



Research Note: Cryptoasset consumer research 2021

Research

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[Summary](#)

[Overview of key findings](#)

[Research context](#)

[Research design](#)

[Results](#)

Read our fourth consumer research publication on cryptoassets ownership.

Summary

This quantitative research follows 2 quantitative studies and 1 qualitative study since October 2018. This latest research will help us develop our thinking on the potential harms and benefits to consumers from cryptoassets, including our understanding of attitudes and patterns of usage.

We chose to use the term 'cryptocurrency' throughout the questionnaire. This term is more widely used in the public domain than the broader 'cryptoasset' term the FCA has tended to use. We also use 'exchange' to represent 'cryptocurrency trading platforms', given that 'exchange' is widely understood and used by consumers.

Cryptocurrencies are, generally, outside the [regulatory perimeter](#) [1]. While they can take many forms, and tokens can have very different properties, the most well known take the form of unregulated, transferable tokens, including Bitcoin, Ether and Ripple. This note focuses on unregulated, transferable tokens. As they are largely unregulated, we do not hold significant, relevant data about them.

The 2021 research follows heightened public interest and media coverage, alongside continued growth of the cryptocurrency market, including high cryptocurrency prices. It also comes after more widespread involvement of financial services firms in the market, and significant institutional investment. With these trends in mind, it is unsurprising that our research shows that both ownership and awareness have risen.

This also follows a period of continued interest in the cryptocurrency market from the Government, the FCA, the Bank of England and the Payment Systems Regulator, including through the UK Cryptoasset Taskforce.

Overall, public awareness and our estimate for ownership is up to around 2.3 million, up from around 1.9 million in 2020 – and 78% of adults have now heard of cryptocurrencies. For this year's study the UK population was taken to be approximately 52 million, while in 2020 it was taken to be around 50 million.

The level of understanding of cryptocurrencies is declining, suggesting that some crypto users may not fully understand what they are buying. Median holdings have risen (up from £260 to £300) in a strong period of price increases, but the profile of cryptocurrency owners has not changed substantially – the population remains skewed towards men who are over 35 and are from the AB social grade.

However, we find that attitudes have shifted, as cryptocurrencies appear to have become more normalised – fewer crypto users regard them as a gamble (38%, down from 47%) and more see them as an alternative or complement to mainstream investments, with half of crypto users saying they intend to invest more.

Overview of key findings

Public awareness

- The profile of cryptocurrencies has risen – 78% of adults said they have heard of cryptocurrency, up from 73% in a year, but overall understanding of cryptocurrency has declined.

Ownership

- Our estimate for consumers holding cryptocurrency has risen to 2.3 million - from 3.9% to 4.4% of adults.
- The median holding has risen from £260 to £300.
- The profile of crypto users is broadly unchanged from what we outlined in 2020 – largely male, over 35, and at AB social grade.

Motivation

- Consumers are now less likely to cite cryptocurrency as a gamble when considering their reasons for purchase (agreement down 9 points to 38%) and are more likely to see them as an alternative or complement to mainstream investments.
- Consumers who are persuaded by adverts are much more likely to regret their purchase.

Purchase and engagement

- Most consumers continue to use an exchange to purchase their cryptocurrency and use their own disposable income to pay for it.
- More consumers are checking their balances every day (up from 13% to 29%).

Looking ahead

- About half of crypto users plan to buy more; a similar proportion say they 'know they'll make money at some point'.
- There are limited signs of enthusiasm or understanding for stablecoins as 46% of crypto users are unclear on their benefits.

Equality and diversity considerations

As this research note does not make any policy proposals, we do not consider it adversely impacts any of the groups with protected characteristics ie age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment.

Research context

Recent developments

Since 2020, interest in cryptoassets has reached beyond retail consumers, as institutional investors and traditional financial services firms have shown an increased appetite for engaging in the market. The last year has also seen a very strong increase in the price of Bitcoin – at the end of 2019, it was at around \$7,000; by the end of 2020, it was approaching \$30,000; in January 2021 (around the time of our fieldwork) it approached \$41,000 and subsequently \$60,000, but at the time of writing, the price has fallen back to \$38,000. This rise is reflected in other cryptoassets. We think this recent momentum influenced consumer responses to our research questions.

In parallel, a series of regulatory developments have taken place, including:

- from 2020, the FCA became the anti-money laundering and counter-terrorist financing supervisor of UK cryptoasset businesses
- our regulatory sandbox continued to see a range of cryptoasset propositions
- we issued further consumer warnings, stating that investing in cryptoasset is high risk and that investors should be prepared to lose all their money
- the Treasury consulted in January 2021 on a UK regulatory approach to cryptoassets, proposing to bring within the regulatory framework a subset of cryptoassets when used as a means of payment
- the Treasury also consulted in 2020 on extending the perimeter of the financial promotions order to include unregulated cryptoassets

March 2019

We published our first consumer research looking at 'consumer attitudes and awareness of cryptocurrencies' in March 2019. Through a nationally representative face-to-face survey of 2,132 UK consumers and 31 in-depth interviews that took place in November and December 2018, we gained valuable insight into the size of the market and how it could affect consumers. It concluded that the size of the market was relatively small. Only 3% of consumers had ever bought cryptocurrency, with a mean average spend of £200. It also showed that awareness of cryptocurrency among the general population was low.

June 2020

Just over a year on, we published results from follow-up quantitative online research among a larger sample of cryptocurrency owners and to identify potential changes compared to 2019. This research (with fieldwork in December 2019) was designed to help us build on previous insight into how consumers interact with the cryptocurrency market.

Through a longer survey and larger sample sizes, we were able to understand

whether and how the market had changed by the end of 2019. It showed that 3.9% of the population owned cryptocurrencies at that time, with 75% of consumers holding under £1,000. The most popular reason for consumers buying cryptocurrencies was 'as a gamble that could make or lose money', acknowledging that prices are volatile.

This research

At the end of 2020, we commissioned a similar survey to the online quantitative survey from 2020, with fieldwork taking place in January 2021. The objective was, once again, to identify whether and how the market had changed. We made only limited changes to the survey questions, allowing more direct comparison. Changes included adding questions on the purpose for purchasing cryptocurrencies and on a subset of cryptocurrencies, generally referred to as stablecoins, to reflect their market growth.

Next steps

We will reflect on the findings highlighted in this report and use them to inform our continuing work in relation to cryptocurrencies.

Research design

The quantitative research fieldwork took place from 5 January to 24 January 2021, with online respondents recruited from YouGov's high-quality proprietary research panel.

The research included 2 specific sample groups:

- Nationally representative sample ('Nat Rep'). A nationally representative online sample of 2,568 respondents were presented with a question as to whether they had heard of cryptocurrencies. Everyone who said they had heard of them (78%) then answered questions related to awareness and definition of cryptocurrencies, overall attitudes and plans for purchase. 146 people within this

sample were former or current crypto users.

- Additional cryptocurrency users sample ('Boost'). A longer version of the questionnaire was shown to an additional boost sample of 994 individuals, all of whom were current or previous crypto users. This boost guaranteed that the longer questionnaire was put to a large enough sample of current or previous owners of cryptocurrencies to enable reporting.

We then combined the 146 crypto users from the 'aware of crypto' sample with the boost of 994 crypto users, for a total sample of 1140 crypto users.

By 'crypto users' we mean people who have bought cryptocurrencies and either still hold them or have sold some/all of them. When we refer to 'cryptocurrency owners', we refer only to those who still own some cryptocurrency.

Results

Public awareness

- 78% of UK adults have heard of crypto - a significant increase.
- While awareness has risen, understanding has fallen.

This section gives a high-level view of public awareness – mostly using data representing all adults aware of crypto. The remaining sections delve further into differences between crypto users and non-crypto users.

