

# Apple to pay parents for apps their kids bought while playing games

By Associated Press, adapted by Newsela staff

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Children on iPads at Jamestown Elementary School in Arlington, Virginia, March 13, 2012.

WASHINGTON—Jackie Nussbaum was shocked at a \$600 credit card bill from Apple.

She knew her son liked playing “Dragonvale” on the family iPad. In “Dragonvale,” kids care for cute baby dragons. But she had no idea he was buying pretend gems—with real money—in the game.

“I thought it was a mistake, that someone had stolen my credit card,” said Nussbaum. She is the mother of two children from Ohio. Apple told her the charges were not a mistake. They came from “Dragonvale” and they were all made in a single day.

“I almost choked,” she said. “It was shocking.”

## Buying Apps Without Permission

Thousands of people got the same kind of shock. They complained to the Federal Trade Commission (FTC). The FTC protects people against businesses cheating them. On Wednesday, the FTC said

that Apple will give back at least \$32.5 million to parents, like Nussbaum. Their children all had spent money in the Apple store without their permission.

Edith Ramirez is the head of the FTC. She said it's against the law to charge people for purchases they don't know about.

The FTC said parents did not know of these purchases very often. And Apple didn't do enough to make it clear that their children were buying gems, coins or treats. Parents also didn't know that entering their password started a 15-minute clock. During this time, kids could buy things without having to enter the password again.

Apple also agreed to change the way it bills customers. It will let people know when someone buys something on a game or app.

Tim Cook is the head of Apple. He said the company gave in to the FTC. The agreement does not ask Apple "to do anything we weren't already going to do." So, the company decided to accept it instead of starting a long fight with the FTC.

Apple's store is a "safe place" for all its customers, he said.

When Nussbaum found the charges, she called Apple right away. The company gave her back the \$600 that her son, Andrew, spent. Nussbaum said Andrew had no idea he was buying gems with "real money." He was only 10 at the time. He felt so bad he was going to sell his old toys to pay her back. Now he doesn't have to sell his toys.

Nussbaum also said Apple helped her set up passwords. She hasn't had a problem since.

## **Big Bills For "Tiny Zoo Friends"**

Other parents haven't been so lucky. One parent said her daughter had spent \$2,600 in "Tap Pet Hotel." It is a game in which children build their own pet hotels. The game is free. But kids must pay for bowls of treats and sacks of coins.

Others parents reported their children spent more than \$500. They played "Dragon Story" and "Tiny Zoo Friends."

Last year, a group of angry parents sued Apple. Apple agreed to give money back to 28 million of them. Apple offered them a \$5 store credit or \$30 in cash if their children had spent at least that much without their permission.

About 37,000 people filed claims. This is according to Cook.

Apple said the FTC was being unfair. Cook said Apple already solved the problem by giving parents credits or cash. He said that Apple was being sued twice for the same thing.

Apple's store has made a lot of money for the company. Apple keeps nearly a third of the money from all app purchases. Apple says people spent more than \$10 billion in the app store last year. That means Apple made about \$3 billion from the app store alone.

In the FTC case, Apple must give back to parents whatever their kids spent without permission. Apple must pay at least \$32.5 million. If there is money left over, the FTC will get the difference.