

Top tips on digital finance

Remember to talk about digital money when you teach your children about spending. Young children still like playing at shopping and having toy tills and imaginary shops. Try including role playing games with different types of spending to help them to understand that money can take lots of forms.

Set the ground rules. If your child wants to shop online or start using digital payments, make sure you set the rules and boundaries so they know what's OK with you and equally what isn't. You can give them a limit of how much are they allowed to spend, and what on. Your ground rules might mean they should always put their potential purchases in an online wish list or basket for you to review and approve before they actually buy them.

Remind them that digital spending is linked to real money. It may sound obvious but children don't necessarily realise that money they can't see is still money. If your child asks for permission to buy a new game, talk about how they might be able to earn the money or what other purchases they might have to forego that month. You can also discuss a monthly budget for their digital purchases to get them thinking about how to manage their day to day spending responsibly.

Help them to keep track of their online spending. Money diaries or charts can really help and, for older children, encourage them to set some longer term goals so that they have an incentive to keep track of how much they need to save to do what they want to do or to buy something they want.

Talk about what to look out for. We often think of young people as digital natives who are knowledgeable about and comfortable with new tech – but payments can be tricky in the digital age, and kids of all ages could easily get confused. Make sure they understand frictionless payment. You could use the information in this article to test their knowledge!

Share devices, but not passwords. At a practical level, make sure that any family tablets or devices you let your child borrow are set up to require a password for purchases and that they don't share your password. Think of handing a device over in the same way you would think about handing over your purse or payment card.

Talk about keeping their digital money safe. Make sure they understand that their phone is also a wallet and their password can be the key to purchases. Encourage them to understand the importance of security measures, even if they think at first these are an inconvenience.

Talk to relatives about how you manage digital spending with your children. Vouchers that can be spent online can be more welcome presents than cash for today's young people.

Useful websites

Money Advice Service - www.moneyadviceservice.org.uk/en

The Parent Zone – www.theparentzone.co.uk

Cyber Street - www.cyberstreetwise.com

Personal Finance Education Group - www.pfeg.org