Knowing crypto

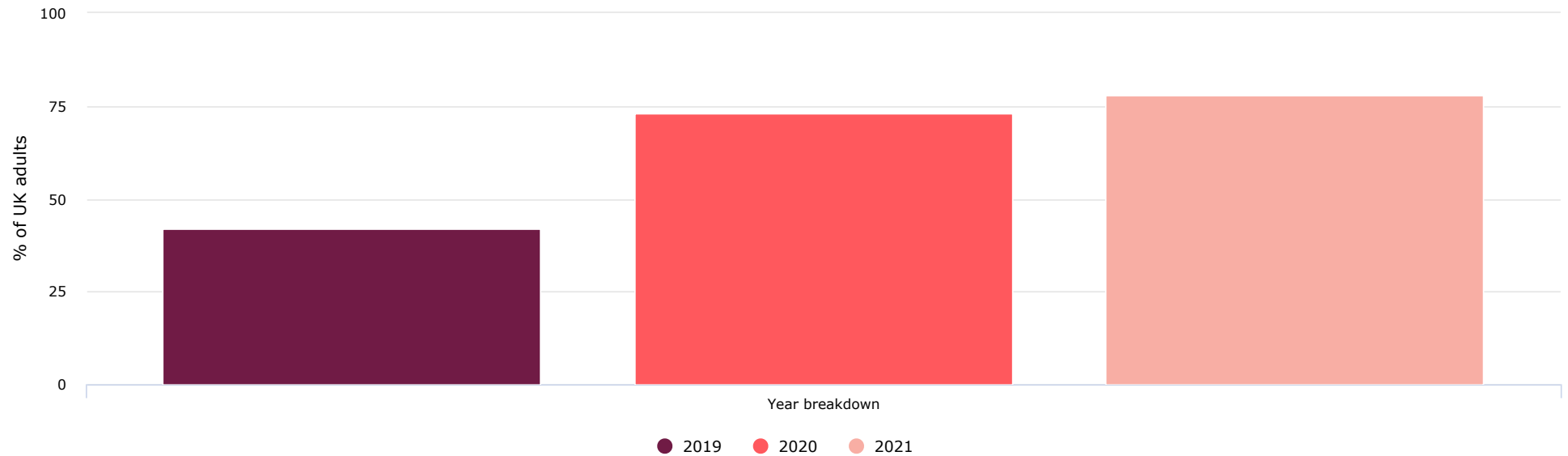
Chart tips: hover over data series to view the data values and filter the data categories by clicking on the legend.

In chart 1 we see 78% of UK adults have heard of cryptocurrencies. This has risen across our surveys – from 42% in 2019, to 73% in 2020, and now up a further 5 percentage points (pp) in 2021.

[Chart](#) [Data table](#)

Chart 1: Have you heard of cryptocurrencies?

Source: Cryptoassets consumer research 2021



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But awareness does not necessarily equate to understanding. Only 71% of those who had heard of crypto correctly identified its definition from a list of statements. This was a statistically significant decline of 4pp from 2020 (the difference was calculated at a 95% confidence interval. Unless otherwise stated, changes mentioned in the text throughout are statistically significant).

In other words, despite more people having now heard about cryptocurrency, the overall level of understanding has fallen. This suggests there may be a risk of consumers engaging with cryptocurrency without a clear understanding of it.

Recognising Bitcoin

In chart 2 we see, among UK adults aware of crypto, recognition of Bitcoin (82%, up 4pp) far outranks any other cryptocurrency.

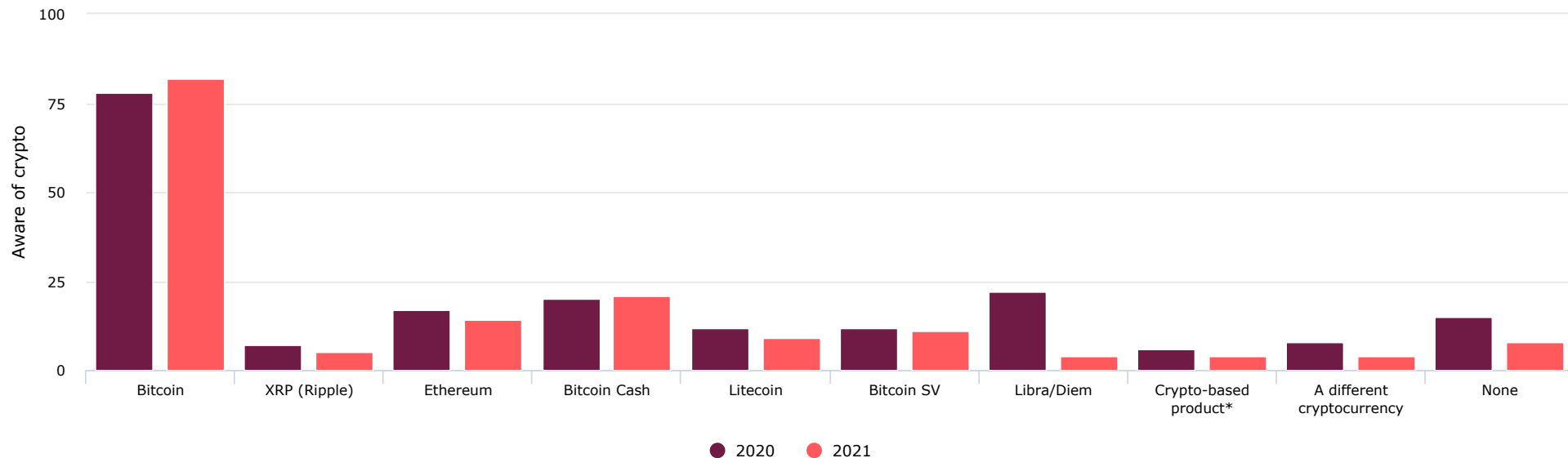
***Such as a cryptocurrency spread bet, derivative or fund eg a Bitcoin CFD**

Note: Stablecoins are not included here, see chart 18

[Chart](#) [Data table](#)

Chart 2: Recognition of selected cryptocurrencies

Source: Cryptoassets consumer research 2021



© Financial Conduct Authority 2021

This is unsurprising given its recent popularity. The only other notable movement was for Libra/Diem, dropping from 22% recognition in 2020 to 4% in 2021 – this may be due to the rebrand from Libra (the prompt used in the 2020 research) to Diem (the prompt used in 2021 was 'Diem (formerly know as Libra)' as well as reduced promotion and exposure.

Among those who recognised at least 1 cryptocurrency, 70% recognised only Bitcoin, up 15pp from 2020. But this is set against a higher baseline for having heard of cryptocurrency. It seems likely many adults who have now heard of cryptocurrency are only acquainted with Bitcoin.

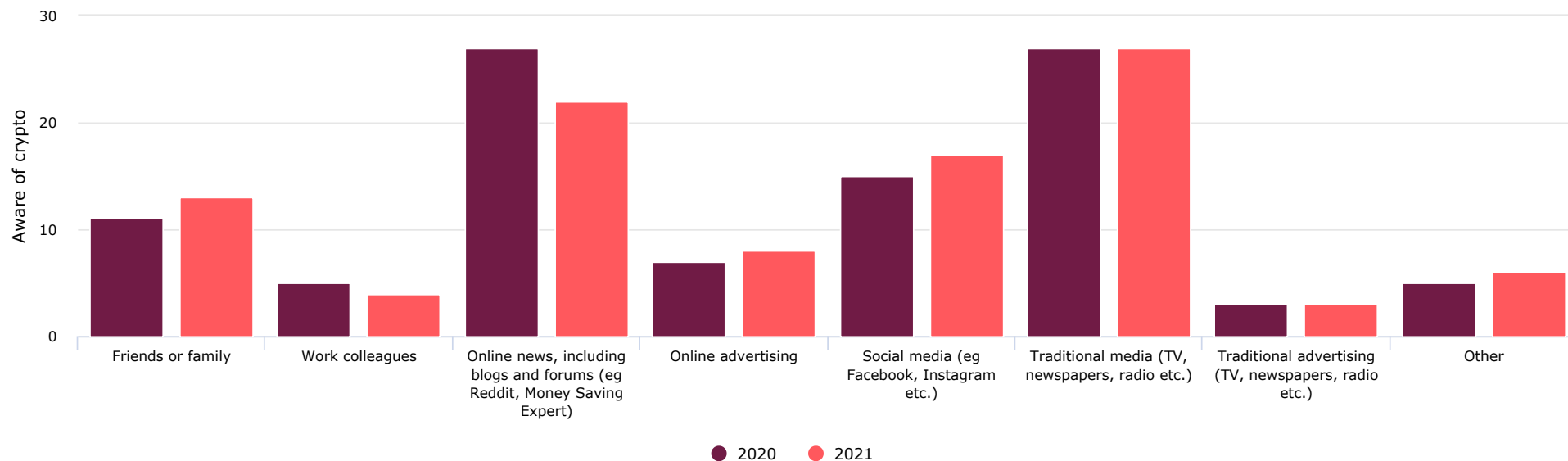
First impressions

In chart 3, traditional media (TV, newspapers, radio etc) were still the most common source where consumers first heard about cryptocurrencies at 27% (no change), while online news fell to 22% (down 5pp). Our section on motivation shows that where someone first heard about cryptocurrency was answered quite differently by crypto users.

[Chart](#) [Data table](#)

Chart 3: Where did you first hear about cryptocurrencies?

