulnerability in the digital environment can be explained in particular by the age and credulity of children<sup>19</sup>, who are more sensitive to exposure to advertising or other commercial practices. The rationale behind this enhanced protection is that children's advertising literacy and commercial awareness have not fully developed. Therefore, they are less capable of critically assessing advertisements and commercial content. This means that children are particularly susceptible to subliminal commercial practices, such as marketing embedded in social media and online games.<sup>20</sup>

Children often find it difficult to resist pressure to purchase in-game virtual currencies, and other in-game or in-app content, for example, avatars or artifacts, that are particularly attractive for children or even necessary to progress within a video game.<sup>21</sup>

Children are also particularly susceptible to data-driven marketing<sup>22</sup> that influences their attitudes toward products and brands, making the marketing more relevant and meaningful will increase children's purchase intent.

## 2.2 Direct exhortations to children and aggressive practices towards children

The CPC Network has analysed commercial practices related to SSO, in the actual video game, starstable.com and on social media channels.<sup>23</sup> These investigations revealed that a significant part of the video game is related to the purchase of in-game virtual currencies and in-game content with, recurring, time-limited offers and events where consumers can buy new horses and other in-game features.

---

<sup>18</sup> See the CPC Request for information dated on 03/07/2024, section B.1. on Children as consumers.

<sup>19</sup> UCPD Guidance, section 2.6 on Vulnerable consumers, p.35.

<sup>20</sup> See Rozendaal, E & Buijzen, M., (2023) Children's vulnerability to advertising: an overview of four decades of research (1980s-2020s), International Journal of Advertising, 2023, Vol. 42, No. 1, p. 78; Rahali M. Livinstone S. (2022) #Sponsoredads: Monitoring influencer marketing to young audience, Media Policy Brief 23, LSE [https://eprints.lse.ac.uk/113644/7/Sponsoredads\\_policy\\_brief.pdf](https://eprints.lse.ac.uk/113644/7/Sponsoredads_policy_brief.pdf).

<sup>21</sup> The Consumer Protection Cooperation Network, *Advertising towards children – Five key principles of fairness* (2022). Available at: [https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/cooperation-between-consumer-and-data-protection-authorities\\_en](https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/cooperation-between-consumer-and-data-protection-authorities_en).

<sup>22</sup> Datadriven marknadsföring och konsumentsårbarhet: en kunskapsöversikt (2023) Anna Fyrborg Yngfalk och Carl Yngfalk på uppdrag av Konsumentverket.

<sup>23</sup> For example, [starstable.com](https://www.starstable.com), Instagram and YouTube.

### **2.2.1 Direct exhortations to children**

The UCPD does not impose an outright ban on advertising directed at children. However, according to point No. 28 of Annex 1 of the UCPD, it is prohibited to include direct exhortations to children<sup>24</sup> to buy advertised products or persuade their parents or other adults to buy advertised products for them.

The assessment whether a commercial practice includes a direct exhortation to children should be done on a case-by-case basis, taking into account various factors such as the design of the marketing, the medium used to send the marketing, the type of language used or the presence of topics or characters that may particularly appeal to children. It takes also into account the steps that the trader has taken in protecting children from direct exhortation. Additionally, the trader should adapt the marketing according to the consumers that could actually be reached by the practices, not only according to the intended target group.<sup>25</sup> Thus, a commercial practice, could be considered as directed to children even if a majority of the intended target group is adults.

It results from the above<sup>26</sup>, [REDACTED] that the offers and other advertising practices of Star Stable Entertainment are directed to different age groups of consumers, including children.

[REDACTED]  
[REDACTED]  
[REDACTED] Nevertheless, the CPC Network has identified several examples (please note that the examples of direct exhortation to children listed in this common position are not exhaustive) of direct exhortations to children in SSO, on social media channels<sup>29</sup> and on the webpage [starstable.com](https://www.starstable.com):

---


<sup>24</sup> To be understood as children defined in section 2.1.1. above.

<sup>25</sup> The UCPD Guidance, p. 70.

<sup>26</sup> See section 2.1 of this common position.

<sup>29</sup> For example, Instagram.

*“Get 30% Off Star Rider! [...] Buy now”*




## **Get 30% Off Star Rider!**

Have you been dreaming about becoming a Star Rider? Now's the perfect time to level up with our special offer of 30% off all Star Rider memberships. Whether you choose one month, three months, or Pay Once, you'll get 30% off of your first payment.

