

**Promote** is a key part of the Financial Services Compensation Scheme's (FSCS) strategy. Our ambition is that the full range of FSCS protection is known about and trusted. Promoting the protection we offer helps consumers to make informed and confident financial choices. Our Promote to Prevent work centres around raising awareness and helping reduce consumer harm which is driving up FSCS's compensation costs.

Sometimes it is equally as important for consumers to understand what we do not cover so they purchase products with full awareness. FSCS doesn't protect cryptocurrencies because they are not a 'specified investment' under the UK regulatory regime.

This Consumer Research series aims to share the results of our exclusive research on consumer attitudes towards financial products and services. It helps us, and stakeholders across the financial services sector, to identify gaps and opportunities to provide consumers with the essential, accurate information they need about FSCS protection.

FSCS can pay compensation when financial firms go out of business. FSCS can protect deposits, insurance policies, some investments, insurance broking, mortgage advice, self-invested personal pensions (SIPPs), pensions advice, payment protection insurance (PPI), debt management plans and funeral plans. For more information on what we cover, visit our website.

Funded by the industry, we are independent and our service is free to use.

## FSCS CONSUMER RESEARCH:

# Attitudes towards investing in cryptocurrencies



April 2023

[www.fscs.org.uk](http://www.fscs.org.uk)

Welcome to the latest edition in our series of FSCS research papers where we share insights from our exclusive consumer research, highlighting consumer sentiment as we consider their current finance sector experiences.

For the purposes of this paper and the underlying questions included in the research, we chose the term 'cryptocurrencies' because this is more widely used by everyday consumers.

## Why are we interested in cryptocurrencies?

The terms 'cryptocurrencies' and 'FSCS protection of crypto investments' are right at the top of the most searched for items on our website, so it felt prudent to develop our knowledge around consumers' understanding of and attitudes towards cryptocurrencies.

Research conducted for our **March 2023** edition of this series found that over a quarter of consumers are likely to take more risks with their money, alongside tighter budget planning and making more compromises, as a result of the rising cost of living.

Bitcoin, which our research shows is the most well-known cryptocurrency, was born in the aftermath of the 2007–08 financial crisis, with a mix of low trust in traditional financial institutions, rapidly evolving technology and a historically low period for interest rates fuelling their popularity.

The previous research papers in our series have investigated topics that are very relevant to the day-to-day work of FSCS, so this topic is a little different, since as it stands, there are no protections for cryptocurrencies. If you would like more background around FSCS and cryptocurrencies in general I would recommend listening to **this episode of our podcast series**. Consumers need to be crystal clear that cryptocurrencies do not come with FSCS protection when they are investing.

### What has changed?

Recent dramatic news in the cryptocurrency sector, such as the November 2022 collapse of FTX, the world's second largest crypto exchange by volume, sent shockwaves through the financial services sector and increased the

focus on their merits, as well as amplifying calls for regulation in some quarters.

Cryptocurrencies provoke strong opinions, from those who believe they are a force for good which could be the future of finance, to others who believe they are essentially an investment gamble. That discussion is not the purpose of this paper. However, as we looked more deeply into the results of our research, we began to see a clear difference between consumer awareness of cryptocurrencies, and a fuller understanding of what they are and how they work.

It is really important that if consumers embrace new innovations in our sector they do so with as full an understanding as possible around the decisions they are making.

The UK Government is developing its ambition to make the UK a global 'crypto hub', with HM Treasury launching an open consultation in February 2023 on the **'Future financial services regulatory regime for cryptoassets'**. Therefore it is important that there are sector wide conversations on this subject. At FSCS we are passionate about sharing our insights to not only inform our response to the consultation, but also enable our stakeholders and the industry to have robust discussions and form well rounded views.

We hope that us sharing the results of our research can make an interesting contribution to all these discussions.

**Lila Pleban**  
Chief Communications Officer

## KEY FINDINGS

We conducted consumer research in March 2023 among a total of 2,203 UK adults aged 18+ with any savings or investments (2,001 of which had heard of cryptocurrencies).

For the purposes of this paper and the underlying questions included in the research, we chose the term 'cryptocurrencies' because this is more widely used by everyday consumers.

### 91%

of consumers with savings or investments say they have heard of cryptocurrencies.



Only 11% say they have a good understanding of how they work, but this increases to 23% among under 35s.

### 74%

of those aware of cryptocurrencies have heard of Bitcoin. Awareness of other cryptocurrencies and digital assets is much lower.



Of those aware, 9% currently invest in cryptocurrencies while another 9% have previously invested but no longer do so. A further 27% are open to investing.

### 80%

of those with experience or open to investing cite reasons that can be grouped as being 'swayed by the hype' as a motivation to invest.



In contrast, a much lower 54% cite at least one of the more conventional reasons to choose an investment product.

### 59%

of those with experience investing spent less than £250 on their first purchase, and 45% spent less than £250 in total across all purchases.



35% describe the performance of their investment as better than expected, 32% as worse than expected and 30% as in line with their expectations.

### 54%

of those with experience or open to investing agree that they could end up regretting investing in cryptocurrencies, while 51% agree that it is easy to invest and 52% agree they see crypto ads everywhere.



23% would consider getting into debt to buy cryptocurrencies, increasing to 34% among under 25s and 29% of those with household incomes of less than £15,000.

### 64%

of those aware of cryptocurrencies say that investing in it is basically gambling, while 75% believe that their promotion should be regulated.



Financial advisers are the most trusted source when it comes to providing accurate information about investing in cryptocurrencies.

# 91% of consumers have heard of cryptocurrencies

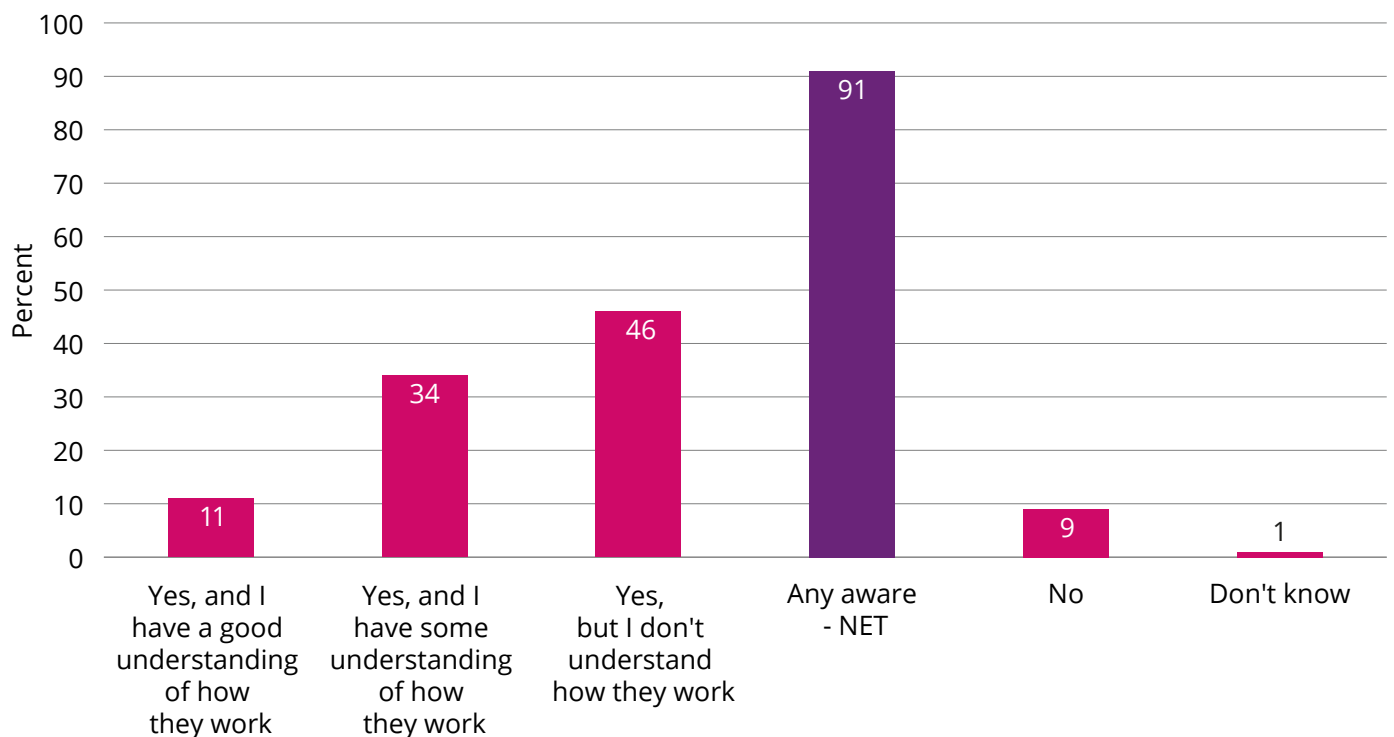
91% of consumers with any savings or investments say they have heard of cryptocurrencies. This high level of awareness is in line with the **FCA's research** on this topic published in 2021, which found that awareness of cryptocurrencies had significantly risen between 2019 and 2021, from 42% to 78% of all UK adults.