Source: Cryptoassets consumer research 2021



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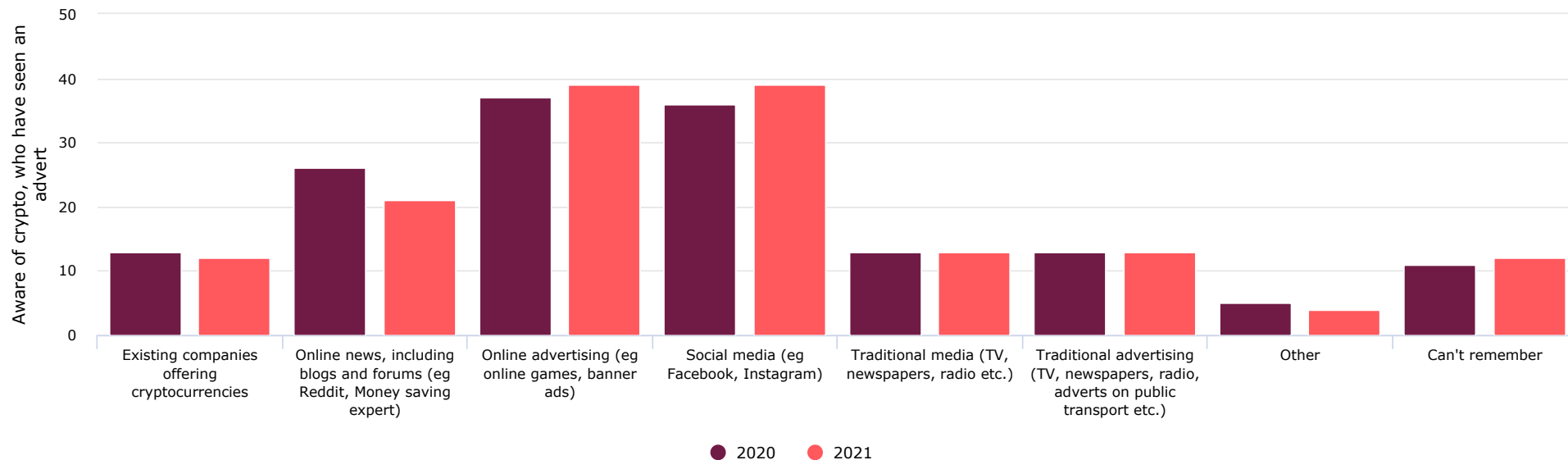
Small shifts in advertising

7 in 10 UK adults who were aware of crypto said they have not seen/heard any adverts about cryptocurrencies, a similar level to last time. It is unlikely that advertising is the largest driver of increased awareness of cryptocurrency. In chart 4 below we can see that respondents provided similar answers to 2020 on where they saw/heard adverts. Online advertising and social media respectively were most popular, both at 39%. The most significant change was for adverts seen via online news, down 5pp to 21%

Chart [Data table](#)

Chart 4: Where did you hear/see the advert?

Source: Cryptoassets consumer research 2021



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Half (50%) of those who said they have seen adverts said these changed their attitude towards cryptocurrencies. But only 5% said they were already thinking about buying and were further encouraged by the advert and 2% were led to buy cryptocurrencies having not previously thought about it (all similar to last year).

Staying alert

UK adults who were aware of crypto but have never bought cryptocurrency were generally aware that they would not have financial protection if they did purchase cryptocurrency – 96% said so. As the next section shows, crypto users respond differently.

One in 10 who had heard of cryptocurrency said they are aware of consumer warnings on the FCA website. Of these, 44% said the warnings had no effect on their plans to keep or purchase cryptocurrencies, while 43% said they were discouraged from buying crypto.

Ownership

- We estimate that 2.3m now hold crypto, up from approximately 1.9m.
- Profile remains skewed towards men over 35 at AB social grade.
- Relatively few consumers show multiple signs of exposure to harm.
- Median holdings rose from £260 to £300.

This section uses the Nat Rep sample for market sizing and then combined Aware of crypto + Boost data to focus on the profile of crypto users and the value of their holdings.

Rising numbers

In chart 5 we see 4.4% of UK adults currently hold cryptocurrency, or approximately 2.3m people. By comparison, [Financial Lives \[2\]](#) shows that 17.3m consumers hold some form of investment product.

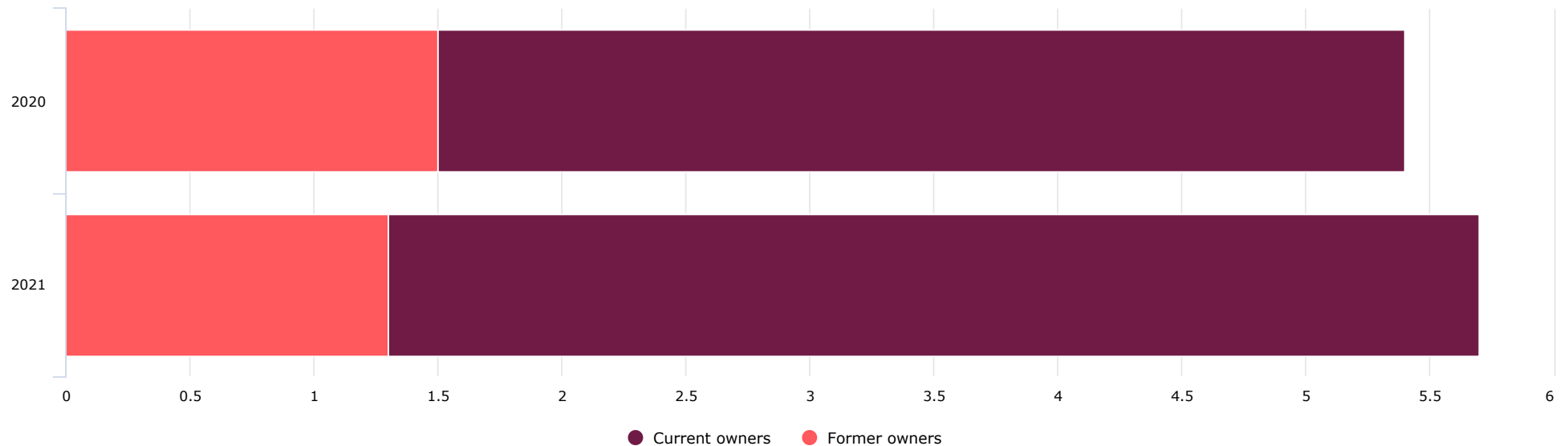
5.7% (around 3m) hold or have held cryptocurrency, compared to 5.4% last year.

***In 2021, current owners include those who sold some of their crypto. In 2020 we did not have this answer option.**

Chart [Data table](#)

Chart 5: Cryptocurrency ownership *

Source: Cryptoassets consumer research 2021



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Recent cohorts

The profile of crypto users (current owners and former owners) was broadly unchanged from 2020 – largely male (78%), with 70% over 35 and 47% within the AB social grade.

If we examine consumers who have only held their cryptocurrencies for a year to consider how this cohort may differ to earlier adopters, there are some slight differences. More recent acquirers are a little more likely to:

- be 25-44 years old
- borrow money to buy cryptocurrency
- be happy to trade in an unregulated market
- regret buying cryptocurrency
- say that that adverts encouraged them to buy when they were already thinking about it
- say that consumer warnings have triggered them to find out more or to purchase cryptocurrency

Which crypto?

Two thirds (66%) of crypto users hold Bitcoin, up 3pp. The next most popular currencies showed little change, including Ethereum (35%), Litecoin (21%), XRP/Ripple (18%), and Bitcoin Cash (15%).

Potential for harm

We considered the survey results in the context of the FCA's wider work. Where consumers take on investment risks, they should have the information they need to understand these. Indicators of potential harm include factors like low income (with limited capacity to bear loss), investing in cryptocurrencies in the mistaken belief that they offer regulatory protection, purchasing cryptocurrency with borrowing or a poor understanding of cryptocurrency.

