

Title: Parent Zone response to the Gambling Commission consultation on the national strategy to reduce gambling harms

In 2018, Parent Zone investigated the links between gaming and gambling. Our report - [Skin gambling: teenage Britain's secret habit](#) - revealed many hidden harms suffered by children who gamble virtual goods bought on video games. These harms include serious financial loss; habituation to gambling; and an undermined relationship with parents, who may be unaware that their children's lived experience includes gambling online. In light of this, our response will be focused on 'Priority Area 2: Prevention and Education', drawing on our expertise in helping families, educators, children and frontline services deal with this and other challenges of the digital age.

Parent Zone believes there needs to be a change in legislation to recognise loot boxes as a form of gambling and to tighten the regulation that allows skin gambling sites to proliferate.

Introduction to Parent Zone

Parent Zone specialises in providing support to parents and families responding to the challenges of a digital age. We are members of the Executive Board of the UK Council for Internet Safety (UKCIS), and co-chair the UKCIS Digital Resilience Working Group. As part of UKCIS, Parent Zone is working with other organisations to build a digital resilience framework to minimise the occurrence of online harms and to ensure that young people have the resilience needed to flourish in a digital world.

Our mission is to make the internet work for families. We reach over **five million families** a year through our various programmes including:

www.parentinfo.org our free national newsfeed service for schools delivered in partnership with the CEOP command of the National Crime Agency. Parent Info provides information to parents on all of the issues caused or amplified by the internet, from gambling to self-harm, cyberbullying to cybercrime.

Be Internet Legends, in partnership with Google, provides internet safety assemblies and curriculums to primary school children in England and Wales. In 2018, we reached over

120,000 children by delivering 608 assemblies and the programme is being scaled to reach more schools and families in 2019.

Dove Self Esteem Programme in partnership with Unilever. This programme helps parents to play their part in improving girls' self-esteem.

Digital Life Skills, in partnership with Vodafone Global, which delivers parent sessions designed to help parents build children's digital literacy and life skills. The programme is delivered in 9 countries including the UK.

Resilient Families Programme delivers to pupils, parents and professionals training on the subject of online radicalisation and extremism. The programme includes online and face-to-face training and has reached over 70,000 families since its launch in 2016.

Digital Schools, working with schools throughout the UK to provide a complete digital resilience-based education - including online safety lessons, online digital parenting courses and training for teachers and support staff.

Digital Families Events - our annual programme of events which includes an internet safety conference in partnership with CEOP, and the Scottish government's internet safety summit.

Finally, we conduct research with parents, children and professionals including (see Research and Reports section on the Parent Zone website:

Skin gambling: teenage Britain's secret habit

How are we doing? Research conducted with children to ask them how they think the first generation of digital parents is doing.

The Perfect Generation. Research with children and teachers to ask whether they felt social media was having an adverse impact on their mental health.

The Digital Family. An exploration of the risks and opportunities families face online

1. Our response

Our response reflects Parent Zone's work on the links between gaming and gambling, and in particular skin gambling. Our focus of this submission will be on "Priority 2: Prevention and Education" - to reveal the hidden harms of skin gambling and to show how we are supporting digital families and calling on policymakers to take action in this space.

First, the key findings of our skin gambling report demonstrates that a significant number of children are finding loopholes that enable them to gamble on unregulated skin gambling sites. Second, the 'hidden harms' of skin gambling will be explained, with a focus on the need for regulation and age-verification, as well as the development of gambling habits, and the impact of this on the financial wellbeing of families. Third, by using the 'gambling-related harms' diagram, we will demonstrate how Parent Zone is helping bridge parent-child knowledge gaps, influence policymakers, and leading the way on a much-needed skin gambling awareness-raising campaign. Despite our efforts, we still maintain that more needs to be done: without further regulation of skin gambling sites, or a change in legislation to recognise loot boxes as a form of gambling, children will continue to find ways to gamble online and be subject to harm. All of the above highlight why Priority 2 is viewed as a vitally important part of national gambling strategy for Parent Zone.

1.1 Skin gambling: teenage Britain's secret habit

In June 2018, Parent Zone released a report on 'Skin gambling: teenage Britain's secret habit'.¹ Through qualitative and quantitative research with 13-18-year-olds, we found that:

- **90% play games online**
- **27% have heard of skin gambling**
- **10% have gambled skins in some form, amounting to 448,744 children in the UK aged 13-18**

The ease of access to skin gambling and its normalisation as part of gaming, as well as the lack of regulation around loot boxes is of great concern to Parent Zone. With this in mind, we view this consultation as an important opportunity to highlight our conviction that much more needs to be done.

¹<https://parentzone.org.uk/skingambling>

1.2 Hidden Harms of skin gambling and the work of Parent Zone

Skin gambling sites, whilst recognised as a form of gambling, are proliferating with limited attempts made to deal with them. Their spread means that children find it easy to gamble online. There is not only a lack of regulation; parents, teachers, policymakers and organisations dealing with children are unfamiliar with the term, nature and consequences of skin gambling. Easy access for children and young people means they can gamble online without any form of intervention or education about potentially harmful consequences.

Finally, the failure to regulate loot boxes specifically, or for them to be recognised as a form of gambling creates significant hidden harms.

2. The Impact of skin-gambling-related Harms

Using the ‘gambling-related harms’ diagram of the consultation, it is easy to see that the hidden harms of skin gambling can have a negative impact on resources, health and relationships in the same way as any more familiar and visible gambling-related harm. Parent Zone’s policy and education work to help prevent potential harms and educate families about the digital world should be considered when thinking about which organisations should be involved to facilitate actions in Priority Area 2.



