

CMA secures changes to Xbox subscription practices

Press release

The CMA has secured improvements for Xbox online players, following concerns about Microsoft's use of auto-renewing subscriptions for online gaming services.



The changes relate to Microsoft's practices in relation to the automatic renewal of contracts for online gaming services. Microsoft's Xbox Live Gold and Game Pass products allow people to access a library of games and play together online. They are offered as memberships which are often entered into on an auto-renewal basis. This means that membership is automatically rolled over at the end of each contract period and the customer charged unless they actively take steps to stop the subscription.

As part of an investigation into the online console video gaming sector the Competition and Markets Authority (CMA) identified concerns about certain features of Microsoft's auto-renewing subscriptions, in particular: whether it was clear upfront that contracts would automatically renew; how easy it was to turn off automatic renewal; and whether people may not have realised they were still paying for services they no longer used.

The CMA has secured undertakings with Microsoft which are designed to address these concerns. The improvements include:

- Better upfront information: Microsoft will provide more transparent, upfront information to help customers understand their Xbox membership – making clear, for example, that the subscription will auto-renew unless the customer turns off auto-renewal; when the subscription will auto-renew; how much it will cost; and how the customer can receive a refund after an accidental renewal
- Refunds: Microsoft will contact existing customers on recurring 12-month

contracts and give them the option to end their contract and claim a pro-rata refund

- Inactive memberships: Microsoft will also contact existing customers who haven't used their memberships for a long time but are still paying. These customers will be reminded how to stop payments, and if they continue not to use their memberships, Microsoft will ultimately stop taking further payments
- Better information about price increases: Microsoft will give clearer notifications of any future price rises, and will ensure people know how to turn off auto-renewal if they don't want to pay the higher price

Michael Grenfell, Executive Director of Enforcement at the CMA, said:

Gamers need to be given clear and timely information to make informed choices when signing up for auto-renewing memberships and subscriptions. We are therefore pleased that Microsoft has given the CMA these formal undertakings to improve the fairness of their practices and protect consumers, and will be offering refunds to certain customers.

Other companies offering memberships and subscriptions that auto-renew should take note, and review their practices to ensure they comply with consumer protection law.

Full details of the undertakings are available [on the CMA's website](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
2. Microsoft, as referred above, consists of Microsoft Limited and Microsoft Ireland Operations Limited.
3. The undertakings apply to contracts between Microsoft and consumers for the supply of Xbox Live Gold, Game Pass and Game Pass Ultimate (or any online video gaming product which replaces, rebrands or includes these products) which are associated with a console and subject to auto-renewal.
4. For the avoidance of doubt, the offering of these undertakings is not an admission that any person or firm has breached the law. Only a court can decide whether a breach has occurred.
5. An undertaking is a voluntary agreement a firm makes to address an enforcement authority's concerns and resolve an investigation without the need for court action.
6. The key pieces of consumer protection legislation relevant to the CMA's investigation are: the Consumer Protection from Unfair Trading Regulations 2008 (CPRs); Part 2 of the Consumer Rights Act 2015 (CRA); and the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs). The CPRs contain a general prohibition

against unfair commercial practices and specific prohibitions against misleading actions, misleading omissions and aggressive commercial practices. Part 2 of the CRA aims to protect consumers against unfair contract terms and notices, and requires contract terms to be fair and transparent. The CCRs regulate the information that should be provided to consumers before they make a purchase, cancellation rights for certain contracts and the use of pre-ticked boxes for additional payments.

Published 26 January 2022