

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Epic Games, Inc.
File No. 192 3203

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing a consent order from Epic Games, Inc. (“Respondent”). The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement’s proposed order.

Respondent is the developer and distributor of the video game Fortnite. Respondent bills users for the purchase of virtual currency (V-bucks) and also bills users’ V-bucks for the purchase of items within Fortnite. This matter concerns Epic’s (1) billing for charges without having obtained account holders’ express, informed consent and (2) deactivating the accounts of consumers who exercise their right to dispute charges.

The Commission’s proposed complaint alleges that Epic saved parental credit card information by default and permitted subsequent unauthorized purchases by children. Specifically, children were permitted to make V-bucks purchases simply by pressing buttons, without parental or card holder action or consent (for example, without entry of a pin, password, or CVV number). Epic has also billed users of all ages for unauthorized V-bucks charges within Fortnite; Epic designed purchase flows within the game so that unwanted charges were easy to incur, as Epic was aware from the more than one million complaints it received about the issue. Finally, Epic has deactivated—in many cases, permanently—the accounts of consumers who disputed unauthorized charges, denying them access to paid-for content.

The proposed consent order contains provisions designed to prevent Respondent from engaging in similar acts or practices in the future. Part I prohibits Respondent from billing consumers for charges without procuring their express, informed consent. Part II bars Respondent from denying consumers access to their accounts based on their exercise of chargeback rights. Part III requires Respondent to pay \$245,000,000 in monetary relief. Part IV contains additional requirements regarding monetary relief. Part V requires Respondent to provide sufficient customer information to enable the Commission to administer consumer redress.

Parts VI through X are reporting and compliance provisions. Part VI requires Respondent to acknowledge receipt of the order, to provide a copy of the order to certain current and future principals, officers, directors, and employees, and to obtain an acknowledgement from each such person that he or she has received a copy of the order. Part VII requires Respondent to file a compliance report within one year after the order becomes final and to notify the Commission within 14 days of certain changes that would affect compliance with the order. Part VIII requires Respondent to maintain certain records, including records necessary to demonstrate compliance with the order. Part IX requires Respondent to submit additional compliance reports when requested by the Commission and to permit the Commission

or its representatives to interview Respondent's personnel. Finally, Part X is a "sunset" provision, terminating the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed order or to modify its terms in any way.