Ends March 27 at 07:00 UTC

**Buy now**

*“Check it out”*



### **BAROQUE DRESSAGE BUNDLES**

Embark on a noble journey with a Friesian beauty and your Gilded Glamour sets. Expires Aug 21, 08:00 UTC

**Check it out!**

*“Don’t miss out on these amazing offers: [...] Hurry and check it out now!”*



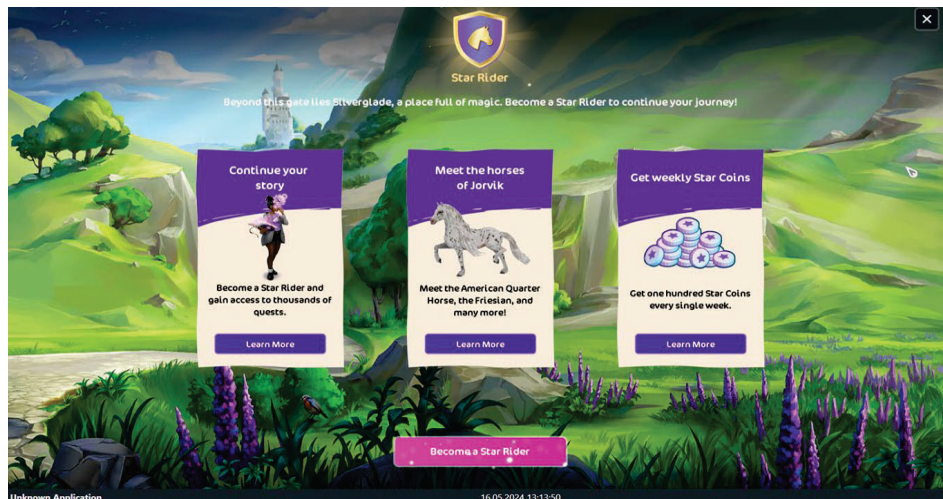
*“Baroque Dressage Bundles – Buy Bundles”*



The video game can be played up to level 5 without monetary payment. To access the entire gameplay, and thereby unlock more quests and events, consumers must buy a Star Rider Membership. This is advertised with the following statements:

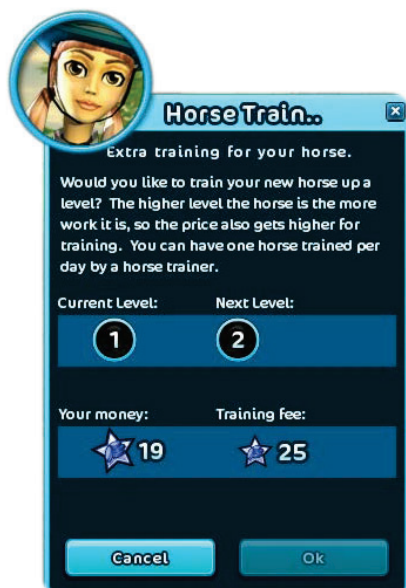
*“Become a Star Rider [...]”, “Become a Star Rider and gain access [...]”, “Meet the horses of Jorvik”, “Get weekly Star Coins” and “Continue your story”.*





Some pressuring techniques encountered in the gameplay are less explicit but still directly exhorting children to purchase in-game features. For instance, 'Horse Trainer' is an in-game feature where the consumer can pay a training fee to have their horse trained up a level. The possibility to buy a "Horse Trainer service" appears in the video game when the player approaches a horse trainer. Through a pop-up, the trainer will then inform the player that:

*"Would you like to train your new horse up a level? The higher level the horse is the more work it is, so the price also gets higher for training. You can have one horse trained per day by a horse trainer".*



A higher level of the horse means that it will run faster, jump higher, etc. The price to train the horse depends on the level of the horse and the price starts



at 5 Star Coins from level 1 to 2 and will increase with 5 for each level. It costs 1000 Star Coins in total to train the horse from level 1 to level 15.

When all the facts and circumstances are taken into account the CPC Network consider these practices as direct exhortations even if they are less explicit. For example, it is clear from the gameplay and information provided by Star Stable Entertainment that it is important to ensure that the player's horse reaches higher levels in order to perform better in the video game. The Horse Trainer pop-up presents consumers with an offer to quickly level-up their horses, without playing their way to progression. The offer is, therefore, particularly appealing to children and through the game design, it is perceived as a direct exhortation.

