

Facebook duped kids into spending on games without Mom and Dad knowing, documents reveal

29 January 2019, by Edward C. Baig, Usa Today



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Earlier this decade, Facebook bamboozled kids and parents out of hundreds or even thousands of dollars as the social network attempted to profit from playing such online games "Angry Birds," "PetVille" and "Ninja Saga."

That's among the disturbing revelations to emerge from more than 135 pages of documents relating to a since settled 2012 class-action case, that were unsealed by a U.S. District Court Judge who responded to legal request by Reveal, part of the nonprofit The Center for Investigative Reporting.

Reveal writes that the trove of documents, "which include Facebook employee email, secret strategies and internal memos, paint a troubling picture of how the social media giant conducted business."

The unsealed documents cover the period between 2010 and 2014.

One such [document](#) pointed to something called "family fraud," in which Facebook supposedly encouraged developers to get kids to spend money without them receiving permission from Mom and Dad.

It was also alleged that Facebook refused to issue refunds in some cases, including an apparent instance in which the company denied a refund of \$6,500 racked up by a 15-year-old.

Facebook employees referred to some children as "whales"—a descriptor used in the casino industry to describe profligate wagers.

Reveal's account also alleges that when Facebook came up with an internal solution that could address the problem of kid spending, it chose "not try to block children from unwittingly spending hundreds or even thousands of dollars on its games" because it would cut into revenues.

In a statement emailed to USA TODAY, Facebook said that it was contacted by the Center for Investigative Reporting last year, "and we voluntarily unsealed documents related to a 2012 case about our refund policies for in-app purchases that parents believe were made in error by their minor children."

The statement added that the company "works with parents and experts to offer tools for families navigating Facebook and the web. As part of that work, we routinely examine our own practices, and in 2016 agreed to update our terms and provide dedicated resources for refund requests related to purchased made by minors on Facebook."

Nowadays, at the Facebook Payments Support Center, parents can select "games," followed by "process a refund" and choose the option to select

that a purchase was made by someone under 18 years of age.

Facebook also has a page on its site where you can read its guidelines for how disputes are handled as well as a Parents Portal with tips to help your child navigate the social network.

Though Facebook has changed its policies more recently, the unsealed documents are just the latest bruise for a company whose reputation has been badly bludgeoned recently by everything from well-publicized data breaches to fake news.

"The fact that Facebook knowingly duped these kids and families is nothing short of outrageous," said James Steyer, CEO of the non-profit advocacy organization Common Sense in an e-mailed statement. "It demonstrates a willful and callous disregard for the well-being of kids and families and reveals a disturbingly unethical culture at the company."

Steyer added that "Common Sense supports regulations or penalties taken by the courts to curb this kind of behavior, as it seems the only way Facebook will ever learn."

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APA citation: Facebook duped kids into spending on games without Mom and Dad knowing, documents reveal (2019, January 29) retrieved 19 November 2019 from <https://techxplore.com/news/2019-01-facebook-duped-kids-games-mom.html>

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