

When conducting research into gambling, **75% of young people** identified gamblers as old men, dirty tramps, men covered in bling, homeless people, crackheads... the list can go on. We asked if young people gamble and all they all said no.

However, are young people engaging in gambling style features when they engage in microtransaction purchases?

Close to two million young people are exposed to gambling through loot boxes in games and apps with them spending **£270 million** on microtransaction purchases last year. Graphics and visuals on games and when purchasing additional content have gambling style elements.

There have been many calls for a change in legislation to include these style games into the gambling regulations but currently the law does not view paying money to win virtual goods as a form of money exchanging which is why in-app purchases are not seen as a form of gambling.

What is gambling?

Gambling is taking part in a game during which you risk money, or something of monetary value, in order to win money or a prize. This can be in many different forms such as lotteries, slot machines, casinos, poker or sports betting to name a few. There are different legal ages for gambling style activities, with most games requiring you to be over 18 to play.

What is a microtransaction?

Buying, with either virtual or real money, additional content or services within an app.

There are different forms of purchases but the ones we are looking at in this document are loot boxes, skins, FUT packs.

Are they the same?

Most gambling activities have an age limit of 18 whereas gaming has no age limit to purchase content. Unlike gambling you are guaranteed to receive a prize when opening a loot box/skin/pack however you do not know what that prize may be. Both activities require the spending of money and based on luck with no guaranteed outcomes.

The issue being raised is both activities are similar in the psychological sense; They have addictive content which activate the brains chemical reward system and create feelings of uncertainty, anticipation and excitement.

When young people engage in the activity of opening loot boxes they experience euphoria at getting the prize they want and disappointment when they don't. The issue starts as their brain becomes used to the rewards and craves more. Then worry is, as the person searches for the bigger reward they look at bigger rewards and activities to satisfy the craving.. When someone gambles they experience euphoria at winning but severe disappointment when they don't or experience a loss, particularly if they are chasing losses. Gamblers feelings can become heightened if they are chasing loses or betting to win money because they need it.

The other issue to be raised is how the graphics and sounds of loot boxes opening sound like gambling activities.

Listen to the sound of a loot box opening.

What noises can you hear?

