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UK Poised to Sell \$7.1 Billion in Seized Bitcoin, Stirring Market Anxiety and Political Debate

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– Categories: Crypto



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The United Kingdom is weighing the sale of more than £5.4 billion (\$7.1 billion) worth of Bitcoin (BTC), seized by authorities in connection with a 2018 crackdown on a massive Chinese-led Ponzi scheme. With Bitcoin prices recently surpassing \$123,000 (£92,000), the once-overlooked crypto haul has become one of the most significant digital asset

seizures ever recorded and now, it may offer a much-needed financial lifeline to the government. With Bitcoin priced at approximately \$97,000–\$109,000 recently, the once-overlooked crypto haul has become one of the UK's most significant digital asset seizures and may now offer a much-needed financial lifeline to the government.

The 61,000 BTC in question, originally seized when the currency was trading at a fraction of today's value, is now being considered as a potential one-off source of revenue to help address the UK's growing fiscal pressures. The approximately 61,000 BTC were seized in 2018 when the price was around \$30,000, and are now being considered a one-off revenue source amid the UK's fiscal challenges. Chancellor Rachel Reeves is currently grappling with a reported £20 billion budget shortfall, raising the stakes for alternative solutions as traditional options like tax increases risk further political fallout.

To facilitate the proposed move, the Home Office is reportedly drafting a new Cryptoasset Holding and Realization Framework, which would empower police to securely manage, liquidate, and redistribute digital currencies like Bitcoin confiscated during criminal investigations. The goal is to streamline the asset disposal process while ensuring secure handling of volatile digital assets.

Though the Treasury is not formally responsible for decisions regarding confiscated crypto, insiders confirm that the department is closely monitoring developments, given the outsized impact a £5.4 billion liquidation could have on global cryptocurrency markets. A sell-off of this magnitude would certainly put downward pressure on Bitcoin, just as market confidence has been building steadily throughout 2025. A liquidation of this scale could exert downward pressure on Bitcoin, while market confidence has generally been rebuilding since early 2025.

Bitcoin has more than doubled in value since January, buoyed by renewed investor enthusiasm, wider institutional acceptance, and recent legislative clarity in the United States. Bitcoin has roughly doubled since January, supported by increasing investor interest, institutional adoption, and progress on U.S. stablecoin legislation such as the GENIUS Act. The signing of the GENIUS Act Guidelines for the Establishment of National Innovation in the Use of Securities has helped reduce regulatory fog and opened the door to greater adoption of digital assets by mainstream financial institutions. The passage of the GENIUS Act in the U.S. Senate (S.1582) on 17 June 2025 has improved regulatory clarity for payment stablecoins and encouraged greater adoption of digital assets by mainstream financial institutions.

However, not everyone in the UK is on board with treating Bitcoin as merely a windfall. Reform UK leader Nigel Farage has gone further, calling for Britain to establish a sovereign pool of cryptocurrency reserves. Reform UK leader Nigel Farage has called for a sovereign cryptocurrency reserve, though no official proposal has been submitted to Parliament. In a recent speech in Las Vegas, Farage urged the UK to embrace a “crypto revolution,” arguing that such a move could make Britain financially independent and position it as a global leader in the digital economy.

Labour, however, has dismissed such suggestions, branding digital currencies like Bitcoin as too volatile for sovereign wealth purposes. Instead, the focus from the current government has been on using confiscated Bitcoin as a temporary fiscal fix prioritizing immediate revenue over long-term strategic positioning in the emerging digital financial order.

This contrast in approaches highlights a broader ideological divide: one side viewing cryptocurrency as a threat or tool of enforcement, the other as a financial opportunity and symbol of autonomy. With public debt mounting, inflation stubborn, and growth sluggish, the sale of seized Bitcoin may offer short-term relief but also risks undercutting a long-term strategic asset at a critical time in the global financial transition.

For now, markets are watching closely. A decision to offload such a vast quantity of Bitcoin could trigger significant volatility, reminding investors that while crypto markets are decentralized in structure, they remain sensitive to the actions of powerful state actors.