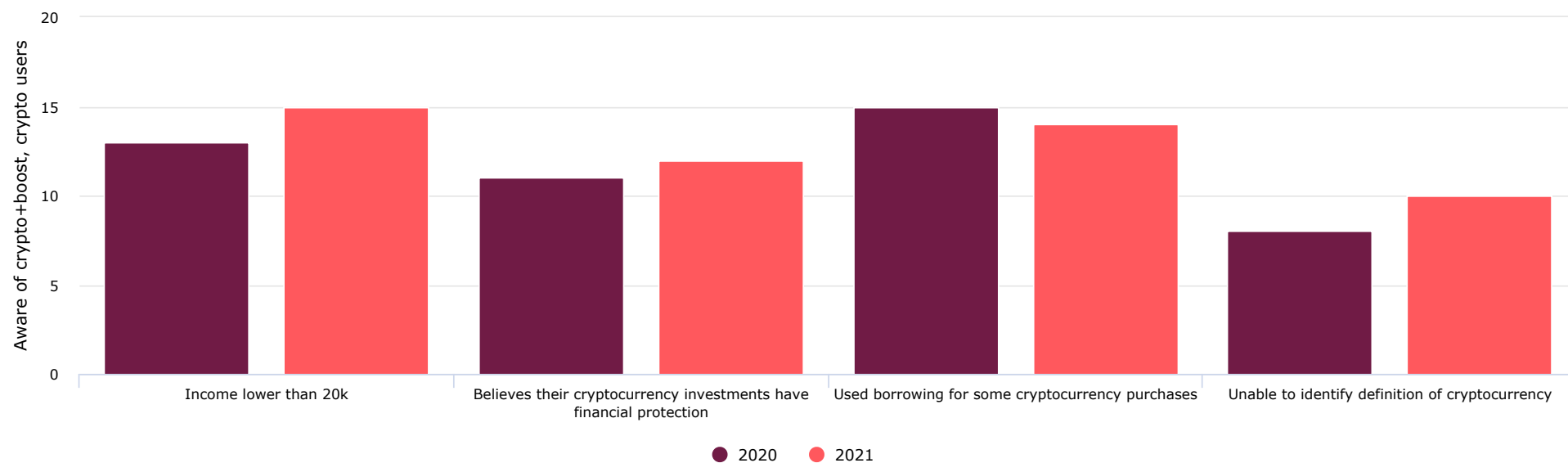
In chart 6, overall, we found relatively few consumers displaying combinations of 2 or more of these characteristics. However, we did find:

- 5% of crypto users believed they had some form of protection and used borrowing to fund some of their crypto purchases
- another 5% of crypto users can't give a correct definition of cryptocurrency and believe they have some form of protection

Chart [Data table](#)

Chart 6: Possible drivers of harm

Source: Cryptoassets consumer research 2021



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Testing knowledge

Crypto users were open about not fully understanding cryptocurrencies. While 90% of them identified the correct definition of cryptocurrency, only 58% agreed (and only a third strongly agreed) with the statement 'I believe I have a good understanding of how cryptocurrencies and the underlying technology works' (down 4pp).

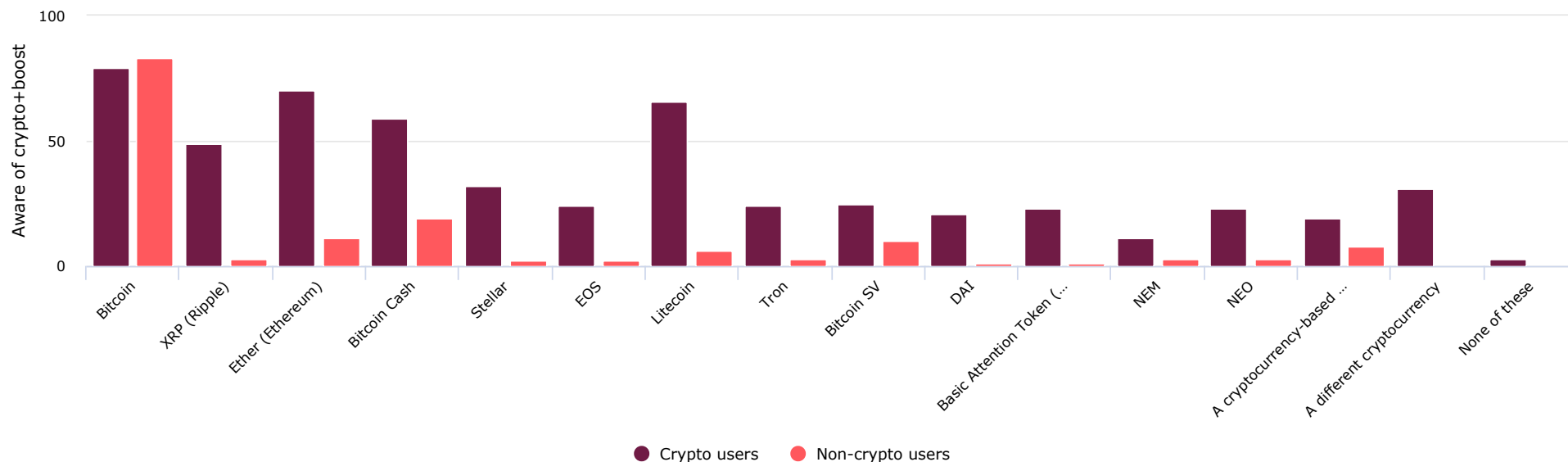
In chart 7 we also tested recognition of different types of cryptocurrency. 78% of crypto owners recognised 3 or more cryptocurrencies, about the same as 2020.

Note: Stablecoins are excluded here, see chart 18

Chart [Data table](#)

Chart 7: Recognition of selected cryptocurrencies

Source: Cryptoassets consumer research 2021



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When looking at specific cryptocurrencies there was a consistent pattern of recognition: it was far higher among crypto users (as we would expect). Examples included XRP/Ripple (recognised by 49% of crypto users and by 3% of non-crypto users), Ethereum (70% vs 11%) and Litecoin (66% vs 6%).

But crypto users are less likely to have heard of Bitcoin than non-crypto users (79% vs 83%). This does not apply to any of the other 19 specific cryptocurrencies we prompted for. Consumers who recognise only Bitcoin are more likely to be over 55, and to have heard about cryptocurrency from traditional media.

Bitcoin owners show crypto understanding

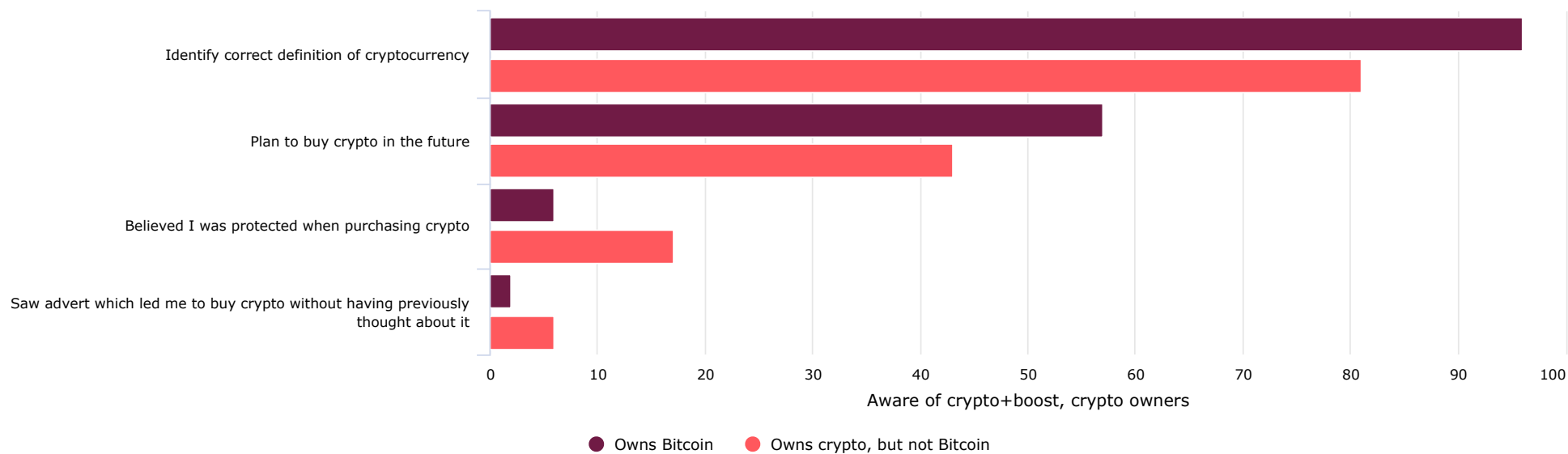
In chart 8 we see Bitcoin owners were more likely to identify the correct definition of cryptocurrency than consumers who own only non-Bitcoin cryptocurrencies (96% vs 81%); they also showed greater willingness to buy cryptocurrency in the future.

They were substantially less likely to have believed they had protection when purchasing crypto (6% vs 17%), and claimed to be less influenced by adverts – only 2% said adverts led them to buy crypto without having previously thought about it, and 31% claimed they didn't change their attitude, compared to 6% and 16% respectively among those who own only non-Bitcoin cryptocurrencies.