**Against this background, the CPC Network concludes that despite Star Stable Entertainment's efforts to ensure that there are no direct exhortations to children in SSO, several examples of prohibited offers in violation of point No 28 of Annex I of the UCPD have been identified. Star Stable Entertainment is, therefore, requested by the CPC Network to take action and address all direct exhortations to children, including the ones that are less explicit. This includes in the video game itself, on the webpage [starstable.com](https://www.starstable.com) and on the company's social media accounts.<sup>30</sup>**

**Legal framework:**

- Article 5(3) and (5) of the UCPD
- Annex I, point No. 28 of the UCPD

***2.2.2 Aggressive practices towards children: time-limited events and offers***

While playing SSO, consumers can participate in specific time-limited events, such as festivals or bazaars, promoting the purchase of specific in-game content in exchange of Star Coins or Jorvik Shillings.<sup>31</sup> Furthermore, consumers are also presented time-limited offers and discounts. This is notably the case for Bundles, Star Rider membership, Star Coins, or in-game items such as clothing and gear.

UCPD prevents traders from using aggressive practices. Under Article 8 of the UCPD, a commercial practice shall be regarded as aggressive if, in its factual context, taking account of all its features and circumstances, by harassment, coercion, including the use of physical force, or undue influence, it significantly impairs or is likely to significantly impair the average consumer's freedom of choice or conduct with regard to the product and thereby causes

---

<sup>30</sup> Instagram and YouTube.

<sup>31</sup> These are SSO's two main in-game currencies

him or is likely to cause him to take a transactional decision that he would not have taken otherwise. Some factors should be taken into account when determining whether a commercial practice uses harassment, coercion, or undue influence such as its timing, location, nature or persistence; the use of threatening or abusive language or behaviour. The use of behavioural biases or manipulative elements relating to, for instance, the timing of offers within the gameplay, such as offering micro-transactions during critical moments in the gameplay, pervasive nagging or the use of visual and acoustic effects to put undue pressure on the consumer when playing can be considered as an aggressive practice, especially when it comes to vulnerable consumers, such as children.



Investigations conducted by the CPC Network have shown that festivals and other events are always marketed on the SSO's official Instagram account<sup>33</sup> creating expectations and excitement about the in-game content that can be purchased during the specific time-limited event.

The CPC Network considers statements of time-limited offers to be intended to put children in a pressured situation by giving the impression that the child has a very limited period of time to make up his or her mind. In addition, studies show that scarcity and urgency alter consumers' perception of the product's value since they believe that it will be more difficult to acquire in the future.<sup>34</sup> This pressure on children is enhanced by the expectation and excitement created by social media marketing and is complemented by the design of the video game. During time-limited events, specific places and functions are created in the video game, for example a marketplace which is visually very attractive, a place where consumer would like to spend time as a player. At the marketplace, all the in-game items that Star Stable Entertainment has created high expectations and demand for in social media, are now available – but only for a limited period of time. This combination is creating undue pressure on children to buy the products.

In addition, consumers are also confronted with time-limited offers on “*double Star Coins*”, i.e., that players get the double amount of Star Coins than

---

<sup>33</sup> [Star Stable \(@starstableonline\) - Instagram](#).

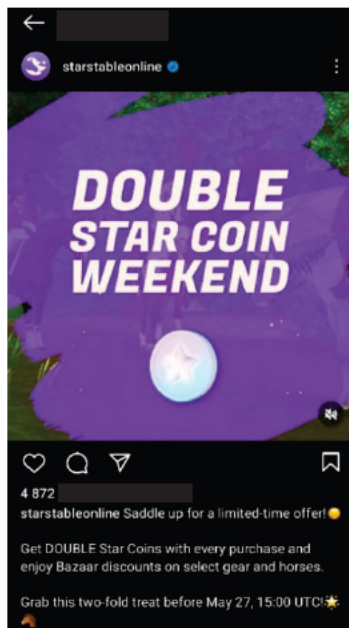
<sup>34</sup> W. Browne and M. S. Jones, “What works in e-commerce - a meta-analysis of 6700 online experiments,” Qubit Digital Ltd, (2017).

normally, which puts additional pressure to purchase Star Coins to be able to buy new in-game items during the time-limited event. The fact that non-Star Rider members also are confronted with offers that they cannot buy, adds another layer of pressure on them to become a Star Rider member during the time-limited event to be able to buy the new attractive in-game items.

