

Get to Know Gaming - Spending

Audio transcript

The cost of gaming is important to understand, not just the price of games and consoles, but also how much you can spend when playing the games themselves and how quickly the amounts can add up without you realising it.

It's important for parents to have a bit of caution in this area, kind of think ahead and spend time understanding how money might be spent, and then part of that is knowing which credit cards are linked to gaming accounts, and then making sure there's a pin on those accounts so no one else can make those transactions without having that number. And if it's a child, then they'd need to ask the parent before doing that. That also means that if a child has a bank account, they can use that as a really nice way to track what they're spending in a game and how that compares to other real world spending, and also modern consoles have reporting built in and they will tell you what your child is spending. They'll give you an email report and again, you can see where the money's going and you can get together with your child and talk about or what is good value. You purchase this item in the game, did that feel a good value? And how does that compare to other things you might have bought in the real world?

One of the ways that makes spending so easy is in game purchasing, the things you can buy to boost your character, access new outfits, or help you complete the level.

In a game, you don't just have one upfront cost, children will want to buy things that make the game more fun, and these come in different forms, they're often quite small in value. These purchases in the game are using an in-game currency, so you'll buy some of this currency with some real money and then you spend it in the game. So again, children can need some help to understand the actual value of the items as they convert from the in-game currency to the real world currency. So, helping with that regulation is a really important thing that parents can do.

Ways of games companies generating revenue within the game itself keep evolving all the time. Ever heard of loot boxes?

The loot boxes are a particular sort of in-game purchase, and they're unusual because you don't know what's inside them until you make the purchase, and that could be a really rare item that a child is excited to get, or it could be a really common item that actually maybe they've got already and they're not too fussed about. A really nice feature that all modern consoles offer is a disclosure of what the chances are of getting different items in the loot boxes you're purchasing, so it will tell you there's a 1% chance of getting the very rare items for instance, and a higher chance of getting the very common items. So helping a child understand what their purchase may result in, in terms of the item they get in the game is a really useful way to help them regulate how they're spending and also assess if this is good value, and is this something that they want to purchase.

Loot boxes are about uncertainty and surprise, and of course, that's enticing. You want to be the same, if not better than your friends. Helping your child learn to stop and think before they make the purchase can help avoid out of control spending.

Using gamers as money mules is another new development that is good to be aware of. With all the money games are generating, it's not surprising that criminals have taken an interest. They approach young people via in-game chat or another chat platform and persuade them to deposit funds into their bank accounts. The money is then transferred on. This can either be presented as a job or in exchange for commission, billed as easy money of course, or because they have been threatened. But basically this is money laundering.

Fraudsters can also gain access to bank accounts to transfer stolen money without the child knowing. Of course, they can claim to be innocent victims, but an offence like fraud is recorded and can block their lives in the future. Banks and the police have a high detection rate for this and the penalties can be severe, including having bank accounts closed or making it difficult to apply for a loan, credit card, or mortgage in later life. It can affect children's future employment prospects or education and can even lead to prison. So what can you do and how do you spot the signs that your child may have been approached or may even be involved? Maybe they suddenly have more money to spend, or aren't asking to borrow any look for the signs, spot the clues, know how the criminals operate.

An important and effective thing you can do as a parent is to make sure your child's account is set up appropriately so they can't be identified by their account username, and they know not to share other information. Then if your child does report anything untoward happening in a game, you can use the in-game tools to report those other players or can use services like Action Fraud who are specialists in this area.

Spending money in gaming can actually be quite healthy. If you think about budgeting, prioritising, and learning to say no, those micro transactions can actually be a good lesson and teacher in later life money management. But if those transactions begin to add up into huge sums, that can be a problem and that can negatively impact your child's mental health.

It can be a lot to take in, but as a parent you can have a huge impact just by being aware, setting limits, using strong passwords, and talking to your children frequently. Keep in mind that the risks are small and should be viewed against the fun and creativity that gaming can offer.