Chart [Data table](#)

Chart 8: Profile of Bitcoin owners versus those owning nonBitcoin crypto only

Source: Cryptoassets consumer research 2021



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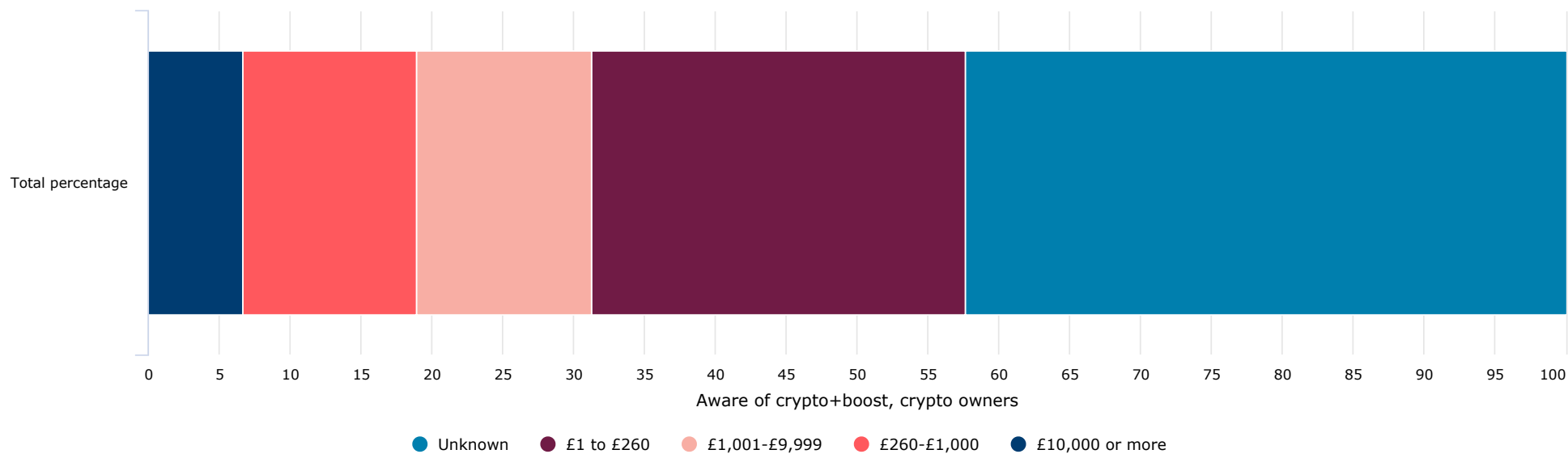
Value of holdings

In chart 9, a significant number of respondents preferred not to answer on the value of their holdings. Like 2020, 47% of crypto owners (who chose to declare their holdings) had £260 or less in crypto. However, the upper end of the distribution has changed markedly. In 2020 the highest holding reported was £30,000, while this year the highest reported value was £7m. The median is £300, an increase from £260.

[Chart](#) [Data table](#)

Chart 9: What is the value of the cryptocurrencies you currently hold?

Source: Cryptoassets consumer research 2021



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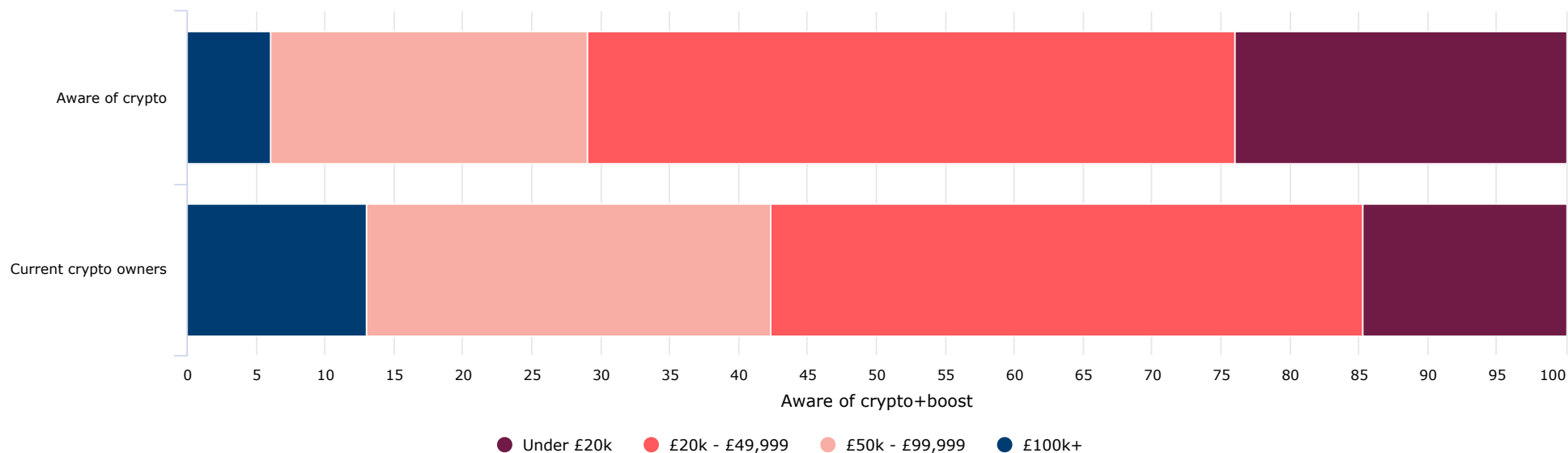
Income and crypto holdings

Chart 10 demonstrates that crypto users are more than twice as likely to have an income over £100,000 compared to all adults who have heard of crypto.

Chart [Data table](#)

Chart 10: Respective income bands by current crypto owners vs people aware of crypto

Source: Cryptoassets consumer research 2021



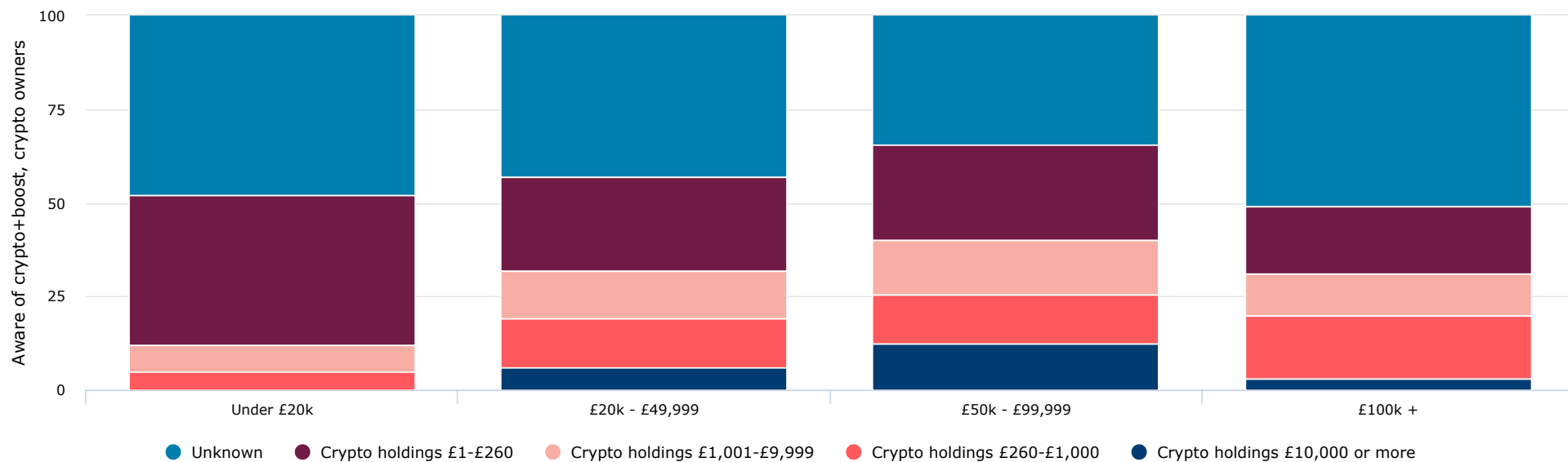
© Financial Conduct Authority 2021

We can see on chart 11 below that to some extent, cryptocurrency holdings correlate with income: lower earners are more likely to have holdings under £260 than those earning over £100,000, for instance. However, the large amount of 'prefer not to say' answers introduces uncertainty.

Chart [Data table](#)

Chart 11: Crypto holdings by household income

Source: Cryptoassets consumer research 2021



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Motivation

- Awareness of the high and volatile returns for many cryptocurrencies through the 2010s is high.
- Personal networks are powerful.
- Crypto users are becoming more confident in cryptocurrency as an investment.

This section uses combined Aware of crypto + Boost data in order to consider crypto users versus non-crypto users, considering behaviour, attitude and motivation.