**Against that background, the CPC Network considers that it is likely that children through the design of the gameplay, combined with marketing in social media, are unduly influenced to buy in-game content, particularly during time-limited events such as bazaars and festivals. Therefore, the CPC Network requests Star Stable Entertainment to ensure that its commercial practices are not unduly influencing children to buy in-game content.**

In addition, SSO also offers consumers [REDACTED] time-limited discounts on Star Rider membership, Star coins and Bundles combined with a statement on the duration of the offer. After examining these offers, CPC Network is of the opinion that [REDACTED] they are accompanied by a call to action. This is the case of the examples listed below. Please note that the list of examples below is not exhaustive. In addition, some of the examples of time-limited practices may also constitute direct exhortations to children.

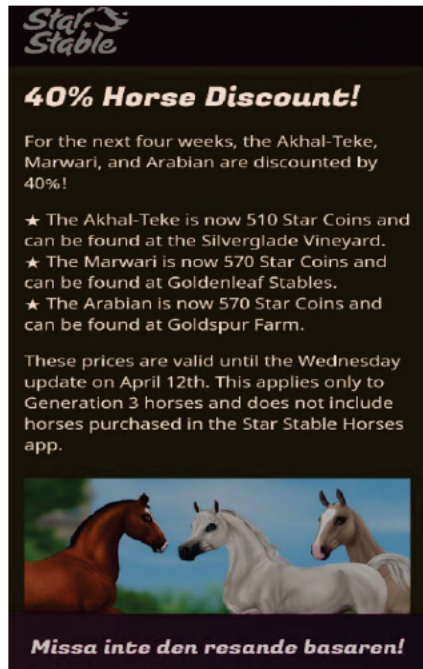
*“Double Star Coin Weekend  
Saddle up for a limited-time offer! [...] Grab this two-fold treat before May 27, 15:00 UTC!”*



[REDACTED]

*“40% Horse Discount!*

*For the next four weeks, the Akhal-Teke, Marwari, and Arabian are discounted by 40%! [...] Don't miss the travelling Baazar!”*




**Star Stable**

### 40% Horse Discount!

For the next four weeks, the Akhal-Teke, Marwari, and Arabian are discounted by 40%!

- ★ The Akhal-Teke is now 510 Star Coins and can be found at the Silverglade Vineyard.
- ★ The Marwari is now 570 Star Coins and can be found at Goldenleaf Stables.
- ★ The Arabian is now 570 Star Coins and can be found at Goldspur Farm.

These prices are valid until the Wednesday update on April 12th. This applies only to Generation 3 horses and does not include horses purchased in the Star Stable Horses app.



**Missa inte den resande basaren!**

*“Don't miss out on these amazing offers: [...] Hurry and check it out now!”*



← [Redacted]



♥ 🔍 📌 [Redacted]

9 517 [Redacted]

starstableonline Don't miss out on these amazing offers.

- 🐾 Majestic Shire Horse & Charming Irish Cob - 40% OFF!
- 🐾 Sweet and Playful Welsh Pony - 50% OFF!
- 🐾 Some coat variations from the Star Stable Horses app are now at the Bazaar with a fab 40% OFF!

Hurry and check it out now! 🌟💖

The CPC Network considers that, in general, time-limited offers contained in a video game environment encourage immediate purchase decisions, particularly influencing children's transactional decision. Children are more

sensitive to exposure to commercial practices and tend to make choices quickly.<sup>37</sup> Time-limited offers give children a sense of urgency, and sparks a fear of missing out on an opportunity, why can be reinforced by the limited playing time children may have, which is usually not 24 hours a day, 7 days a week, due to restrictions imposed by parents and other adults.

**Against that background, the CPC Network considers that SSO's time-limited practices unduly influence children's transactional decision and constitute an aggressive commercial practice in violation of Articles 8 and 9 of the UCPD. Therefore, the CPC Network requests Star Stable Entertainment to ensure that there are no time-limited practices that are unduly influencing children to buy in-game content.**

**Legal framework:**

- Articles 5, 8 and 9 of the UCPD

**2.3 Star Coins, SSO's in-game virtual currency<sup>38</sup>**

While playing SSO, consumers can encounter different types of in-game currencies, hereunder:

- 'Jorvik Shillings', that can only be obtained in-game through gameplay by completing quests, races or in exchange of in-game items.
- 'Star Coins', which can be obtained either as part of the Star Rider Membership or codes redeemed on Star Stable's website or mobile launcher or purchased in exchange for real-world money.
- In addition, there are 'tokens' that can be acquired as rewards for some tasks during festivals.

