

Trump Targets US Banks Over Crypto Discrimination

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Banks in the United States could soon face federal penalties for cutting ties with cryptocurrency firms or conservative-leaning customers, under a new executive order expected to be signed by President Donald Trump.

According to The Wall Street Journal, a draft of the order directs financial regulators to examine whether certain banks have violated key federal laws, namely the Equal Credit

Opportunity Act, antitrust provisions, and consumer protection regulations, by closing accounts or refusing service due to political beliefs or involvement in digital assets. Where breaches are found, penalties may include fines, legal consent agreements, or further disciplinary action.

The measure forms part of Trump's ongoing response to the practice known as "debanking," where institutions restrict services to individuals or organisations on ideological grounds. Critics argue such actions undermine impartial access to financial infrastructure and unfairly penalise sectors such as cryptocurrency.

Earlier this year, Trump issued an order pushing federal agencies to remove unnecessary barriers for blockchain-based businesses. The aim was to ensure crypto firms could access financial services on equal terms with other industries.

The current draft order builds on that, with a clear message that political bias within financial services will not be tolerated. It tasks regulators with dismantling internal guidance or procedures that may have contributed to discriminatory practices. It also instructs the Small Business Administration to review banks involved in government-backed loans and refer any suspected violations to the US Attorney General.

Concerns over political bias in banking were heightened during previous Democratic administrations. Critics, including Republican lawmakers, have pointed to what they describe as "Operation Chokepoint 2.0", a term used to describe informal efforts by regulators to discourage banks from servicing cryptocurrency clients. While denied by regulators, the pressure reportedly led many financial institutions to quietly distance themselves from the sector.

However, under renewed Republican scrutiny, some regulators have now reversed course, revoking past guidance and confirming that banks may continue servicing crypto-related businesses if they implement proper risk controls.

In anticipation of tougher oversight, several banks have also begun meeting with Republican state attorneys general and updating internal policies to confirm that account closures will not be made on the basis of political affiliation.

Sources close to the matter told The Wall Street Journal that the executive order could be signed within days, although the timeline remains flexible.