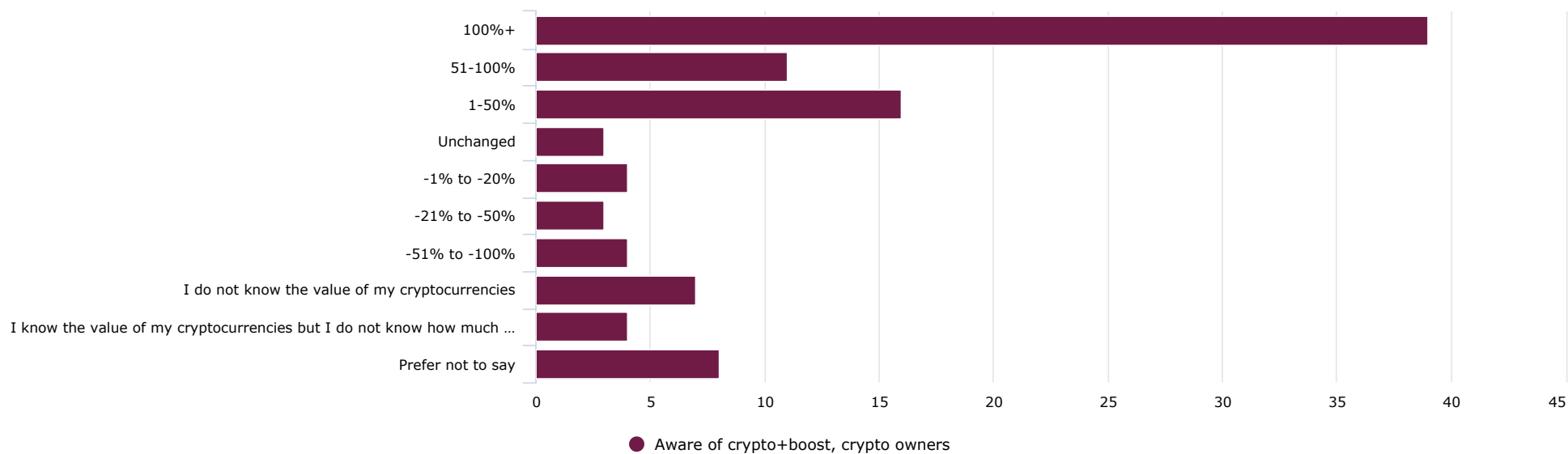
Over the last decade, cryptocurrencies such as Bitcoin and Ethereum have provided high, if volatile, returns. In a low interest-rate environment, many consumers have realised substantial gains.

In chart 12 we see 2 in 3 (66%) of crypto owners report a positive return on their crypto investment and only 11% report a loss.

[Chart](#) [Data table](#)

Chart 12: Gains/losses of crypto holdings

Source: Cryptoassets consumer research 2021



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Starting the journey

There was little change from 2020 on how crypto users recalled first hearing about cryptocurrencies.

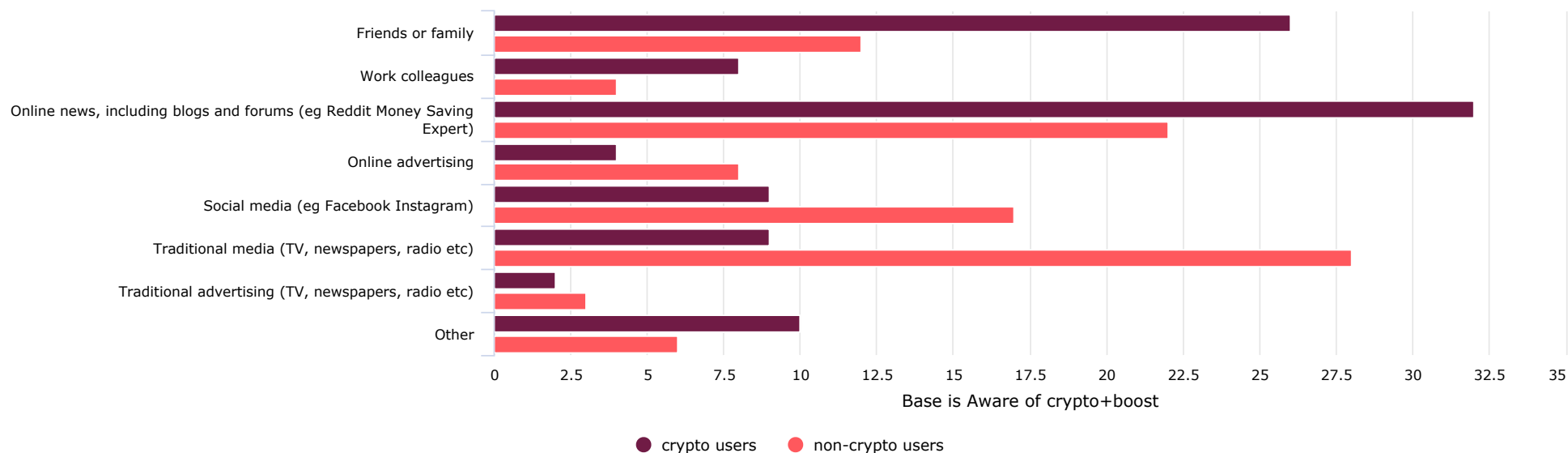
In chart 13, we see crypto users are much more likely to have first heard about cryptocurrencies from friends, family or colleagues (34%) than non-users (16%), demonstrating that personal networks might have a powerful effect.

A roughly equal proportion of both groups first heard about cryptocurrency online, although crypto users are more likely to cite online news while non-crypto users make stronger reference to social media and online advertising.

Chart [Data table](#)

Chart 13: Where did you first hear about cryptocurrencies?

Source: Cryptoassets consumer research 2021



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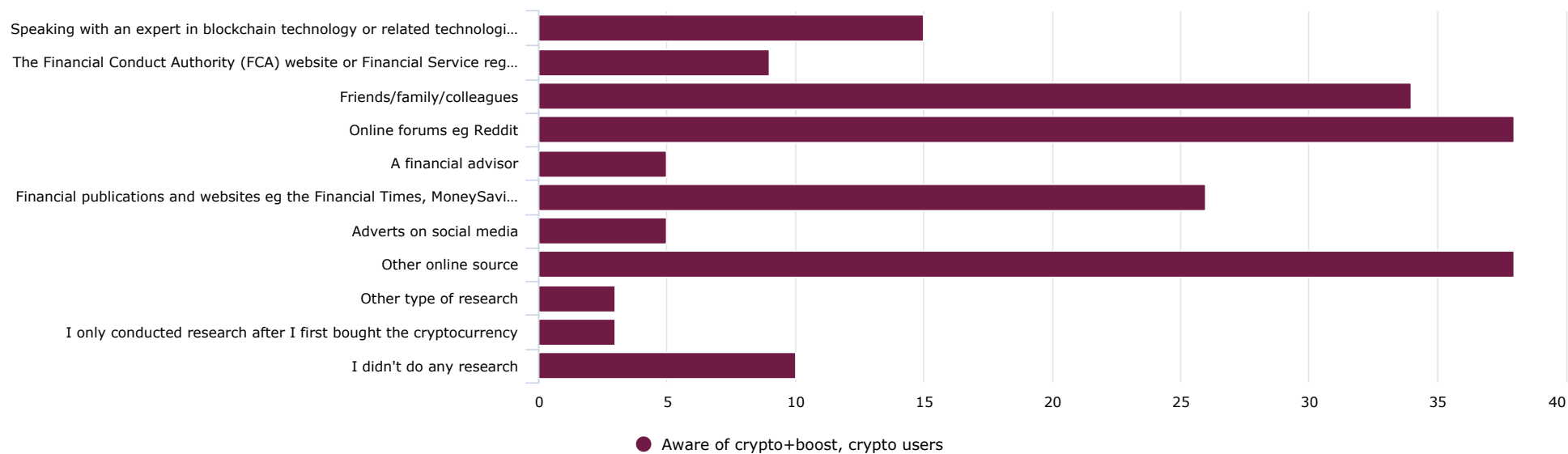
The influence of friends and family is also demonstrated through responses on sources of information respondents used to conduct research before purchasing cryptocurrencies.

In chart 14 we see 34% mention friends, family and colleagues, just behind online forums (38%) and other online sources (also 38%). In both 2020 and 2021, 10% state that they did not undertake any research.