Theoretically, the video game can be played up to level 5 without monetary payment. To access the entire game, and thereby unlock more quests and events, consumers must buy a Star Rider Membership. [REDACTED]

However, given the overall design of the video game and marketing on social media platforms described above, which creates pressure and drives consumption of in-game items, the CPC Network considers that there is a major risk that, after becoming a Star Rider Member, children will not wait 9 weeks to save-up Star Coins to buy new horses such as Noriker (900 Star

<sup>37</sup> Please refer to the section 2.1.2 on "Children as vulnerable consumers" of this common position.

<sup>38</sup> In-game virtual currency is to be understood as digital representations of value that are purchased with real-world monetary value and then used by consumers to pay a price in exchange for the supply of in-game digital service or content within a video game. For further explanation, see section 2.3.1 below.

Coins), only available to players from level 6 (i.e., not accessible for non-Star Riders). Similarly, it is not likely that consumers, especially children, will perform enough tasks or spend enough time playing the video game, to save enough Jorvik Shilling to be able to buy the horse. Therefore, the CPC Network considers that the likelihood of children being tempted to buy Star Coins and use it is high.

### **2.3.1 Purchasing in-game virtual currency (Star Coins)**

Star Coins can be purchased in exchange for real-world money in the Star Stable Entertainment's Web Store, Launcher Store, Mobile Store as well as in SSO's Global Store and SSO's shops. According to Star Stable Entertainment "*available in-game currencies, including Star Coins, are in-game items*" and "*not a digital representation of value*". The CPC Network does not agree with this assessment.

In-game virtual currencies that serve no other purpose than as a method of payment, or for which other functions are secondary to providing for a method of payment, are digital representation of value.<sup>40</sup> Consequently, in-game virtual currencies that are purchased with real-world currency and then used by consumers to pay a price in exchange for the supply of in-game digital content or service within a video game are digital representation of value. In such cases, both the purchase of in-game virtual currency with real money and their subsequent spending in exchange for the supply of digital content or services, is subject to the mandatory rules on European consumer protection legislation<sup>41</sup>, just like purchases with real-world currencies.

It is clear from the CPC Network's investigations and its exchange with Star Stable Entertainment that Star Coins are an in-game virtual currency that can be purchased in exchange for real-world currency and is not used for any other purpose than purchasing in-game digital content or services. Therefore, Star Coins are digital representation of value. Consequently, Star Stable Entertainment should comply with European consumer protection laws when offering Star Coins to consumers.

Price information is a material information. To make an informed purchase decision, consumers should be provided with clear, transparent, and fair price information. Traders should not engage in unfair and aggressive practices, or design video games in ways that can cause consumers to spend more real-

---

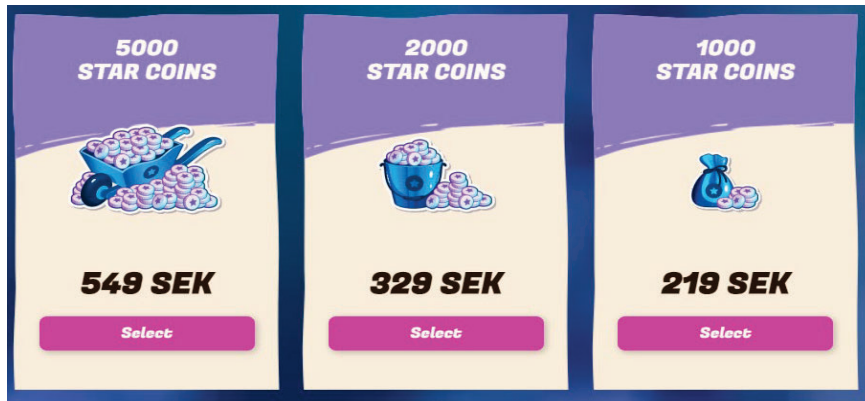
<sup>40</sup> Please refer to section 23 of the preamble of the Directive (EU) 2019/770 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the supply of digital content and digital services (DCD), available at: [Directive - 2019/770 - EN - EUR-Lex](#). See also the position of the CPC Network expressed in the Key Principles on In-game Virtual Currencies, available at: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_831](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_831).

<sup>41</sup> Especially, the UCPD, the CRD and UCTD.

