

8.9 MILLION SONY PLAYSTATION CUSTOMERS COULD BE OWED A SHARE OF UP TO £5 BILLION FOR OVERPRICED GAMES & IN-GAME PURCHASES

- Legal claim accuses Sony PlayStation of “ripping people off” by charging a 30% commission on every digital game and in-game purchase made through the PlayStation Store.
- The case argues that Sony is in breach of competition law by abusing its market power to impose unfair terms and conditions on game developers and publishers, forcing up prices for consumers.
- Consumer champion Alex Neill says that the case could be worth up to £5bn, and without this intervention, 8.9 million UK consumers wouldn’t stand a chance of getting redress.

LONDON – 22 August 2022 – Nearly 9 million Sony PlayStation customers in the UK could claim a share of up to £5bn in damages according to a legal claim filed at the Competition Appeal Tribunal on Friday.

The legal claim is a collective action against Sony PlayStation, brought by consumer rights expert Alex Neill, which argues that the games console giant breached competition law by unlawfully overcharging PlayStation customers.

The claim sees Sony accused of abusing its market dominant position to impose unfair terms and conditions on PlayStation game developers and publishers, which results in excessive and unfair prices for consumers every time they buy digital games or in-game content from the PlayStation Store. This has resulted in UK consumers being overcharged for their digital gaming purchases by potentially as much as £5 billion over the last six years.

According to the claim filed with the Competition Appeal Tribunal on Friday, anyone in the UK who has purchased digital games or add-on content on their console or via the PlayStation Store since 19 August 2016 is included in the claim and is potentially entitled to compensation. The estimated damages per individual member of the class is between £67 and £562 excluding interest.

“The game is up for Sony PlayStation,” commented Class Representative Alex Neill. “With this legal action I am standing up for the millions of UK people who have been unwittingly overcharged. We believe Sony has abused its position and ripped off its customers.”

“Gaming is now the biggest entertainment industry in the UK, ahead of TV, video and music and many vulnerable people rely on gaming for community and connection. The actions of Sony are costing millions of people who can’t afford it, particularly when we’re in the midst of a cost-of-living crisis and the consumer purse is being squeezed like never before.”

Gaming: from niche to mass market

Gaming is big business globally and the industry has changed hugely in recent years as many games now make available additional content, which can be purchased directly when playing the game. Some of the most popular games are free to play but rely on in-game spending as the main source of revenue. Commercially, this type of model is now far more profitable than simply selling a copy of a game. Players must pay to progress, unlock more features, or customise their experience with new characters or weapons. Globally, the video gaming industry generated USD 54 billion from in-game purchases like this in 2020*.

Gaming is no longer a niche hobby; over 60% of UK adults regularly play a game across either a console or their mobile device** and 93% of UK 10-16-year-olds play online games regularly***. In the UK, over half (56%) of people who own a games console are from a poorer background**** and approximately 20% of gamers identify as having a disability*****.

ParentZone, experts who support families in a digital world, reported that children now feel under pressure to make in-game purchases, with almost half believing that video games are only fun when you spend money.

It's this changing landscape that explains why Alex Neill believes companies like Sony need to be urgently held to account to protect consumers from further harm. *"This case goes right to the heart of Sony's business model,"* Alex says.

"The drive towards in-game purchases allows companies like Sony to profiteer and abuse their power because they have a captive audience. Sony knows its customers are hooked once they are part of the PlayStation world and it exploits them with exorbitant charges on every digital purchase."

"Collective proceedings like this are vital because they provide the opportunity for us to hold large companies to account on behalf of consumers who deserve to be treated fairly and get back what they're owed."

Alex Neill is advised by law firm, Milberg London LLP. The partner leading the case is Natasha Pearman, who says:

"Sony dominates the digital distribution of PlayStation games and in-game content; it has deployed an anti-competitive strategy which has resulted in excessive prices to customers that are out of all proportion to the costs of Sony providing its services."

"This claim is only possible because of the opt-out collective action regime that was introduced by the Consumer Rights Act 2015; a regime which Alex fought to introduce. We are looking forward to working with Alex and making sure that the regime achieves its aims of protecting and compensating consumers."

The action is funded by Woodsford, a leading ESG, access to justice and litigation finance business, so class members will not have to pay any of the costs of the action themselves. Charlie Morris, Chief Investment Officer for Woodsford, commented:

"Woodsford is proud to be funding Alex Neill and we are determined to help her hold Sony to account for its anti-competitive behaviour. Litigation finance of the kind provided by Woodsford is fundamental to these actions; it levels the playing field, provides consumers with equality of arms and affords access to justice so that big businesses like Sony cannot take advantage of consumers in this manner without consequence."

Robert Palmer QC and Fiona Banks of Monckton Chambers act for Alex Neill, instructed by Milberg.

Anyone who has purchased digital games or in-game content in the UK on their console, via the PlayStation Store since 19 August 2016, is automatically included and potentially entitled to compensation. They do not need to take any further action at this stage. Those impacted are encouraged to sign-up at www.playstationyouoweus.co.uk to be kept up to date on the case.

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* <https://www.statista.com/statistics/558952/in-game-consumer-spending-worldwide/>

** https://www.ofcom.org.uk/data/assets/pdf_file/0020/234362/adults-media-use-and-attitudes-report-2022.pdf

** https://parentzone.org.uk/sites/default/files/2021-12/PZ_The_Rip-off_Games_2019.pdf

***https://www.scope.org.uk/campaigns/research-policy/accessibility-in-gaming/?gclid=EAlalQobChMIs9aN97G8-AIVjd_tCh3sRQe4EAAYASAAEgJY8fD_BwE

**** https://www.ofcom.org.uk/__data/assets/pdf_file/0015/219102/technology-tracker-2021-data-tables.pdf Table 24

Notes to Editors:

Media Enquiries

Please contact Emma at Kendal Advisory –

Emma Allsebrook
Eallsebrook@kendaladvisory.com

About Alex Neill

Alex is a consumer champion with nearly 20 years' worth of experience leading consumer campaigns and achieving change for UK consumers. She is passionate about helping consumers to make the right choices, access support when things go wrong and get redress when things can't be fixed.

Alex has been the CEO of the Resolver Group since December 2019, leading the UK's largest consumer complaints website providing around a million consumers with free help. Prior to Resolver, Alex spent more than a decade at consumer champion Which? in senior roles such as Managing Director of Home Products and Services and Director of Policy, Campaigns and Communications.

She has held leadership roles in consumer-focused businesses and has expertise in understanding consumers and building strong, purpose-driven brands, products and services that deliver the right resolutions for all.

A passionate and approachable leader who enjoys communicating, Alex is a regular speaker at industry events concerning consumer issues and consumer rights across all sectors. She is available for comments and interviews across all consumer issues in the UK.

Alex Neill is the sole director of Alex Neill Class Representative, the not-for-profit special purpose vehicle that has been incorporated with the specific purpose of pursuing the claims against Sony.