[Chart](#) [Data table](#)

Chart 14: Sources of information used to conduct research before purchasing cryptocurrencies

Source: Cryptoassets consumer research 2021



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Advertising

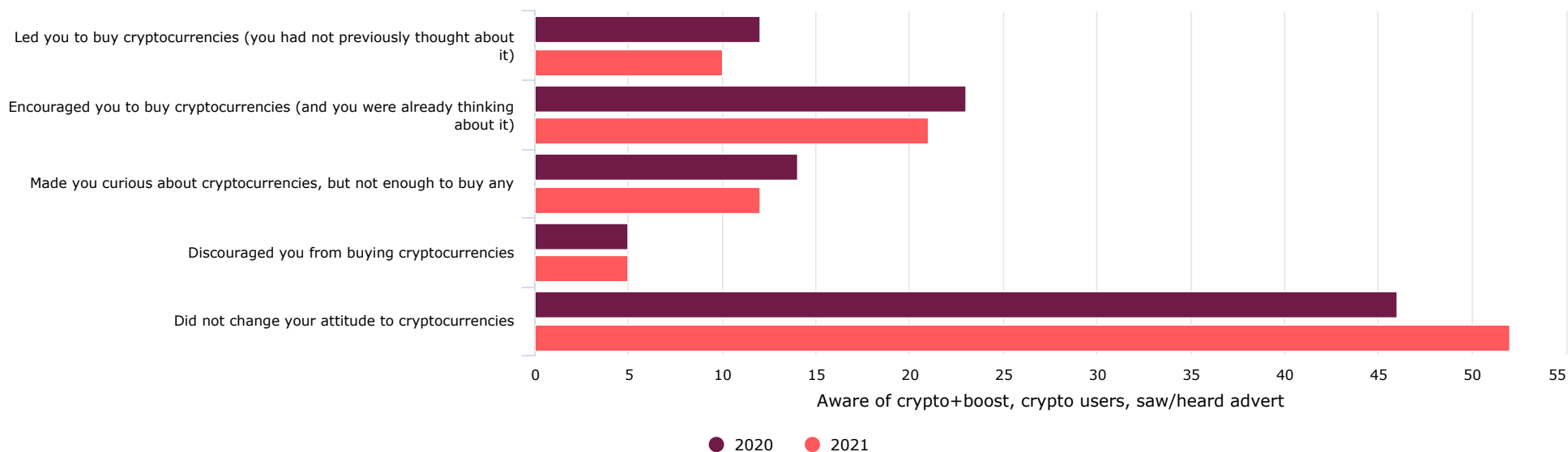
Almost half of crypto users reported having seen or heard an advert about cryptocurrencies (47%). This is only a slight increase from 2020, while for non-crypto users there is an increase from 26% to 29%. There was also little change in where these adverts are encountered with online advertising leading the way at 50% for crypto users followed by social media at 40%.

Chart 15 looks at the influence of adverts on crypto users. It shows only small changes year-on-year, with respondents who had encountered adverts more likely to report that they had no impact (up 6pp to 52%).

[Chart](#) [Data table](#)

Chart 15: Would you say the advert you saw or heard...

Source: Cryptoassets consumer research 2021



© Financial Conduct Authority 2021

Chart 16 below shows that 31% of crypto owners that saw a cryptocurrency advert were encouraged or led to buy as a result. We considered how several factors map against this benchmark. For instance, those wrongly believing they had regulatory protection were much more likely to have been led/encouraged due to advertising, at 71% compared to the benchmark of 31%.

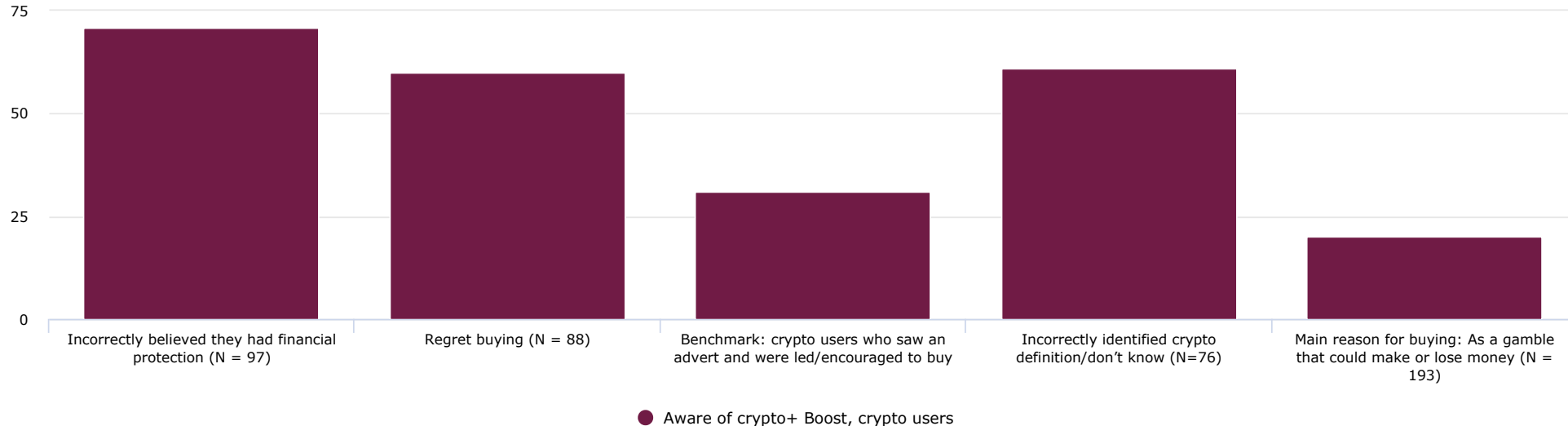
The same is true, to a lesser extent, among those who regret buying at 60%. But those who could not correctly identify a cryptocurrency definition or who stated that their reason for buying was 'as a gamble that could make or lose money' were less likely to have been influenced by advertising than the benchmark for crypto users.

Note: the benchmark below is for crypto users who saw an advert and were led/encouraged to buy

[Chart](#) [Data table](#)

Chart 16: Percentage of people who are more likely to buy cryptocurrencies after seeing/hearing an ad, by different groups

Source: Cryptoassets consumer research 2021



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Measuring motivation

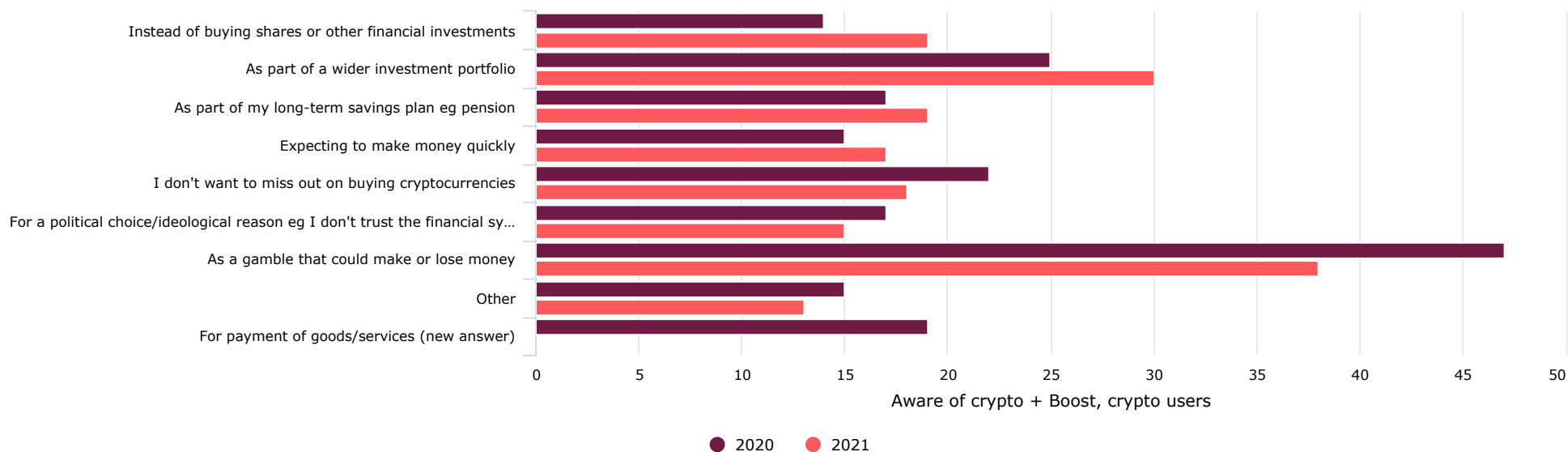
In chart 17 we explored consumers' reasons for buying cryptocurrencies and found 2 reasons were substantially more popular than the others.

The most popular reason among crypto users was 'as a gamble to make or lose money' at 38%, indicating some recognition of the risks involved in investing in cryptocurrencies. This is, however, down 9pp on 2020 which might show increased confidence following strong returns and that the perception of cryptocurrencies as a 'gamble' is diminishing.

Chart [Data table](#)

Chart 17: Main reasons for buying cryptocurrencies

Source: Cryptoassets consumer research 2021



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30% said that they are investing as part of a wider portfolio, up 5pp on 2020, and 19% said 'instead of buying shares or other financial investments', up 4pp. This is consistent with the finding that more people (up from 26% to 32%) showed net agreement that 'I believe that cryptocurrencies and other alternative investments are better than investments provided in the mainstream financial sector', suggesting a possible shift towards more mainstream cryptocurrency acceptance.

Net agreement among crypto users that purchasing cryptocurrencies is a risk they are prepared to take was 68%. Unsurprisingly, this figure was higher for current crypto owners who have not sold anything (82%) and lower for the 8% former crypto owners who have sold all their crypto (49%).