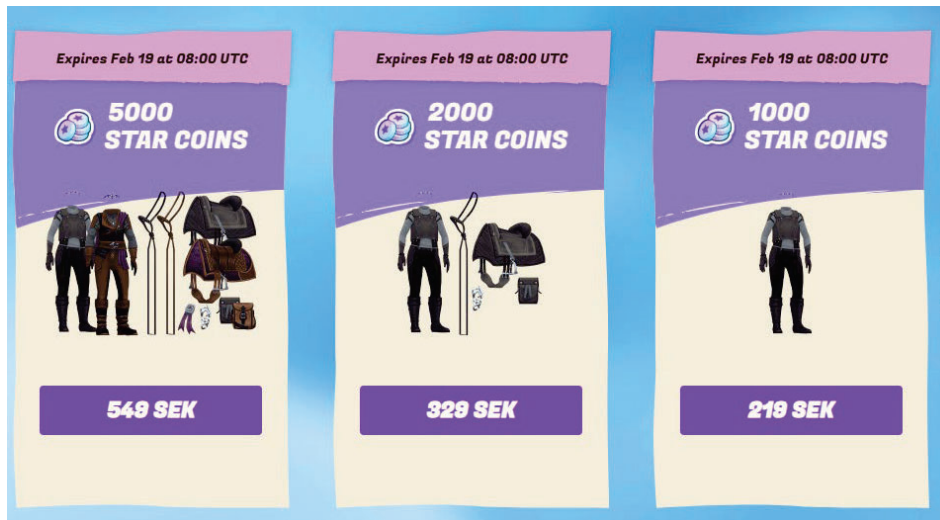


world money to buy in-game virtual currencies than they otherwise would have done.<sup>42</sup>

The CPC Network considers that the use of predetermined bundles of Star Coins mismatching the value of purchasable SSO's in-game digital content and services prevents consumers themselves from choosing the amount of Star Coins they wish to purchase. This means that consumers are likely to purchase more than necessary or be left with unusable amounts that require further real-world money spending to be able to use.



In addition, the CPC Network has identified bundles that combine the purchase of Star Coins and in-game items, leaving the consumer with no information on the actual cost of the Star Coins, but only the total cost of the bundle (i.e. in-game item + Star Coins).



<sup>42</sup> See Articles 5, 8 and 9 of the UCPD. Please refer also to the position of the CPC Network expressed in the [Key Principles on In-game Virtual Currencies](#).

**Therefore, the CPC Network requests Star Stable Entertainment to review its practices of bundling Star Coins and bundling Star Coins together with other items on all accessible channels to consumers, including SSO and the webpage [starstable.com](https://starstable.com), to ensure that consumers are not unduly influenced to take a transactional decision they otherwise would not have made. In addition, the CPC Network requests Star Stable Entertainment to ensure that consumers are always informed about the price in real-world money of the Star Coins and in-game items, at the time of the purchase.**

**The CPC Network also stresses the importance of Star Stable Entertainment adapting its information and commercial practices relating to the purchase of in-game virtual currency to children.**

**Legal framework:**

- Recital 23 of the DCD
- Article 6 (1) (e) of the CRD
- Articles 5, 8 and 9 of the UCPD

***2.3.2 Purchasing digital content or services with in-game virtual currency***

As explained above in section 2.3.1 and despite Star Stable Entertainment position, the CPC Network considers purchasable Star Coins as digital representation of value serving no purpose other than, or primarily serving for the purchase of SSO's in-game digital content or services. Consequently, Star Stable Entertainment's commercial practices related to the supply of SSO's in-game virtual items or services in exchange for the purchased Star Coins, are subject to European consumer protection legislation.

When offering in-game purchases in exchange for paid in-game virtual currencies, traders must ensure that they comply with the information obligations of the CRD and the UCPD. To make informed transactional decisions, consumers should be provided with material information, in particular, on the main characteristics of the in-game items available for purchase, their total price and the existence and conditions of the consumer's right of withdrawal. This information should be provided in a clear and comprehensible manner. The price should be indicated based on what the consumer would have to pay in full for the required amount of in-game virtual currency, without applying quantity discounts or other promotional offers. In any event, traders should refrain from using unfair commercial practices that cause, or are likely to cause, the consumer to take a transactional decision that he would not otherwise have taken.<sup>43</sup> The price of virtual items must be clearly

---

<sup>43</sup> Article 5 of the UCPD.

and prominently displayed in real world currency when the commercial transaction takes place.<sup>44</sup> Practices that obscure the true cost of products are likely to be considered misleading or aggressive, thus being prohibited under the UCPD.<sup>45</sup> Particularly in combination with other mechanics, such as social pressure to consume caused by social media marketing or by visuals which are particularly appealing to children, designed to influence the consumers' willingness to spend real-world money.

