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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To require the Government Accountability Office to carry out a study on the impact of the gamification, psychological nudges, and other design techniques used by online trading platforms, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. CASTEN of Illinois introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To require the Government Accountability Office to carry out a study on the impact of the gamification, psychological nudges, and other design techniques used by on-line trading platforms, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. GAO STUDY ON THE GAMIFICATION OF INVEST-**  
4 **ING.**

5 (a) STUDY.—The Comptroller General of the United  
6 States shall carry out a study on the impact of the

1 gamification, psychological nudges, and other design tech-  
2 niques of online trading platforms, including the following:

3 (1) How, and to what extent gamification, psy-  
4 chological nudges, and other design techniques are  
5 being used by online platforms in ways that are det-  
6 rimental to investors.

7 (2) How, and to what extent gamification, psy-  
8 chological nudges, and other design techniques are  
9 being used by online platforms in ways that em-  
10 power, inform, and educate investors.

11 (3) The various ways brokers use gamification,  
12 psychological nudges, and other design techniques in  
13 marketing strategies that target or include retail  
14 customers.

15 (4) The various ways investment advisers,  
16 “robo-advisers”, or financial planners use  
17 gamification, psychological nudges, and other design  
18 techniques in marketing strategies that target or in-  
19 clude retail customers.

20 (5) The various ways in which brokers, invest-  
21 ment adviser, “robo-advisers”, or financial planners  
22 incorporate “game-like” features and designs in  
23 their online trading applications used by retail cus-  
24 tomers.

1           (6) Whether certain platform use of  
2           gamification, psychological nudges, and other design  
3           techniques, including “game-like” features, may con-  
4           stitute investment advice or recommendations under  
5           Federal securities laws and regulations, including  
6           Regulation Best Interest (17 C.F.R. 240.15l-1).

7           (7) A comparison between the investment activ-  
8           ity, habits, and risk tolerance of—

9                   (A) retail customers of firms that use  
10                  gamification, psychological nudges, and other  
11                  design techniques in marketing, or that incor-  
12                  porate “game-like” features and designs in  
13                  their online trading applications; and

14                  (B) retail customers of firms that do not  
15                  use, or have limited use of, gamification, psy-  
16                  chological nudges, and other design techniques  
17                  in marketing and that do not incorporate  
18                  “game-like” features and designs in their online  
19                  trading applications.

20           (8) How, and how prominently, brokers, invest-  
21           ment advisers, “robo-advisers”, or financial planners  
22           that use gamification, psychological nudges, and  
23           other design techniques in marketing strategies that  
24           target or include retail investors, or that incorporate  
25           “game-like” features and designs in their online

1 trading applications, are disclosing the risks associ-  
2 ated with leverage, complex products, or excessive or  
3 frequent trading.

4 (9) The average customer demographic (includ-  
5 ing age and investment experience) of brokers, in-  
6 vestment advisers, “robo-advisers”, or financial plan-  
7 ners that use gamification, psychological nudges,  
8 and other design techniques in marketing strategies  
9 that target or include retail investors, or that incor-  
10 porate “game-like” features and designs in their on-  
11 line trading applications.

12 (10) The relationship between (and any correla-  
13 tion between) zero commission trading and  
14 gamification or investor susceptibility to “game-like”  
15 features.

16 (11) The degree to which the types of retail  
17 trading activity that is incentivized by gamification  
18 (including the specific asset classes promoted via  
19 gamification) benefits, harms, or otherwise affects  
20 other market participants, and an analysis thereof.

21 (12) The degree to which Securities and Ex-  
22 change Commission’s Form BD and Form ADV can  
23 be revised to help the Commission better identify  
24 which registered firms use gamification, psycho-  
25 logical nudges, and other design techniques.

1           (13) Any data or legal challenges (e.g., so-called  
2           proprietary practices) that the Comptroller General  
3           encounters in preparing the report.

4           (b) INVESTOR TESTING AUTHORITY.—The Investor  
5           Advocate of the Securities and Exchange Commission is  
6           authorized to carry out investor testing as part of the  
7           study required under subsection (a).

8           (c) GAO REPORT.—Not later than the end of the  
9           270-day period beginning on the date of enactment of this  
10          Act, the Comptroller General shall issue a report to the  
11          Securities and Exchange Commission and the Congress  
12          containing all findings and determinations made in car-  
13          rying out the study required under subsection (a).

14          (d) REQUIRED CONSULTATION.—In carrying out the  
15          study required under subsection (a), the Comptroller Gen-  
16          eral shall actively consult with—

17               (1) the Securities and Exchange Commission;

18               (2) the Investor Advocate of the Commission;

19               (3) the Office of Investor Education and Advo-  
20          cacy of the Commission;

21               (4) the North American Securities Administra-  
22          tors Association;

23               (5) the Financial Industry Regulatory Author-  
24          ity;

25               (6) academics; and

1 (7) investor advocacy organizations and experts.

2 (e) GAMIFICATION DEFINED.—In this section, the  
3 term “gamification” means tactics or strategies used to  
4 engage customers and incentivize or nudge them to trans-  
5 act and spend time on an investment platform, including  
6 increased use of notifications, prizes, use of ladders and  
7 leader boards, psychological tools, and design elements to  
8 incentivize customers to spend more time on an invest-  
9 ment platform, to increase rapid trading, and to increase  
10 the number of trades.