

Gamification in Trading Apps: Concerns

Gamification Elements

- * Confetti animations
- * Leaderboards
- * Streaks & badges
- * Push notifications
- * Social features

Regulatory Concerns

- * Encourages overtrading
- * Targets inexperienced
- * Gambling-like behavior
- * FOMO exploitation
- * Information asymmetry

Research Findings:

- Robinhood users trade 40x more than Schwab users
 - Average Robinhood account: USD 240 (2020)
 - 50% of users trade options (vs 10% industry avg)
 - Higher losses among gamified app users

Regulatory Response:

- SEC requesting info on gamification
- FINRA guidance on digital engagement
- Massachusetts lawsuit vs Robinhood
 - UK FCA scrutiny of trading apps
 - EU MiFID II suitability rules

Challenge: Balance innovation & engagement with investor protection