The CPC Network is of the opinion that paid in-game virtual currencies complicate purchases by adding another conversion step between the spending of real-world money and the purchase of in-game items. This can blur the true cost of in-game items, and cause consumers to overspend compared to what they otherwise would have or be left with unusable amounts of in-game virtual currency, which in turn encourage additional purchases.<sup>46</sup> Therefore, the CPC Network stresses the importance of the compliance with the legal obligations of information mentioned above.

In SSO, the price of in-game items is only displayed in Star Coins, Jorvik Shilling and Tokens. The price of in-game items that can be bought with purchased Star Coins is not displayed in real world currency. For example:



The CPC Network considers that there is no reason why the price of SSO's in-game items should be unreasonably difficult to calculate. Although consumers may acquire Star Coins in different ways and quantities, this does not impact the price of the in-game items themselves. In-game items should therefore be indicated based on what the consumer would have to pay in full for the required amount of in-game virtual currency, without applying quantity discounts or other promotional offers. The price must constitute an objective

<sup>44</sup> See also UCPD Guidance, section 4.2.9, p. 103.

<sup>45</sup> Articles 6 to 9 of the UCPD.

<sup>46</sup> Raghubir & Srivastava, Monopoly money: the effect of payment coupling and form on spending behaviour (2008), and Prelec & Loewenstein, The Red and the Black: Mental Accounting of Savings and Debt (1998).

reference for what the real-world monetary cost is, regardless of how the consumer acquires the means to purchase it.

**Therefore, the CPC Network requests Star Stable Entertainment to, when in-game items are offered in exchange for real-world money or in-game currencies that the user can obtain by purchasing it with real-world money, such as Star Coins, display information about:**

- **the price in real-world money,**
- **the main characteristics of the in-game items, and**
- **the existence and conditions of the consumer's right of withdrawal.**

**The CPC Network stresses the necessity to adapt such information, in a way that children can understand.**

**Legal framework:**

- Article 6(1) of the CRD
- Articles 5, 6(1), 7, 8 and 9 of the UCPD

## **2.4 Influencer marketing**

[REDACTED]

It should be noted that the CPC Regulation is applicable to infringements that have already ceased before enforcement starts or is completed according to the CPC Regulation's Article 2(1). This means that the CPC Network can investigate practices that have taken place in the past and no longer exist.

[REDACTED]

Influencer marketing involves the promotion of specific brands or products through influencers using the positive impact that they are likely to have on consumer perceptions. An influencer can be a person or (virtual) entity that monetises<sup>49</sup> their social media presence and produces online content on a regular basis, acting in their own name or in the name of or on behalf of a trader.<sup>50</sup>

Against this background, the CPC Network considers any content creator that regularly produces content for Star Stable Entertainment's social media

[REDACTED]

<sup>49</sup> According to the UCPD Guidance section 4.2.6, p.97, this could include, for example, payment, discounts, partnership arrangements, percentage from affiliate links, free products (including unsolicited gifts), trips or event invitations.

<sup>50</sup> Ibid. Also, read more about the European Commission recommendations and good practices for influencers here: [Influencer Legal Hub](#).

channels<sup>51</sup> and receives payment or remuneration of any kind to be an influencer. The commercial practices of these affiliated influencers including content creators fall under consumer protection legislation. In addition, Star Stable Entertainment has a professional diligence obligation to ensure that its influencers are clearly disclosing commercial content.

Under Articles 6 and 7 of the UCPD, the failure to clearly disclose the commercial nature of the influencer's content could amount to a misleading practice. In addition, given that the relationship that influencers build with their audience is often based on trust and a personal connection, their behaviour could even in some cases amount to an aggressive commercial practice through the use of undue influence, which is prohibited by UCPD Articles 8-9. This is particularly relevant when the main target audience of an influencer includes vulnerable consumers, such as children.<sup>52</sup>

Influencers' commercial communications should be clearly indicated as such, unless already apparent from the context.<sup>53</sup> The disclosure of the commercial element must be clear and appropriate, taking into account the medium in which the marketing takes place, including the context, placement, timing, duration, language, target audience and other aspects. The disclosure must be sufficiently salient to adequately inform the average or vulnerable consumer that receives the content. For example, the disclosure cannot be considered adequate in case the information concerning the commercial communication is not displayed prominently (e.g. hashtags at the end of a lengthy disclaimer; merely tagging a trader, using words that are not clear, e.g. "sponsored", "ad", "affiliate") or requires the consumer to take additional steps (e.g. click on 'read more').<sup>54</sup> The CPC Network has issued recommendations covering several principles that should be considered when disclosing commercial content, e.g., to use the wording "advertisement", to clearly distinguish the disclosure from other features and text, consider factors such as colour, font and level opacity and the placement.<sup>55</sup>

