parentzone

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Parents concerned about threat of online financial harms for their children — new report

FOR IMMEDIATE RELEASE

UK parents have revealed concern about the growing threat of online financial harms for their children – as outlined in a new report from Parent Zone.

In a poll of over 2,000 parents, with children aged seven to 18, over six in 10 said financial online harms to children is a concern that needs dealing with.

The poll, conducted with YouGov, also heard that nearly one in three parents wouldn't know where to get help for child financial risks and harms online.

However, only one in ten would trust the online platform or app where the problem occurred to get help or support.

In the report, titled *Short Changed And Out Of Time*, Parent Zone outlines the challenges and complexities for parents when it comes to their children making, spending and losing money online.

Parent Zone, who lead a Child Financial Harms programme funded by Nominet, are researching the impacts of, and responses to, online financial harms facing families.

The poll found that:

> ***62%*** *of parents agree that financial harm online is a relevant issue for their children and family that needs to be dealt with.*
>
> ***30%*** *of parents don't agree they know where to go for information about online child financial risks and harms.*
>
> *When seeking accurate information regarding their child experiencing a problem online involving money, only* ***10%*** *of parents would trust the app or platform where the problem occurred the most.*

EMERGING RISKS

The poll uncovered the areas of harm that are most keenly recognised.

Accidental purchases (46%) are by far the most common harm experienced online involving money, followed by paid-for services that can't be cancelled (24%) and purchases that are not received (19%).

The ever-changing nature of the online world is presenting challenges that parents can feel underprepared for and isolated in dealing with. Virtual items make up the top five, including loss of virtual items and inability to spend virtual currency.

Of the parents whose child/children have experienced a problem whilst online involving money, the following were the most recognised problems:

- *Made an accidental purchase - 46%*
- *Subscribed to a paid-for service and not been able to cancel it - 24%*
- *Made a purchase and not received the item(s) - 19%*
- *Lost virtual items in a game (e.g. weapons, furniture, or skins) - 18%*
- *Bought in game currency or tokens and not been able to use them - 16%*

The report also highlights how new AI technologies have an impact on financial harm to children and how this could occur, as applications such as AI voice cloning become a popular tool for scammers.

> ***"You talk about things today that I've never had a clue about, and they're going to get caught out by that before I've even heard about it. They're being exposed to this before we can even teach them about it"*** *as told to Parent Zone by a Parent attending a workshop in 2024.*

SYSTEM CHANGE

In the report, Parent Zone calls for tech companies, finance providers and policy makers to listen to the concerns of parents and to come together to acknowledge the harms, including wider wellbeing impacts, of online financial harms on children. It calls for a system change in how some online financial ecosystems exploit children and young people.

This includes addressing frictionless spending, third-party parasite apps that facilitate gambling behaviours, a lack of cooling-off periods for purchases, and the ability to trace payments.

Vicki Shotbolt, CEO and founder of Parent Zone, said: *"Parent Zone supports families with many of the challenges they face in the digital world, whilst also helping them to unlock opportunity.*

As tech optimists, we want the digital environments families live in to work for them. But money motivates bad actors and If we don't start to recognise that money is a key driver in many online harms facing children and young people, we will be reducing our ability to tackle them upstream.

Passing the buck needs to stop. Tech companies, finance providers and policy makers are all avoiding the issue of child financial harms online. We can't keep leaving parents lacking support. Change needs to start now."

Click here to read the report

More information about the Child Financial Harms programme can be found at www.parentzone.org.uk/ChildFinancialHarms

For enquires and interview requests, please contact programmes@parentzone.org.uk

Notes for editors

Methodology

All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,103 adults. Fieldwork was undertaken between 3 and 8 October 2024.

The survey was carried out online. The figures have been weighted and are representative of all UK parents of at least one child aged 7 to 18 adults (aged 18+).

In addition, the report draws on focus groups that were conducted in December 2023 and October 2024, with 44 parents taking part.

About Parent Zone

Parent Zone is an international social enterprise that sits at the heart of digital family life, providing advice, knowledge and support to shape the best possible future for children as they embrace the online world. They bridge the gaps between parents, policy and platforms, providing insights and knowledge in order to shape a better future for all. Since 2005, they have worked with partners such as Google, Children in Need and the Department for Digital, Science, Innovation and Technology, to develop innovative projects, giving families information, support and advice.

About the Child Financial Harms programme

The research was funded by Nominet, the guardians of the .UK domain, via their Countering Online Harms Innovation Fund. It was commissioned by Parent Zone as part of the Child Financial Harms programme. For more information, visit www.parentzone.org.uk/ChildFinancialHarms

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