2.1 Resources, Health and Relationships

Educational Resources

Educational resources help children learn, develop, and understand the opportunities and risks of the online and offline world. Limited understanding of the risks of skin gambling at a social and political level means that there are insufficient educational resources available to help children become resilient to the potential harms of gaming-related gambling.

Financial Wellbeing

One of the hidden harms of skin gambling and loot boxes are the habits children risk developing. However, we have also found adverse consequences for children's and families' financial wellbeing in cases where children and young people are spending and losing large amounts of money skin gambling. One boy featured in our report told us that he had traded to earn £1000 worth of skins, only to lose most of them gambling on third-party websites.² Having spoken to parents, we have found that they often do not understand the full implications of giving their children money to buy a "visual, cosmetic alteration"³ for their child's outfit in a game, otherwise known as a "skin". Our research found that children were not overly concerned by the amount of money they were losing, suggesting that they do not have a full understanding of the value of virtual currency. Together, this allows for a number of discrepancies between parental perceptions and children's lived realities perpetuating the continuation of financial harms.

Family Relationships

The nature of the hidden harms of skin gambling and loot boxes can have negative impacts on family relationships. At Parent Zone, we help bridge gaps between parents' perceptions and children's experience. We find that parents are unaware of skin gambling and its associated harms until problems arise, leading to family conflict.

² <https://parentzone.org.uk/skingambling>

³ <https://parentzone.org.uk/skingambling>

2.2 Parent Zone Actions - Resources, Health and Relationships

MP Engagement - Resources and Awareness

Parent Zone is raising awareness of skin gambling and loot boxes; pushing for a change in legislation to include loot boxes as a form of gambling; and calling for enforcement of existing regulation to deal with skin gambling sites. Since releasing our skin gambling report in 2018, we have engaged MPs and government officials on the subject of skin gambling and let them know why we are convinced there needs to be a change in legislation to address virtual currency. In January 2019, Lord Alton asked a question in the House of Lords:

My Lords, when the Minister looks at the effect of gambling on young people, will he take into account the survey conducted by ParentZone about a new phenomenon called skin gambling? It said: "Our survey confirmed it is widespread, with 10% of children across the UK aged 13-18 revealing they have gambled skins in some form. This percentage amounts to approximately 448,744 children. " This is surely one of the new phenomena now appearing in social media and elsewhere targeted at young people, and the Government need always to be ahead of the game in these kinds of circumstances.

To which the Minister responded:

The Government are aware of that - and when in-game items such as skins can be used to place a bet or gamble, and be converted into cash, it is considered gambling and requires a licence. The Gambling Commission has taken action and prosecuted unlicensed gambling of in-game items known as skins. We are seeking to work with the video games industry to raise awareness of that and explore solutions, but I take the noble Lord's point. We are aware of gambling in games and it is a new issue of which we are taking account.

We are now looking to press this question in the House of Commons and we are also following up with the minister on the numbers of unregulated skin gambling sites, asking why so many are not being shut down and why legislation does not recognise loot boxes as a form of gambling.

Digital Resilience - Health

The UKCIS Digital Resilience Working Group, which Parent Zone co-chairs, is working with other organisations to build a digital resilience framework which will help organisations deal with online harms, including the hidden harms of skin gambling. The framework is for all

providers of the internet - including environments, services, content and policies - to help individuals understand when they are at risk, know what to do to seek help, recover when things go wrong and learn from their experience.

The framework can help organisations mitigate the potential harms of skin gambling to the benefit of children and young people, parents and the gaming industry. Supporting the digital resilience of children and young people is important to enabling them to have a sense of agency. Digital resilience makes them better able to deal with the opportunities and risks of the online world, including the implications and hidden harms of skin gambling and loot boxes in games. Educating parents about skin gambling and digital resilience together - as Parent Zone has been doing for the past few years - is likely to achieve the desired outcome of raising awareness and providing solutions for parents about how to encourage children to identify risks and know what to do to seek help when they come across gambling online. The UKCIS framework could also help the gaming industry to assess whether they are encouraging their users to be resilient to the online harm of gaming-related gambling and, if not, what they can do to ensure that children and young people have the most positive online experience. We would like to see this framework included in any future decisions about legislation relating to skin gambling and loot boxes.

Parent Info - Relationships

Parent Zone, in partnership with NCA-CEOP,⁴ provides advice and guidance to parents via Parent Info. Parent Info is the only government-initiated website which provides expert content for parents, tackling a range of issues amplified by the internet, including 'Gambling and Young People: A Parents Guide'.⁵ To date, over 4500 schools and community organisations subscribe to the free newsfeed service, enabling them to host Parent Info content on their own websites, and reducing the need for parents and staff to search for expert content. Parent Info helps bridge the knowledge-gaps between parents and children. We would call on government to make better use of existing resources like this to provide the support and information parents need as they try to respond to new and emerging internet-related harms.

⁴ <https://parentinfo.org/>

⁵ <https://parentinfo.org/article/gambling-questions-to-ask>

3.0 Conclusion:

Parent Zone is leading the way in raising awareness of skin gambling; pushing for a change in legislation to include loot boxes in games as a form of gambling so they can be regulated by the Gambling Commission; and calling for enforcement of existing regulations to deal with skin gambling sites. As long as the gaming industry refuses to take responsibility, as enforcement fails to keep pace with the proliferation of skin-gambling sites, and legislation remains the same for loot boxes, children will continue to gamble online and families will continue to experience harm. Our report has acted as a catalyst, increasing knowledge about skin gambling, and we are now working with Gamble Aware to develop education resources and awareness raising materials. We are keen to work with government to do more to understand this new and emerging gambling industry and to find effective ways to tackle it.