It is important to note that the failure to clearly disclose the commercial element in an influencer's content could be attributed both to the influencer and/or to the trader that has engaged the influencer and benefits from the influencer's endorsement.<sup>56</sup> As mentioned above, Stable Entertainment is subject to its own obligations of professional diligence under the UCPD. This

---

<sup>51</sup> For example, Instagram and YouTube.

<sup>52</sup> Studies show that children have significant difficulties in recognising digital advertisements, for example on social media platforms, where marketing is to a high degree blended with non-commercial content, in other words deeply embedded in the context of digital media. See for example Rozendaal, Buijzen, Children's vulnerability to advertising: An overview of four decades of research (1980s-2020s), 2023.

<sup>53</sup> Article 7(2) of the UCPD.

<sup>54</sup> See UCPD Guidance, section 4.2.6, p.97.

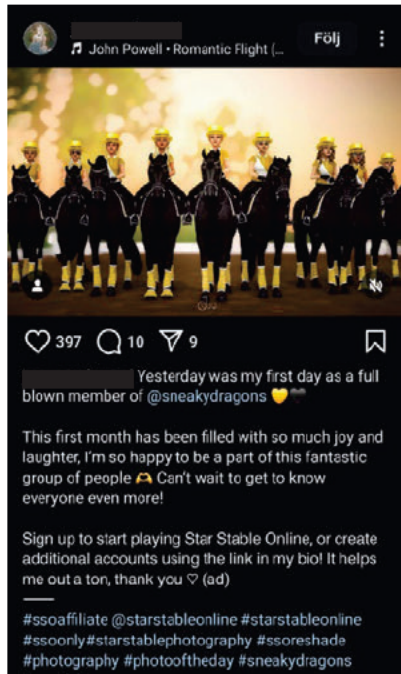
<sup>55</sup> CPC Network's "5 Key Principles on Social Media Marketing Disclosures": [6099530c-b21f-4f69-87b3-0681a2a63650\\_en](https://www.cpc-network.eu/en/6099530c-b21f-4f69-87b3-0681a2a63650).

<sup>56</sup> Article 5(2) of the UCPD.

includes the obligation to take appropriate measures to ensure that influencers comply with their obligations under EU law.

The CPC Network has identified commercial content regarding SSO on social media platforms without clear and appropriate disclosures.

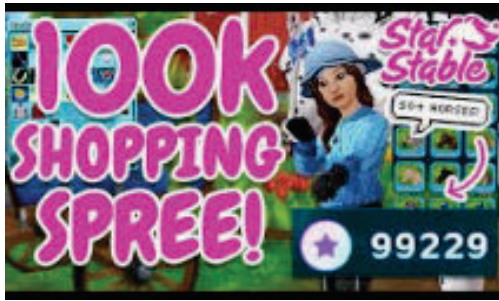
For example, this is the case for posts on Instagram by influencers who, at the time, were part of Star Stable Entertainment's affiliate programme. In this case, the disclosure "(ad)" was placed at the bottom end of the text in the post, and the consumer had to click "read more" to read it, not making it obvious for the consumer that the content was commercial:



There are also several videos on YouTube displaying "shopping sprees" where the persons in the videos have vast amount of Star Coins used to buy horses and other in-game items without disclosures. [REDACTED]

[REDACTED] See example below:





[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Given the above including children's difficulties to identify commercial content embedded in digital media, it is of the CPC Network's opinion that this minimum requirement is not sufficient to comply with the UCPD.

**Against this background, the CPC Network concludes that Star Stable Entertainment has not taken sufficient measures to ensure that commercial content presented by influencers was disclosed in accordance with the UCPD. Star Stable Entertainment has, therefore, failed to meet the requirements on professional diligence of Article 5(2) of the UCPD. Therefore, the CPC Network requests Star Stable Entertainment to remedy this failure in the existing and future influencers' advertising and commercial communications related to SSO.**

**Legal framework:**

- Articles 5(2), 6 and 7(2) of the UCPD

[REDACTED]