However, levels of understanding can vary quite a lot. Our research found that 46% of total respondents have heard of cryptocurrencies but don't really understand how they work.

11% say they have a good understanding of how they work, which increases to 23% among people under 35.

**Figure 1:** Awareness and understanding

"Have you ever heard of cryptocurrencies?"



Base: 2,203 UK adults aged 18+ with any savings/investments

Note: For the purposes of this paper and the underlying questions included in the research, we chose the term 'cryptocurrencies' because this is more widely used by everyday consumers.

Source: FSCS/Kantar Profiles, March 2023



91% of consumers with any savings or investments say they have heard of cryptocurrencies but only 11% say they have a good understanding of how they work.

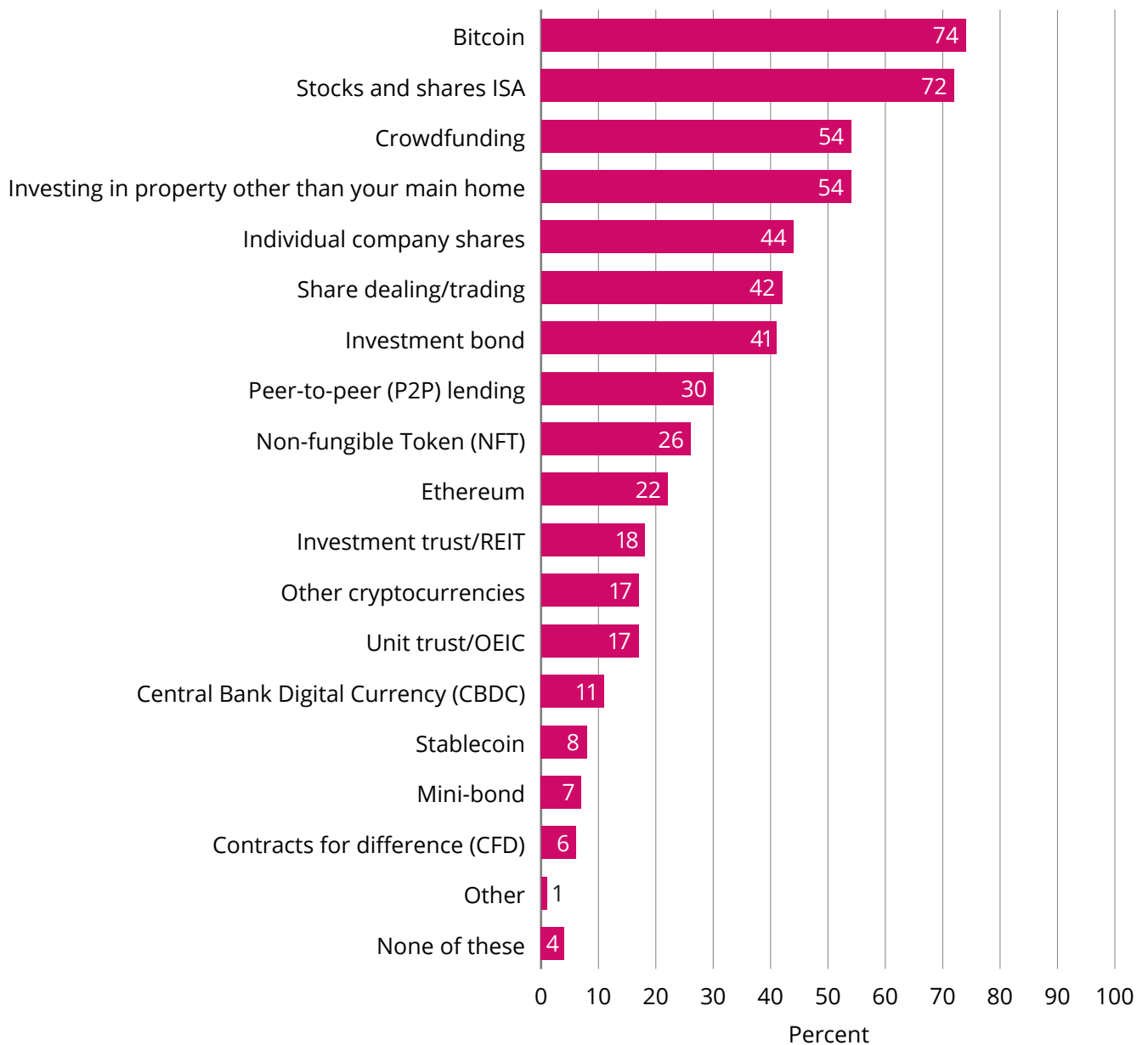
## Bitcoin is by far the best known cryptocurrency

When it comes to awareness of specific cryptocurrencies and digital assets, there is a big difference between recognising Bitcoin versus any other products or brands. 74% of those who have heard of cryptocurrencies are aware of Bitcoin, compared to 22% who have heard of Ethereum.

11% are aware of Central Bank Digital Currencies (CBDC), which is quite a different area, but a term that has started to become more common in the news in 2023, as more governments and central banks start discussing the topic.

**Figure 2:** Awareness of specific cryptocurrencies/digital assets vs. other investments

“Which of the following are you aware of?”



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023

## 18% have experience investing in cryptocurrencies

Of those aware, 9% currently invest in cryptocurrencies while another 9% have previously invested but no longer do.

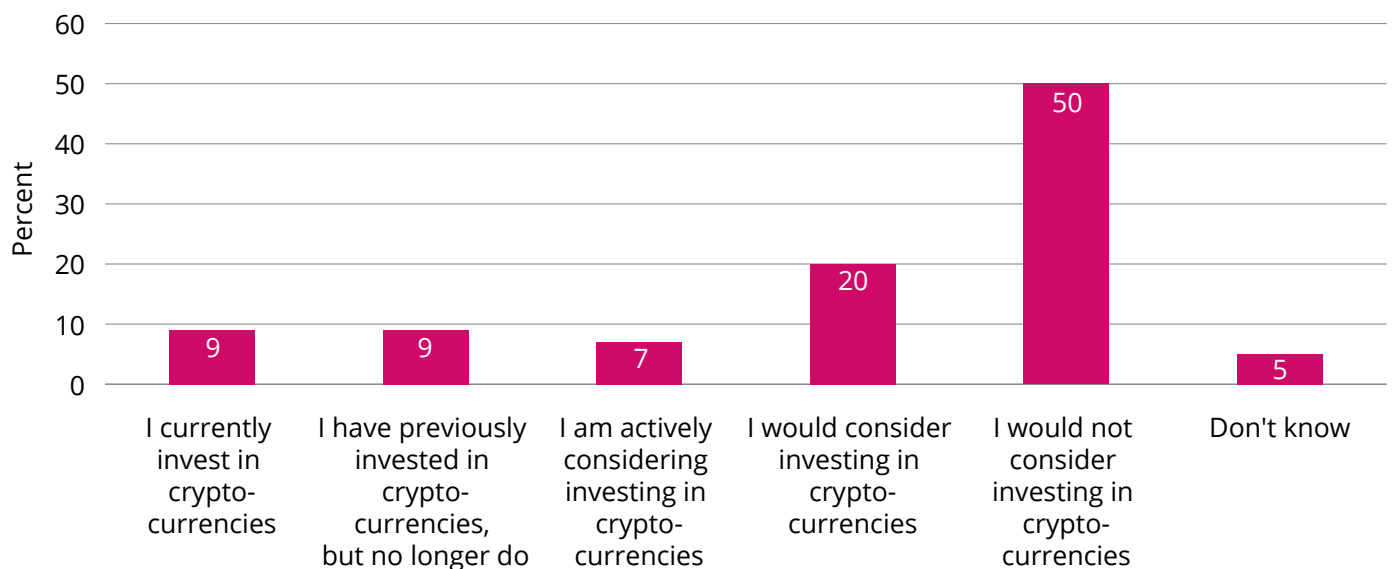
Both current and former investors are more likely to be men, aged 25-34 or have household incomes of over £50,000. They are also more likely to describe themselves as confident when saving and investing, and to be willing to take risks with their money.

27% of those aware of crypto are open to investing in it: 7% actively considering it and 20% would consider it. Among this wider group of potential first-time investors, women are slightly more likely than men to consider investing in cryptocurrencies (29% vs 25%), which suggests future investor profiles may start to become less skewed towards men.

50% of respondents said they would not consider investing in cryptocurrencies. This increases to 81% of over 55s. This research found that the most common worries are a fear of being scammed and a lack of protection if things go wrong (see Figure 9: Concerns about investing in cryptocurrencies).

**Figure 3:** Investor status

“Which of the following best applies to you regarding cryptocurrencies?”



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023



Among potential first-time investors, women are slightly more likely than men to consider investing in cryptocurrencies.

## 59% spent less than £250 on their first purchase...

We asked people with experience investing in cryptocurrencies about the value of their very first purchase. The most common response, chosen by 20%, was that they had spent more than £100 but less than £250.

