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U.S. Banks Accused of Using 'Chokepoint 3.0' to Limit Crypto

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Major U.S. banks are facing allegations of using a covert strategy, referred to as “Chokepoint 3.0,” to limit competition from cryptocurrency and fintech companies. The term, coined by Alex Rampell, general partner at Andreessen Horowitz (a16z), describes how financial institutions allegedly impose high fees and restrict access to essential banking services, discouraging customers from using alternative financial platforms.

According to Rampell, this tactic builds on earlier methods seen in what critics called “Chokepoint 2.0” during the Biden administration, where certain crypto firms were denied access to banking altogether. In its latest form, the strategy operates more subtly, relying on financial barriers rather than outright service refusals.

Examples cited include steep transaction charges, such as a \$10 fee for transferring \$100, which significantly reduces the incentive for consumers to move funds to crypto or fintech services. Banks have also reportedly blocked fintech applications from accessing customer banking data, limiting the use of third-party digital financial tools. While these measures are not explicitly prohibited, opponents say they undermine competition and consumer choice.

Industry leaders have voiced strong criticism. Tyler Winklevoss, co-founder of Gemini, described the situation as “regulatory capture” that disadvantages users and stifles innovation. Ripple Chief Technology Officer David Schwartz labeled the behavior “rent-seeking” and “despicable evil,” accusing banks of suppressing competition without transparency or due process.

Regulatory attention is beginning to focus on the issue. The White House’s Digital Assets Working Group recently released a report titled *The Golden Age of Crypto*, calling for greater collaboration between traditional banks and the cryptocurrency sector. The report argues that lowering barriers to entry could help create a more inclusive financial ecosystem.

Rampell has urged regulators to enforce Section 1033 of the Dodd-Frank Act, which grants consumers the right to access their banking data. Although the law exists, he claims that banks exploit loopholes and vague interpretations to avoid full compliance, effectively locking customers into their services and hindering movement to competitors.

The dispute highlights the challenge of balancing the stability and security of the traditional banking system with the openness and innovation of digital finance. Without stronger enforcement of existing consumer rights, critics warn that major banks will maintain market dominance, slowing the adoption of new financial technologies.

As awareness of “Chokepoint 3.0” grows, the conversation is likely to expand in both financial and political spheres. Advocates for digital finance argue that preventing anti-competitive behavior is key to creating a fair, modern financial infrastructure that offers consumers real choice and fosters healthy competition between traditional and emerging financial players.