Agreement was slightly less strong for the idea that crypto users are happy trading in this market even though it is unregulated, at 60%. However, only 35% of crypto users agreed that they would be more likely to buy cryptocurrencies if it was regulated. Again, these figures are similar to our last survey.

Crypto users enthused

Enthusiasm for cryptocurrencies as a product is growing among crypto users. There was an increase in agreement that 'I have had positive experiences with cryptocurrencies and I am more likely to buy more', rising from 41% to 53% among crypto users, and a corresponding fall in answer to 'I regret ever having bought cryptocurrencies' with net agreement down from 15% to 11%.

However, 22% of crypto users reported having a bad experience relating to owning or acquiring cryptocurrency.

Purchase and engagement

- Most consumers continue to use an exchange to purchase and use their own disposable income to pay.
- Consumers are checking their balances far more often.

This section uses combined Aware of crypto + Boost data to focus on crypto users versus non-crypto users, examining consumer engagement and how cryptoassets are acquired.

Making the purchase

Most crypto users said they paid for cryptocurrencies using their own disposable income/cash (78%). But 14% said they used some form of borrowing (either a credit card, overdraft, or borrowing from friends, family or a financial firm) – a similar level to 2020. With the crypto market maturing, 17% stated that they used previous gains from cryptocurrencies, up 4pp.

We also asked how consumers purchased cryptocurrencies, with distribution options now including online exchange; peer-to-peer decentralised exchanges; an Initial Coin Offering (ICO); through friends, family or colleagues; or another company, such as Revolut. We saw little meaningful movement on this question compared to 2020, with 3 out of every 4 crypto users saying they used an exchange. We also saw little change in the split between use of UK exchanges and non-UK based exchanges. 86% of crypto users did not use a UK exchange at all and 4% used only a UK exchange.

Storing crypto

Three out of 5 respondents said they store their cryptocurrency on the exchange they bought it from (59%) and 21% did not want to share an answer. Of those who have moved it elsewhere, 24% have chosen a digital wallet, and 22% a hardware wallet.

Checking in every day

There was significant change in how often crypto owners monitor the value of their holdings. In 2020, we saw that 13% check daily, but this has now increased to 29%. Some possible explanations might be increased volatility, or supply-driven changes whereby access to information has improved or been prioritised. As with 2020, 12% said they have never checked.

We asked about how crypto users have used their cryptocurrencies, with options including exchange for other cryptocurrencies, purchasing other financial products, purchasing goods or services, converting into cash, or never having used them. 29% have exchanged them for other cryptocurrencies. 27% have used crypto to purchase goods or services, demonstrating substantial uptake for cryptocurrencies for reasons beyond holding for investment returns. One in 10 has used them to purchase other financial products.

57% of crypto users said they have never sold any of their cryptocurrency, while 5% said they have tried but were unable to.

Looking ahead

- The coronavirus (Covid-19) pandemic had limited effect on attitudes.
- Half of crypto users would buy in the future.
- Consumers show limited appetite for stablecoins so far.
- There is more openness to transacting on online marketplaces (eg Amazon, eBay) than social media platforms.

This section uses combined a mixture of aware of crypto and Aware of crypto + Boost data to take in views from all adults, crypto users and non-crypto users about forward-looking questions and emerging trends.

Business as usual

Despite a number of news stories focusing on the growing role of crypto during the coronavirus pandemic, the majority (86%) of respondents say that it has not changed their attitude to cryptocurrencies. When looking at effects among crypto users only, coronavirus was more likely to have encouraged respondents to buy cryptocurrencies than to have discouraged (12% vs. 3%).

Stablecoins

Stablecoins are part of an emerging trend we were keen to explore for the first time. As we did not ask about stablecoins last time, we do not have comparative figures.

In chart 18, when presented with a list of 19 cryptocurrencies, one in 3 (33%) crypto users had heard of the stablecoin market leader, Tether.

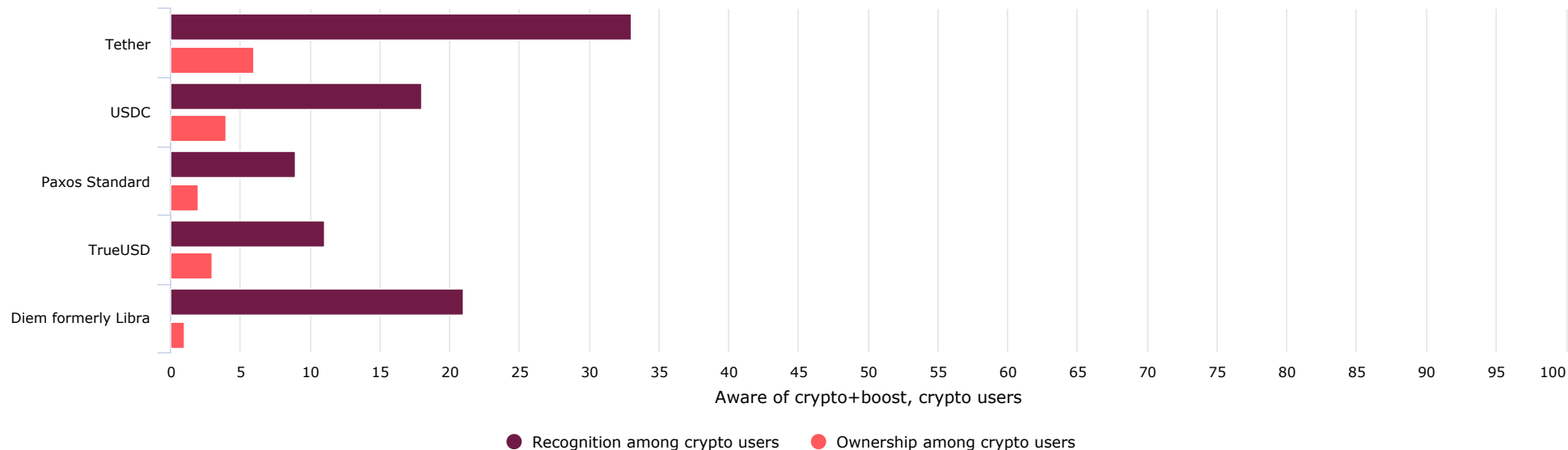
It was followed by Diem (21%), USDC (18%), TrueUSD (11%) and Paxos Standard (9%).

Ownership of these was much lower, peaking at 6% for Tether. 87% of crypto users said none of the cryptocurrencies they purchased were stablecoins.

Chart [Data table](#)

Chart 18: Stablecoins: ownership versus recognition

Source: Cryptoassets consumer research 2021



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The gap between what consumers have heard of against what they own is somewhat larger for Tether (the market-leading stablecoin) than Bitcoin (the market-leading cryptocurrency). This might indicate that Bitcoin remains a more attractive proposition to consumers and the use case of stablecoins has proven less persuasive to this point.

While awareness of stablecoins may be edging up, understanding remains low. Only 36% of crypto users were able to correctly identify the definition of stablecoins (compared to 90% for the definition of cryptocurrency). Indeed, when asked why they hadn't bought any stablecoin, 45% of crypto users referred to a lack of knowledge about them, and 15% a lack of knowledge on how to buy them. But 46% mentioned either being unclear on the benefit or having no need to buy them, demonstrating that many consumers are less persuaded of the benefits of stablecoins.

For those who did buy stablecoins, two-thirds (64%) used them as a store of value to use on exchanges, while approximately 1 in 4 said it was to use them for buying other financial products (28%); to exchange for cash (25%); or to use for buying other goods or services (23 %).

Future purchases

47% of crypto users said they are planning to buy cryptocurrency in the future. 30% said they will use previous gains from crypto to fund this – only 17% said they have already done so. 26% said they will use other long-term savings or investments (up 7pp). This may hint at optimism regarding the future path for cryptocurrency investment returns.

We also asked about notional distribution points for future purchases of cryptocurrency. 31% of crypto users said they would be likely to purchase cryptocurrency on an online marketplace (eg Amazon, Ebay etc.) rather than an exchange, but were less likely to say they would purchase via a social media platform (14%).

53% of crypto users agreed that they have had a positive experience with cryptocurrencies and they are likely to buy more, equating to a significant increase of 12pp. 57% (up 8pp) agreed that they would buy more cryptocurrencies if they had a larger disposable income. Behind this, we can see a strong sense of confidence among crypto users and 48% (up 9pp) agree that they know at some stage, they will make money out of the cryptocurrency market.

Looking forward, 37% of crypto users say they don't know how long they expect to hold their cryptocurrencies. 16% of those providing a time period said they intend to sell within 3 months. But at the opposite end of the spectrum, 49% said they intend to hold for 5 years or more.

Authors

Michael Karim (michael.karim@fca.org.uk) and Gergana Tomova (gergana.tomova@fca.org.uk)

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