

UK's Crypto Hesitation Slammed by Ex-Finance Chief Osborne

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Former British Chancellor George Osborne has sharply criticized the UK's lagging approach to cryptocurrency regulation, warning that the country risks falling behind global rivals unless it makes urgent policy reforms.

In a recent opinion piece published in the Financial Times, Osborne took direct aim at Chancellor Rachel Reeves and Bank of England (BoE) Governor Andrew Bailey, accusing

both of delivering unclear and insufficient strategies on crypto regulation. Osborne, who served as chancellor from 2010 to 2016 under the Conservative government, likened today's digital currency evolution to the sweeping "Big Bang" financial deregulation of the 1980s that helped transform London into a leading financial hub.

"We became the world's financial centre because we weren't afraid of change," Osborne wrote. "On crypto and stablecoins, as on too many other things, the hard truth is this: we're being completely left behind. It's time to catch up."

Now a global advisor to cryptocurrency exchange Coinbase, Osborne warned that key financial centres, including the United States, European Union, Hong Kong, Singapore, and Abu Dhabi, are outpacing Britain in establishing clear rules for crypto and stablecoin markets. He noted that these jurisdictions are actively building legal frameworks to accommodate innovation, while the UK remains hesitant.

Osborne dismissed Reeves' promise to make the UK "the best place in the world to innovate" as lacking substance. "The chancellor says she'll 'drive forward' on stablecoins, whatever that means," he remarked, suggesting the Labour government's statements offer little concrete direction.

Bailey, speaking at last month's Mansion House dinner, maintained the Bank of England's cautious stance on digital assets. The BoE continues to require that stablecoins tied to the British pound be fully backed by central bank deposits that yield no interest, terms critics argue render UK-issued stablecoins commercially unattractive.

These conditions have sidelined Britain from the global stablecoin market, now valued at roughly \$250 billion and dominated by U.S. dollar-backed assets, which account for 99% of the sector.

While the UK remains cautious, Osborne pointed to the United States as an example of increasing political momentum behind crypto. He highlighted how American politicians, including former President Donald Trump, have integrated digital assets into campaign platforms and legislative proposals.

He urged Reeves to act decisively and emulate the U.S. Congress by legislating clear rules rather than leaving key decisions to regulators like the BoE.

Osborne's remarks underscore a broader frustration within the fintech community, particularly among those who have long championed the UK's potential as a global leader in financial technology. Back in 2014, Osborne initiated a Treasury-led review into digital currencies to position Britain at the forefront of innovation. Over a decade later, he fears that vision is fading due to political inertia.