Our research suggests that it is not uncommon for people to spend small amounts on their first purchase, with 40% spending £99 or less. This makes it a very accessible market when compared to traditional investments, which can be perceived as being the preserve of the rich among those without experience. Having few barriers to entry probably adds to the appeal, especially as many of the reasons to invest point at an unwillingness to be left behind by this trend (see Figure 6: Reasons to invest in cryptocurrencies).

## ...while 45% spent less than £250 in total

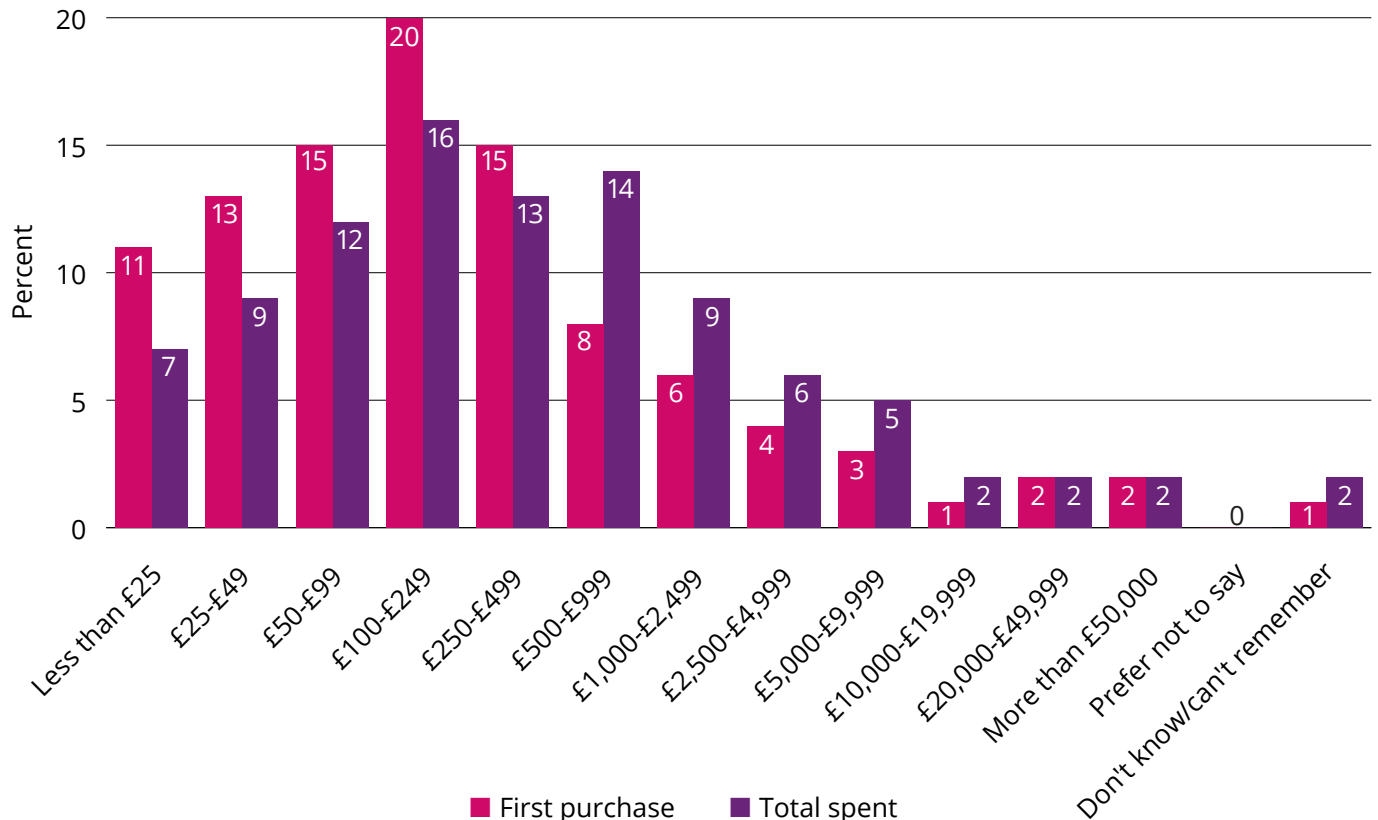
We also asked about the total amount spent across all purchases (without considering losses or gains from the investment). Our results indicate people do end up investing more than once, and likely spending more than the initial amount in all later purchases.

However, amounts remain relatively modest, with only 27% saying they have spent more than £1,000 in total.

**Figure 4:** Value of first purchase and total amount spent

“Looking back to when you started investing in cryptocurrencies, how much money did you spend on your first purchase?”

“And in total, how much money have you spent buying cryptocurrencies? Please consider the value of all individual purchases you have made and ignore any losses/gains from your investment(s).”



Base: 364 UK adults aged 18+ who currently invest or have previously invested in cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023

## 35% describe the performance of their investment as better than expected

People with experience investing in cryptocurrencies seem to be evenly divided in terms of how they assessed the performance of their investments. Around a third describe it as worse than expected, with similar proportions describing it as either in line with their expectations or better.

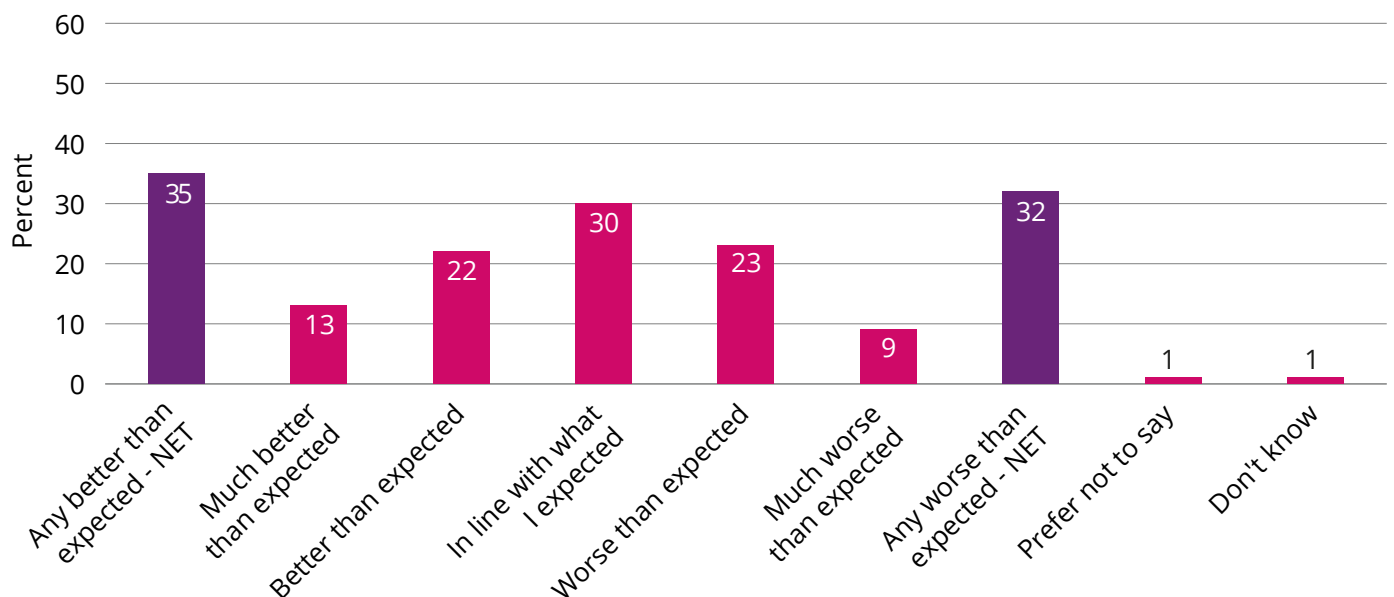
However, a higher proportion are likely to describe it as much better than expected than as much worse than expected (13% vs 9%). The exact timing of their initial investment is out of the scope of this research, but respondents are likely to range from new investors to those who have been in the market across a broader timeframe.

The best-known cryptocurrencies such as Bitcoin and Ethereum have shown a high degree of volatility, but also price spikes and a long-term trend towards increasing in value. This volatility has limited their appeal and practicality as a payment method contributing to point-of-sale acceptance remaining low.

However, they have proved attractive as a speculative investment, particularly during times of ultra-low interest rates. While some consumers would have seen impressive gains over the years, the November 2022 collapse of FTX, the world's second largest crypto exchange by volume, has rocked the market and negatively affected prices in recent months.

**Figure 5:** Investment performance

“Overall, how would you describe the performance of your investment(s) in cryptocurrencies?”



Base: 364 UK adults aged 18+ who currently invest or have previously invested in cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023



[Cryptocurrencies] have proved attractive as a speculative investment, particularly during times of ultra-low interest rates.