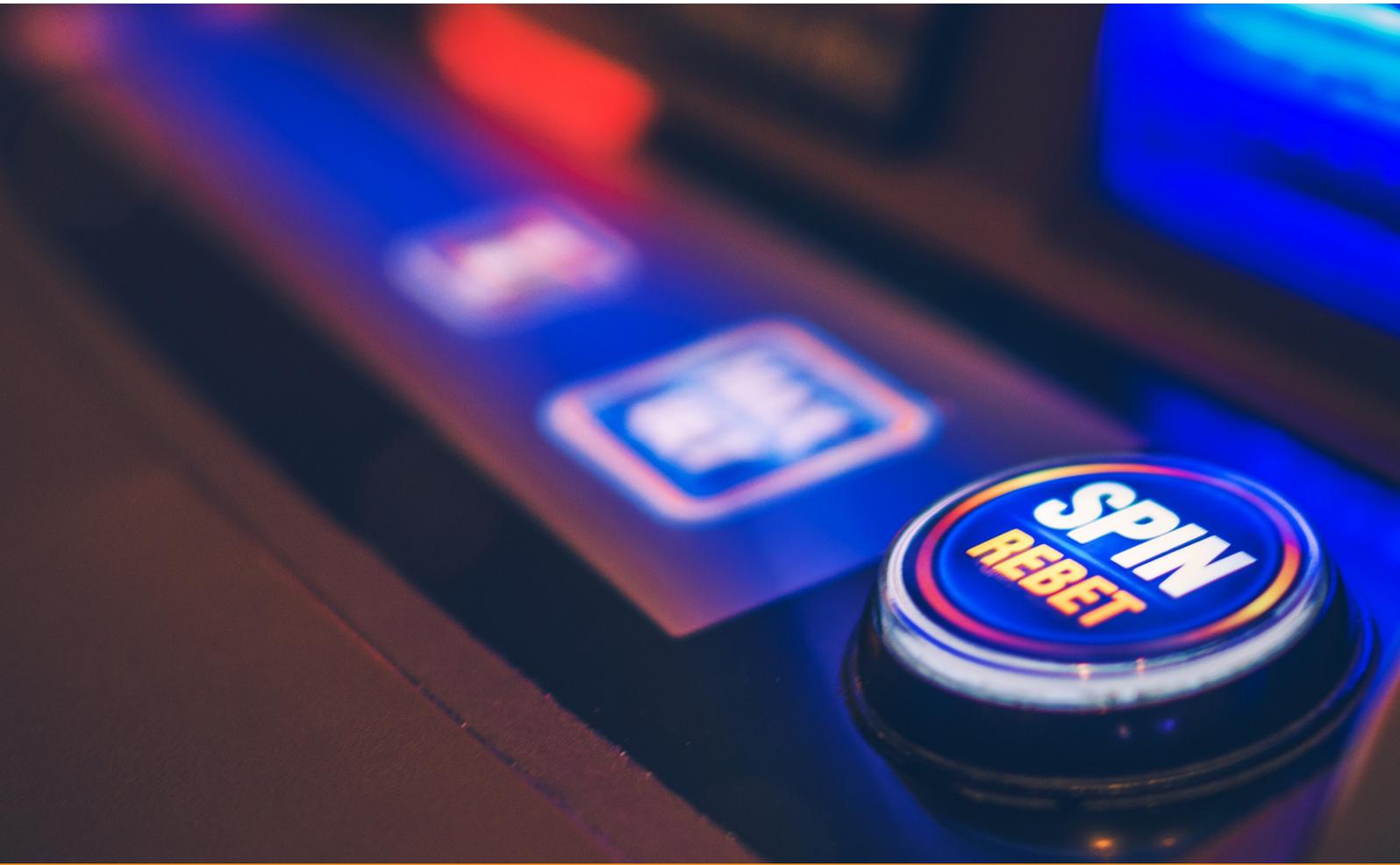
Now listen to the sounds of some gambling style activities.

What noises can you hear?

Many people have commented hearing the sound of a ball spinning on a roulette wheel, along with sounds of a casino or arcade. These sounds become familiar to a child and when passing an arcade their subconscious draws them over.

More and more young people are buying microtransaction purchases. The anticipation of what they might receive compels them to continue, the highs they receive when they get what they wanted is big. If they didn't receive what they wanted then although there is disappointment they will continue to purchase as they know there is a chance the next time they may get lucky.

A person sitting in front of a slot machine may not win, so they input more money with a belief that this time they may be lucky. Some might say what is the difference?



What are the odds?

The chance of winning the lottery is 1 in 45,057,474, million.

**The chance of winning the jackpot on a slot machine
is 1 in 262,144.**

The chance to get Ronaldo in a FIFA pack is 1 in 150,000.

The chance of a rare skin in Fortnite is 0.0001%.

Although the odds for microtransaction purchases is less than gambling activities, and even if you do not receive the player/skin/weapon of choice you know you will get something, young people will still be spending large amounts of money on microtransaction purchases. Reports of children running up large debts on their parents credit cards show that young people often do not realise they are spending real money, or the worth of money or, their quest to get the prize they wanted outweighs the cost, just like gamblers can do.



Whether or not you agree or disagree with microtransactions being too close to gambling there are actions you can take to help your child;

- **Teach your child the value of money.** Do they realise how much they actually spend or what they could spend their money on instead. AS they start earning their own money, help them think about saving, budgeting etc.
- **Set limits for spending money for microtransactions.** If you give them a set amount then once it has gone that is it. If they have their own money then they could use their own money to buy in-app purchases. Have them earning their money, with chores or odd jobs so they understand the value and saving, this is providing them with life skills.
- **Hold conversations with them around the odds of winning what they want.** If they knew they had to spend £X amount to get their desired 'prize' would they still do it?
- **Set parenting controls so they cannot spend without authorisation from yourselves,** to a set limit, or they cannot purchase at all. Discuss with your child what limits to impose and come to a joint conclusion. Your child will be more likely to engage and commit if they have had their say and agree on a decision.