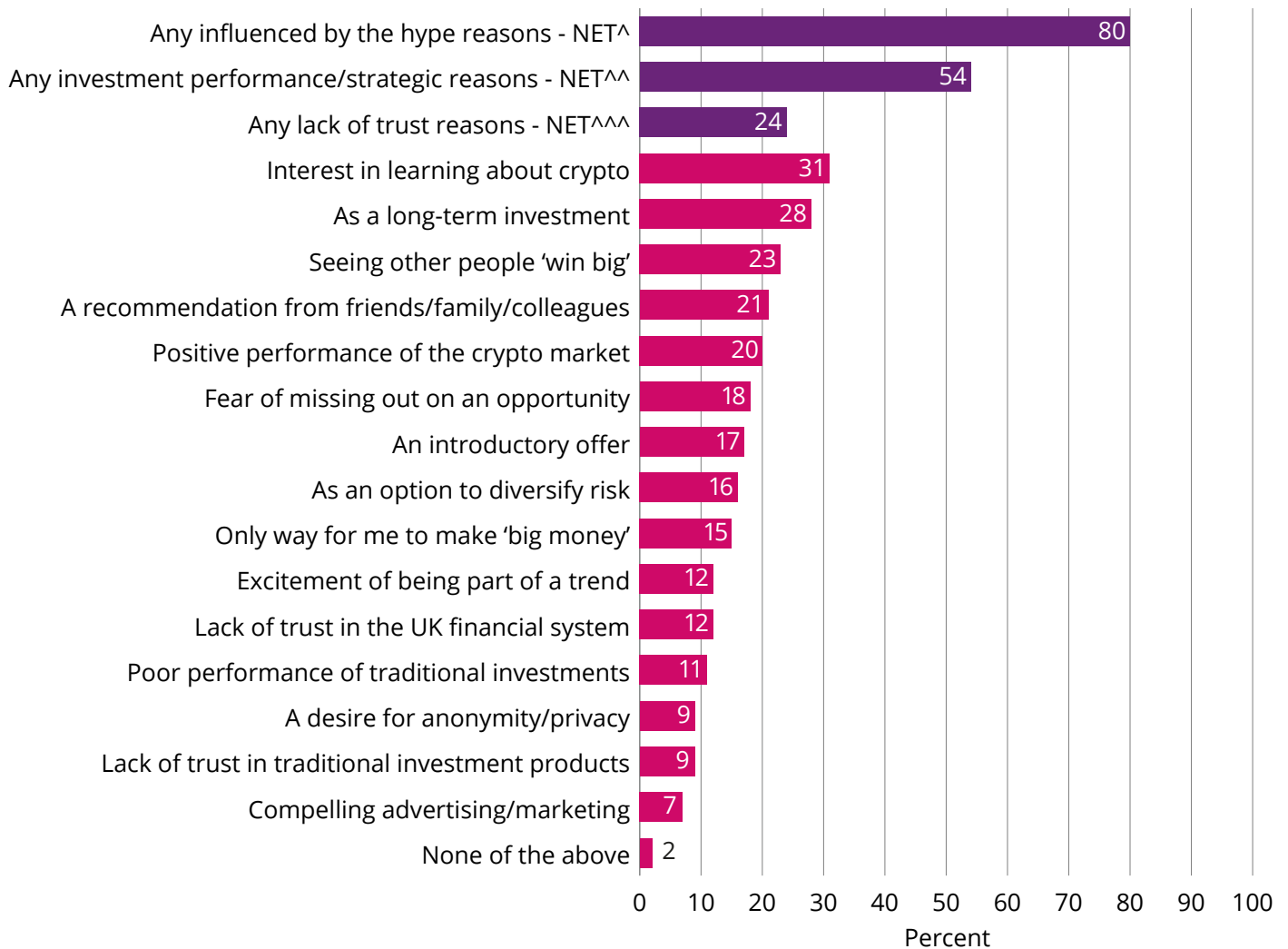


# Majority of potential investors are swayed by the hype

We asked current, former, and potential customers about their reasons to invest in cryptocurrencies. The below results point towards consumers being swayed by the hype and market noise.

**Figure 6:** Reasons to invest in cryptocurrencies

“Why did you/would you invest in cryptocurrencies? Please select all that apply.”



Base: 903 UK adults aged 18+ who currently invest/have previously invested in cryptocurrencies or would consider doing so

Nets are calculated by identifying respondents who chose at least one of the following options:

<sup>^</sup>*Influenced by the hype* reasons: interest in learning about crypto; seeing other people 'win big'; a recommendation from friends/family/colleagues; fear of missing out on an opportunity; an introductory offer; only way for me to make 'big money'; excitement of being part of a trend; or compelling advertising/marketing.

<sup>^^</sup>*Investment performance/strategic* reasons: as a long-term investment; positive performance of the crypto market; as an option to diversify risk; poor performance of traditional investments.

<sup>^^^</sup>*Lack of trust* reasons: lack of trust in the UK financial system; lack of trust in traditional investment products; or a desire for anonymity/privacy.

Source: FSCS/Kantar Profiles, March 2023

80% of respondents chose at least one of the following as reasons to invest: interest in learning about cryptocurrencies, seeing other people ‘win big’, recommendations from friends/family, fear of missing out, introductory offers, only way to make ‘big money’, excitement of being part of a trend and compelling ads/marketing. This research also found that 52% of target customers in this market agree that they see ads for investing in crypto everywhere (such as online, or digital advertising boards in football stadia), and around a third say friends/family or influencers/celebrities encourage them to invest (see Figure 8: Investor influences).

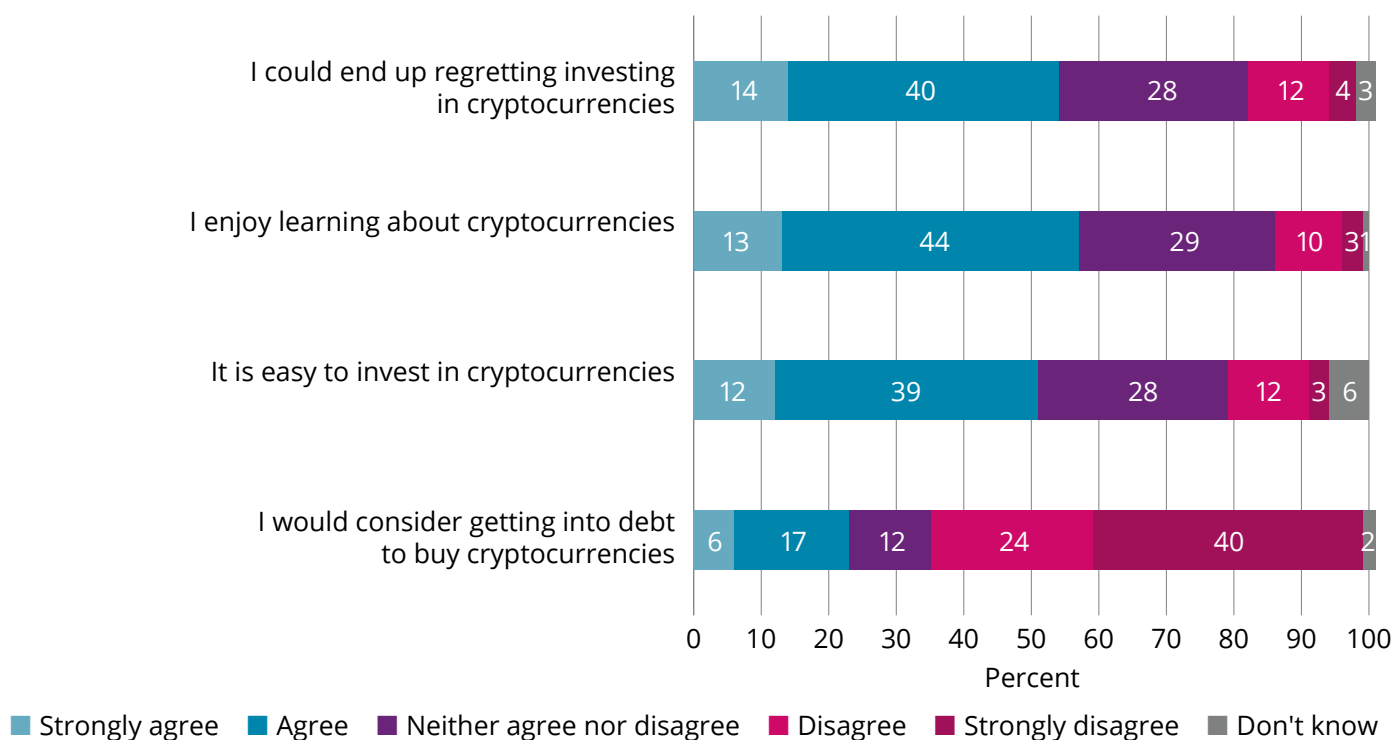
In contrast, a much lower 54% cite at least one of the more conventional reasons to choose one investment product over another based on the investor’s profile and strategy. These include either seeing it as a long-term choice, an option to diversify risk, due to the positive performance of this market or the poor performance of traditional alternatives.

Lastly, 24% list a certain lack of trust, either in the UK financial system or traditional investment products, or a desire for anonymity and privacy as a reason.

However, among the individual options presented, there was no dominant motivation to invest, and in fact we found that 20% of consumers could list four or more reasons to do so.

**Figure 7: Investor behaviours**

“Do you agree or disagree with the following statements about cryptocurrencies?”



Base: 903 UK adults aged 18+ who currently invest/have previously invested in cryptocurrencies or would consider doing so  
 Source: FSCS/Kantar Profiles, March 2023

### More than half say they could end up regretting it...

54% of current, former and potential investors agree that they could end up regretting investing in cryptocurrencies. This is higher (60%) among those who have previously invested but no longer do when compared to those currently investing or actively considering it (52%).

However, 51% agree that it is easy to invest in cryptocurrencies, rising to 78% of those currently doing so. This research has also found that it is common for investors to spend relatively small amounts in their first purchase, but the total amount invested increases over time (see Figure 4: Value of first purchase and total amount spent).

## ...but 23% would consider getting into debt

Of more concern is that 23% would consider getting into debt to buy cryptocurrencies. This increases to 34% among under 25s and 29% of those with household incomes of less than £15,000, which could put them at risk due to their limited ability to bear losses.

The FCA has identified borrowing money to buy cryptocurrency as a potential driver of harm, and its 2021 research found that recent acquirers of cryptocurrency, those who have held it for less than a year, are slightly more likely to get into debt to do so than earlier adopters. Other drivers of harm include low income levels, low knowledge of crypto and a (mistaken) belief that cryptocurrency investments have financial protection.

## 52% agree they see crypto ads everywhere

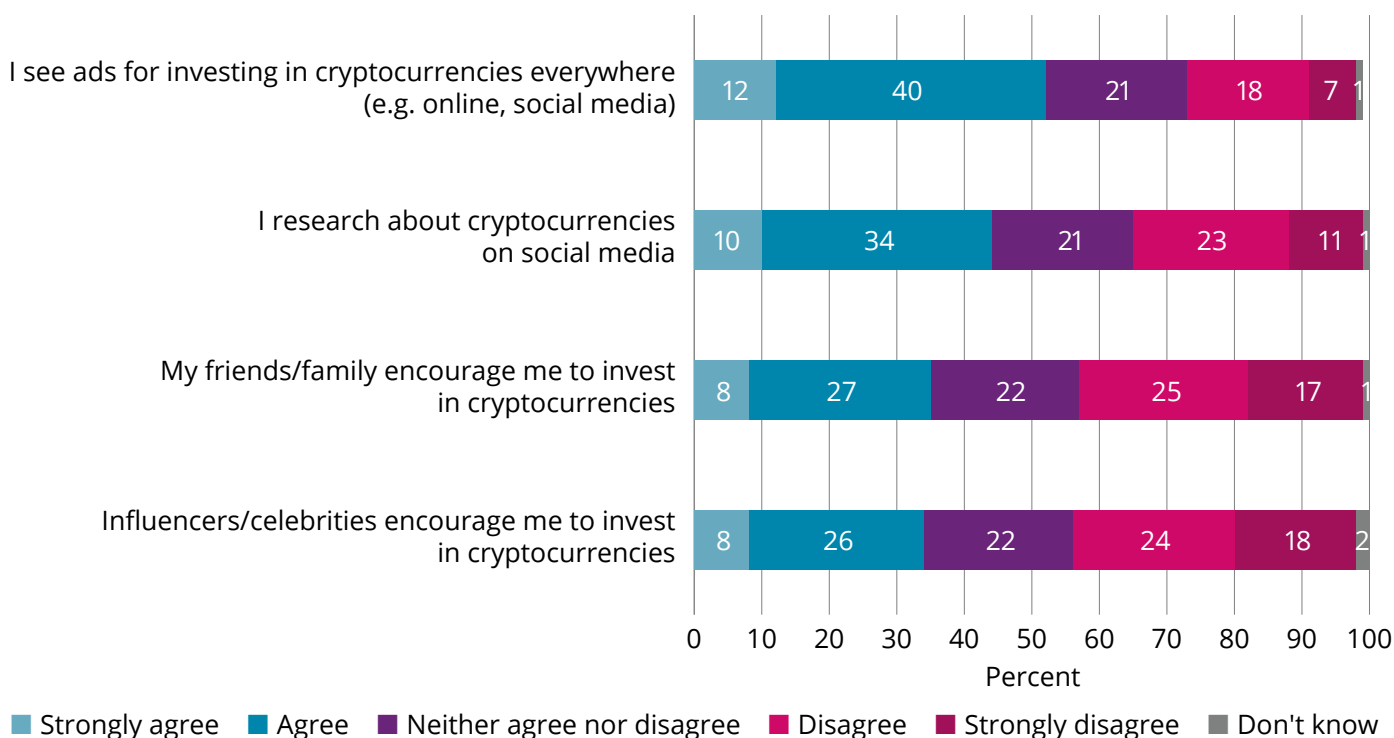
As we have explored, a majority of target customers are swayed by the hype surrounding the crypto market, with 80% of those with experience or considering investing citing reasons such as fear of missing out, seeing others ‘win big’, excitement of being part of a trend or recommendations from others as motivations to invest (see Figure 6: Reasons to invest in cryptocurrencies). Similarly, around a third of target customers in this market agree that influencers/celebrities encourage them to invest in crypto (see below).

This research has also found that 35% of all current, former, or potential investors say friends and family encourage them to invest, and they are also seen as a trusted source of information (see Figure 11: Trusted sources of information). 52% agree they see ads for investing in cryptocurrencies everywhere, which increases to 63% among those who are actively considering investing for the first time.

Among the wider group of consumers who are aware of crypto, 75% agree that the promotion/ advertising of cryptocurrencies should be regulated (see Figure 12: Attitudes towards investing in cryptocurrencies).

**Figure 8:** Investor influences

“Do you agree or disagree with the following statements about cryptocurrencies?”



Base: 903 UK adults aged 18+ who currently invest/have previously invested in cryptocurrencies or would consider doing so

Source: FSCS/Kantar Profiles, March 2023

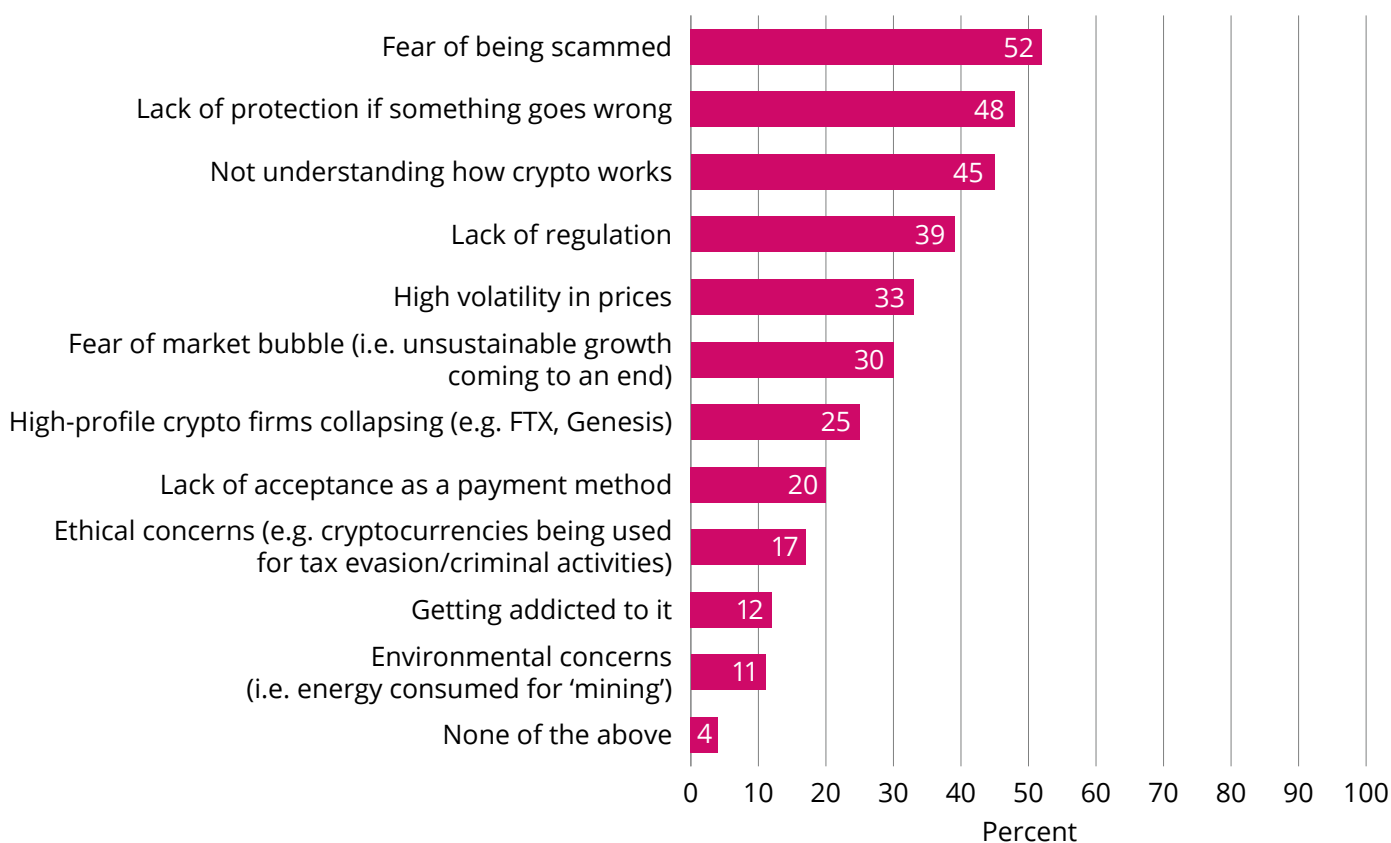
## 48% are concerned about lack of protection...

Despite the many pull factors identified by this research, consumers still have reservations about investing in cryptocurrencies. The most common worries are a fear of being scammed and a lack of protection if things go wrong, which were issues for roughly half of those aware of cryptocurrencies (52% and 48%, respectively).

In fact, 41% of respondents can list four or more concerns, while only 4% did not cite any of the options listed below.

**Figure 9:** Concerns about investing in cryptocurrencies

“Which of the following concerns you about investing in cryptocurrencies?  
Please select all that apply.”



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023

## ...increasing to 54% of those who say they wouldn't invest

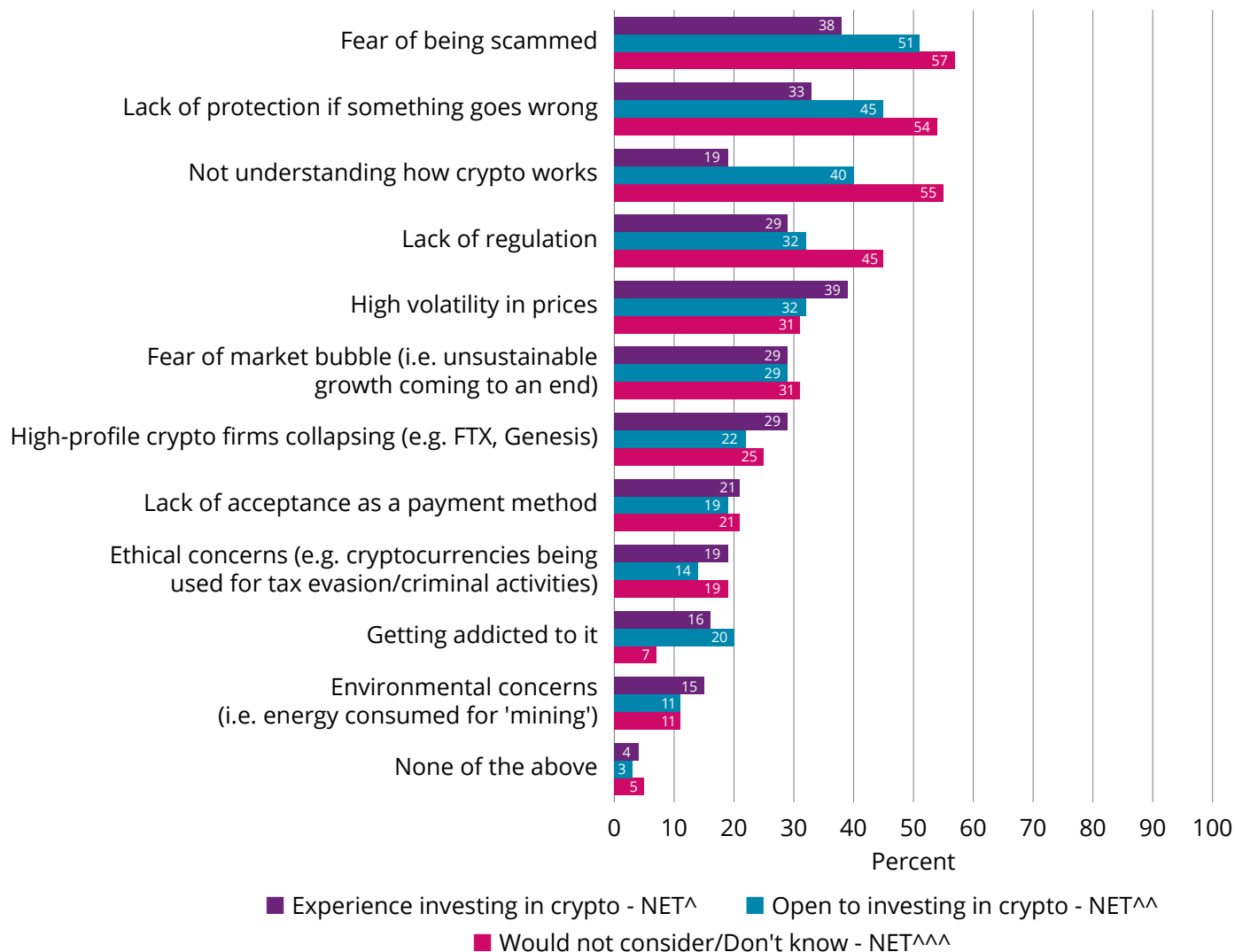
As this question was asked to all those who are aware of cryptocurrencies, it is worth breaking the results down by their investor status.

Concerns about lack of protection and lack of regulation are much more common among those who say they presently wouldn't consider investing or aren't sure, when compared to those who have already done so. This raises the question of whether this is a key barrier to them and if they would likely change their mind should cryptocurrencies fall inside the UK regulatory perimeter and/or protections are added in the future.

On the other hand, regulation could have the opposite effect on early adopters or crypto advocates, for whom separation from the traditional financial system is a key motivator. This research found that 9% of respondents cited a desire for anonymity/privacy as a reason to invest (see Figure 6: Reasons to invest in cryptocurrencies).

**Figure 10:** Concerns about investing in cryptocurrencies, by investor status

“Which of the following concerns you about investing in cryptocurrencies?  
Please select all that apply.”



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Nets are calculated by filtering responses shown at Figure 3: Investor status, as follows:

<sup>^</sup>Experience investing in crypto: either currently investing in cryptocurrencies; or previously invested in cryptocurrencies but no longer do.

<sup>^^</sup>Open to investing in crypto: Either actively considering investing in cryptocurrencies; or would consider investing in cryptocurrencies.

<sup>^^^</sup>Would not consider/Don't know: Either would not consider investing in cryptocurrencies; or don't know.

Source: FSCS/Kantar Profiles, March 2023


 The most common worries are a fear of being scammed and a lack of protection if things go wrong.

## Financial advisers are the most trusted sources of information

Financial advisers are the most trusted source when it comes to providing accurate information about investing in cryptocurrencies.

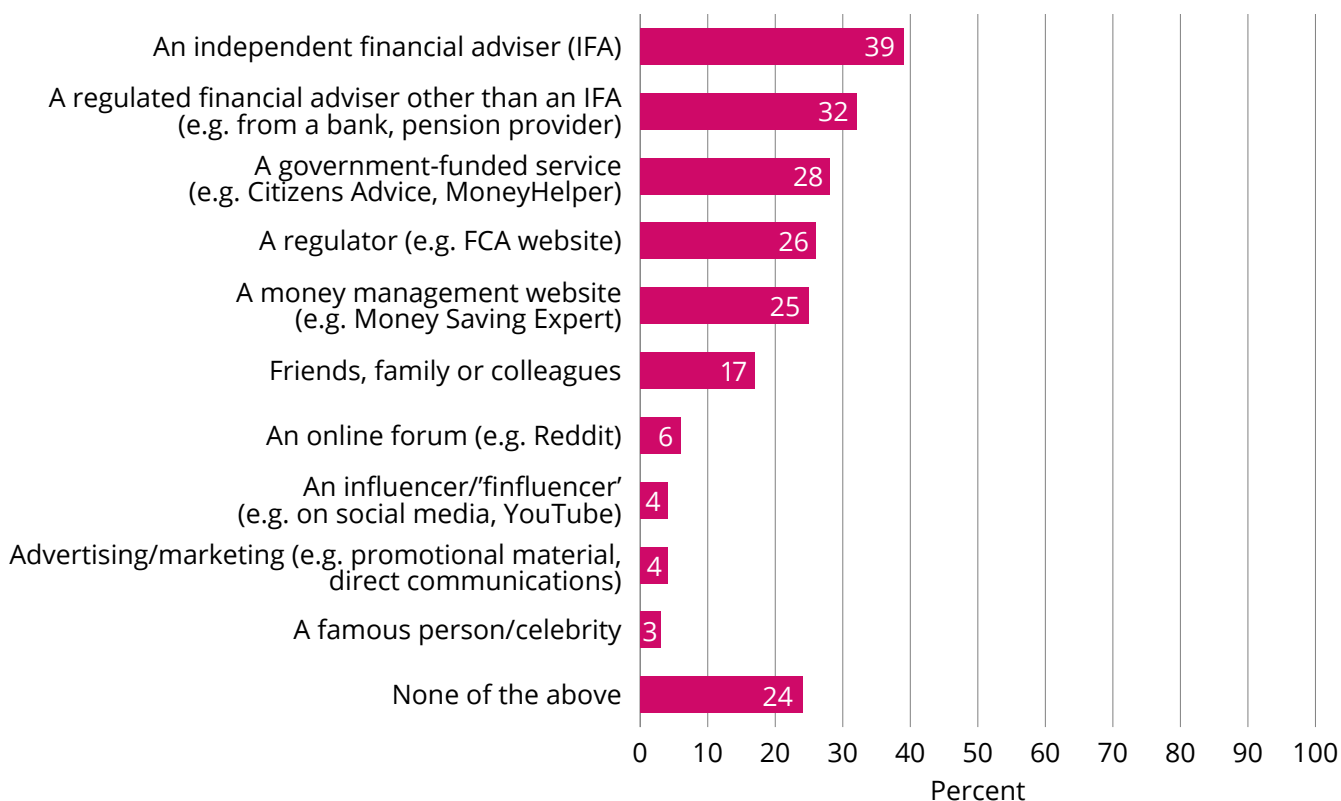
Our January 2023 edition of this series focused on Financial Advice. Research conducted for that piece found evidence of consumer confusion regarding what constitutes regulated financial advice, what to expect when paying for it and the perceived value to customers. This topic is particularly relevant to FSCS given the volume of claims and the value of compensation paid that stem from the regulated activity of advising on 'specified investments'. FSCS doesn't protect cryptocurrencies because they are not a 'specified investment' under the UK regulatory regime. Advice from a regulated IFA on cryptocurrencies wouldn't be regulated advice, therefore has no FSCS protection.

Government-funded services and regulators are also trusted sources of information for more than a quarter of all those aware of cryptocurrencies. Those who haven't invested but are open to doing so are significantly more likely to say they trust government-funded services and the regulator to give them accurate information about investing in cryptocurrencies. This highlights opportunities for industry bodies to work together when raising awareness and understanding of risks that could cause consumer harm.

Friends and family play a key role in this area, with 35% of all current, former, or potential investors saying they encourage them to invest (see Figure 8: Investor influences).

**Figure 11:** Trusted sources of information

"Which of the following do you/would you trust to give you accurate information about investing in cryptocurrencies?"



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023

## 64% think investing in crypto is basically gambling

Interestingly, 64% of those aware of cryptocurrencies agree that investing in it is basically gambling. Although higher among those who wouldn't consider investing (74%), it's still 59% among those with experience investing.

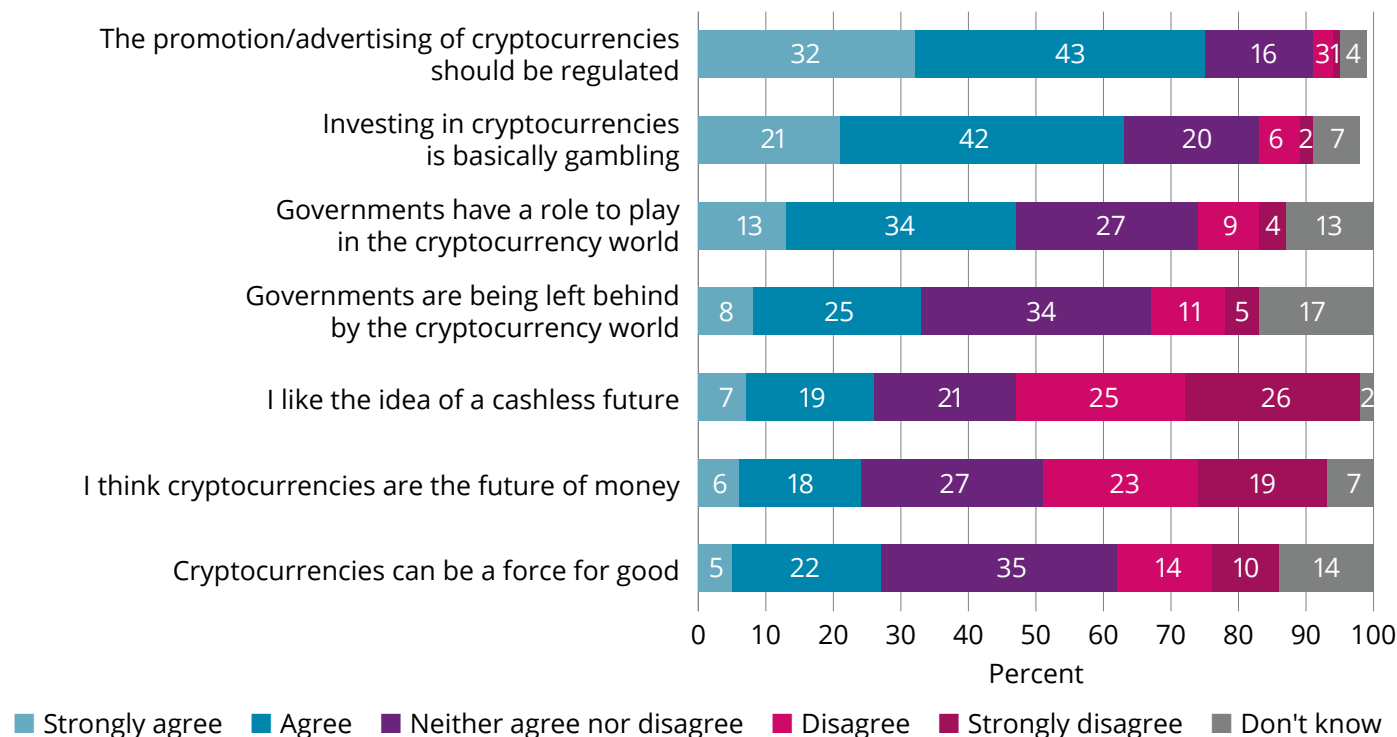
This indicates an acknowledgement of the risks involved. In fact, almost eight out of ten consumers believe that cryptocurrencies are very high risk investments and acknowledge that you can lose all your money investing in them (see Figure 13: Consumer perceptions). This also ties in with the relatively small amounts invested (see Figure 4: Value of first purchase and total amount spent).

In line with this, 75% believe that their promotion and advertising should be regulated. As discussed, 52% of those with experience or open to investing agree that they see ads for investing in cryptocurrencies everywhere (see Figure 8: Investor influences). The FCA has consulted about strengthening financial promotion rules of high-risk investments, including cryptocurrencies. It will publish final rules for this once the relevant legislation to bring qualifying cryptoassets within the financial promotions regime has been made. Similarly, 47% think governments have a role to play, while 32% think they are being left behind.

On the other hand, around a quarter of those aware say that cryptocurrencies can be a force for good, they like the idea of a cashless future and think that crypto is the future of money. Agreement with these statements is much higher among those currently investing, for example 74% of them think they can be a force for good.

**Figure 12:** Attitudes towards investing in cryptocurrencies

“Do you agree or disagree with the following statements about cryptocurrencies?”



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023

## Consumers are confused about regulation

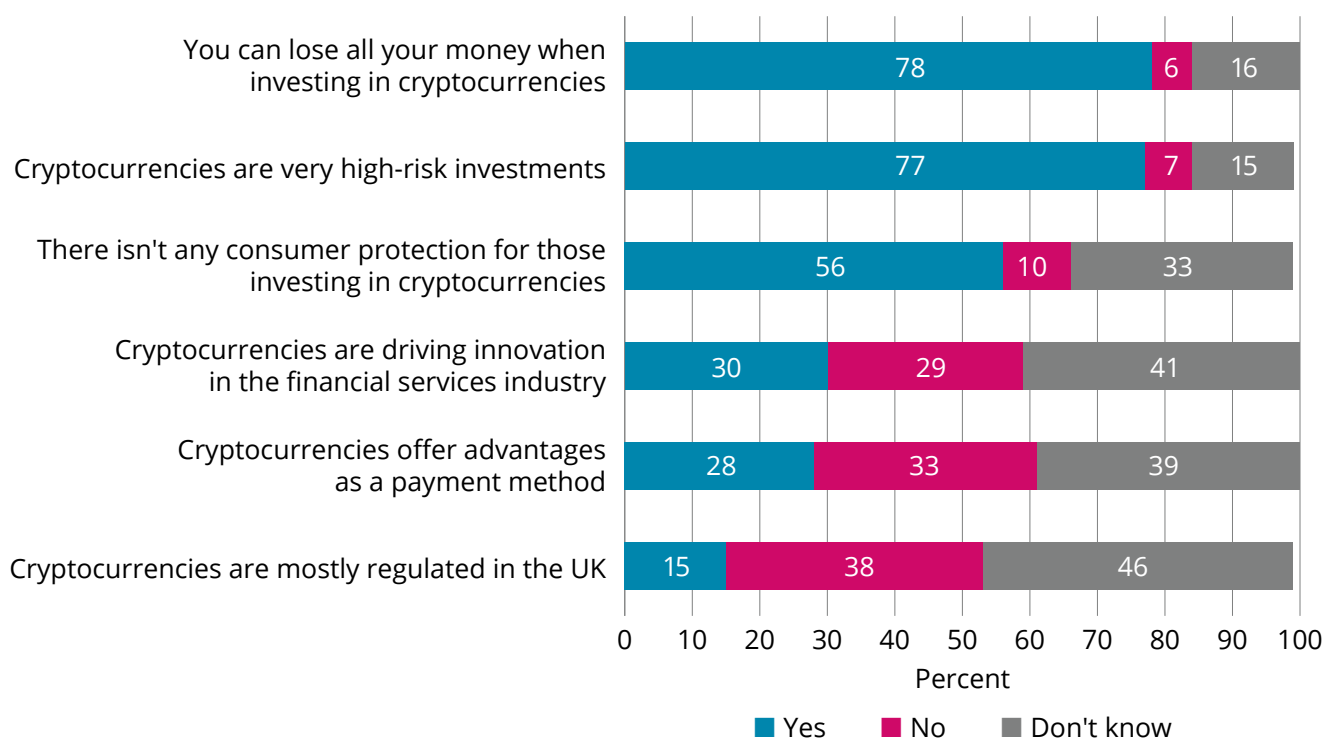
There seems to be a consensus among those aware of cryptocurrencies that they are very high risk, and you can lose all your money when investing. Less than a third believe they are driving innovation or offer advantages as a payment method, although agreement with these is much higher among those who have experience investing.

However, this research found there seems to be a lot of confusion when it comes to whether cryptocurrencies are regulated in the UK. While crypto firms operating in the country must register with the FCA and abide by anti-money laundering rules, crypto-related activities remain largely unregulated. Unlike mainstream investment products, people investing in cryptocurrencies are unlikely to have access to the Financial Ombudsman Service or the FSCS if something goes wrong. For more information on what products we protect, including tools to **check** if your investments may be eligible for compensation if the provider fails, visit our [website](#).

More broadly FSCS is committed to working with the industry to raise awareness and understanding of our protection and its limits, to help consumers understand the risks and make informed decisions with their money.

**Figure 13:** Consumer perceptions

“Do you think the following statements are true about investing in cryptocurrencies?”



Base: 2,001 UK adults aged 18+ with any savings/investments who have heard of cryptocurrencies

Source: FSCS/Kantar Profiles, March 2023



Less than a third believe [cryptocurrencies] are driving innovation or offer advantages as a payment method, although agreement with these is much higher among those who have experience investing.



## Consumers are divided on official protection of cryptocurrencies

Although the results of this research indicate consumers recognise the risks when investing in cryptocurrencies, they also indicate levels of knowledge are low while consumer confusion regarding regulation and protection is relatively high.

At present, FSCS protection, where available, only applies to activities that the FCA or Prudential Regulation Authority regulate. Therefore, consumers investing in cryptocurrencies would not be eligible for compensation if their provider goes bust. To find out more about the rules set for us by the regulators, visit our [website](#).

However, we wanted to explore consumer perceptions regarding the lack of consumer protection. After being shown a statement clarifying the current status quo (see below), 49% of adults with any savings or investments think there should be official protection for those investing in crypto, 29% think there shouldn't, while 21% don't know.

Younger consumers are more likely to think it is unfair that there is no consumer protection, increasing to 62% of under 25s. Those who previously invested but no longer do are also more likely to think there should be consumer protection available (62% agree).

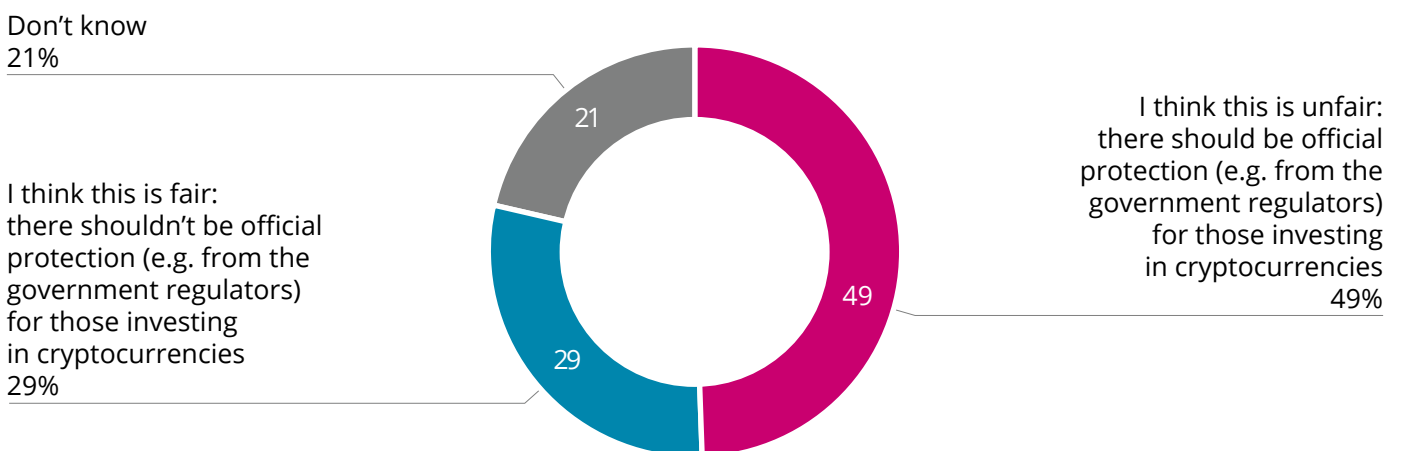
On the other hand, those who say they have a good understanding of how cryptocurrencies work are 10 percentage points more likely to say that current regulations are fair and there shouldn't be any official protection (39% vs 29% of the total).

**Figure 14:** Opinions on consumer protection of cryptocurrencies

*"Cryptocurrencies are considered very high risk, speculative investments.*

*If you buy cryptocurrencies, you are unlikely to have access to official consumer protection such as the Financial Ombudsman Service or the Financial Services Compensation Scheme (FSCS) if something goes wrong (e.g. provider failure). You should be prepared to lose all your money.*

*Based on the statement shown above, which of the following best applies to you regarding the lack of official consumer protection for those investing in cryptocurrencies?"*



Base: 2,203 UK adults aged 18+ with any savings/investments

Source: FSCS/Kantar Profiles, March 2023



## KEY TAKEAWAYS

- > More than nine in ten consumers with any savings or investments have heard of cryptocurrencies, but levels of understanding remain very low.
- > While experience investing in cryptocurrencies is not yet mainstream, 27% of consumers are considering or would consider it, which means this market is likely to continue growing. Sums invested, particularly on first purchases, tend to be quite low. This makes this market very accessible, and consumers agree that it is easy to invest.
- > When it comes to reasons to invest, there is a strong element of being influenced by the hype, not wanting to miss out or be left behind. Consumers are being motivated by a perceived societal trend among their peers and influential people, which is reinforced through regular marketing and advertising on a range of channels.
- > While consumers recognise some of the risks of investing and admit they could end up regretting it, some would still consider getting into debt in order to buy crypto.
- > Many consumers believe governments and regulators have a role to play, particularly when it comes to providing accurate information and supervising the promotion of cryptocurrencies, a process which has already started.
- > We are concerned about the potential for consumer harm. FSCS is committed to working with our partners to improve awareness and understanding of our protection. Engaging with regulatory bodies and other stakeholders is key in helping people understand the risks and make informed decisions with their money.

**FSCS** is the UK's statutory compensation scheme of last resort for customers of authorised financial institutions. FSCS is an independent body, created under the Financial Services and Markets Act 2000 (FSMA).

FSCS may only pay compensation, up to certain limits, to eligible customers if a firm (or a firm's successor) is authorised by the Financial Conduct Authority (**FCA**) or the Prudential Regulation Authority (**PRA**) and that firm is unable, or likely to be unable, to pay claims against it.

Very broadly, claims relating to insurance, investment products (including pension plans), deposit-taking, mortgage and home finance broking, general insurance broking, debt management plans and funeral plan activities may potentially fall within the scope of FSCS's cover.

FSCS must determine claims submitted to it under the rules set for it by FCA and PRA as applicable. FSCS cannot pay compensation to a customer unless the customer's claim meets the qualifying conditions for payment under those rules.

### About this series

This paper is the fifth of a series that aims to share the results of the exclusive consumer research we regularly commission. It helps us to identify gaps and opportunities and to work closely together with our stakeholders to provide essential, accurate information to consumers about the protection FSCS provides.

Find out more

Sign up here to be the first to know about future research

### Research methodology

All figures presented in this report (unless otherwise stated) come from consumer research commissioned by FSCS to understand consumer attitudes and behaviours towards investing in cryptocurrencies.

This research was conducted online among 2,203 people age 18+ in the UK. Respondents were sourced from the Kantar Profiles Audience Network. All interviews were conducted as online self-completion between 2nd and 20th March 2023, and collected based on controlled quotas evenly distributed between age group, gender and region. All respondents were reported to own any savings or investments. A total of 2,001 of them reported to have heard of cryptocurrencies prior to the research.

Please note, figures in charts may not add up to 100% due to rounding.

If you would like to discuss any aspect of this report, please speak to your usual FSCS contact, or you can email our Research Analyst [irene.salazar@fscs.org.uk](mailto:irene.salazar@fscs.org.uk)

### About Kantar

Kantar is a world leading marketing data and analytics company. It has a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of its people, its data resources and benchmarks and its innovative analytics and technology, Kantar helps its clients understand people and inspire growth.



### Contact us

For more information  
call: 0800 678 1100  
email: [communications@fscs.org.uk](mailto:communications@fscs.org.uk)  
visit: [www.fscs.org.uk](http://www.fscs.org.uk)



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