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UK Watchdog Warns Over Rising Crypto Presale Risks

August 9, 2025

– Categories: *Crypto*



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Britain's financial regulator has issued fresh warnings about cryptocurrency presales amid concerns that speculative projects may expose investors to heavy losses or fraud. The Financial Conduct Authority (FCA) said it had seen a surge in online promotions for unregulated digital tokens, often marketed with promises of high returns and exclusive rewards.

The alert comes as attention focuses on crypto initiatives such as BlockchainFX and Remittix, which are being discussed in online trading forums. While both projects claim to offer innovative financial services, experts caution that UK investors must consider the lack of consumer protections in this space.

Crypto presales allow early buyers to purchase tokens before they become publicly available on exchanges. Supporters argue that presales can give investors access to discounted prices and additional benefits. However, the FCA warns that such schemes often involve unverified claims and carry a high risk of volatility, market manipulation, and outright scams.

Under current UK law, most crypto tokens remain outside the scope of regulated financial services. This means that investors cannot rely on the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service if their money is lost.

“The combination of aggressive marketing, complex technology, and a lack of regulatory safeguards creates the perfect conditions for consumer harm,” said an FCA spokesperson. “We urge people to check our warnings list before putting any money into unregulated investments.”

BlockchainFX has been described in online reports as a “super-app” offering crypto, stock, forex and commodity trading on one decentralised platform. Its presale has reportedly attracted millions of dollars in early funding. Remittix, meanwhile, promotes itself as a cross-border payment solution, enabling crypto-to-fiat transfers into bank accounts worldwide.

Neither project is currently authorised by the FCA. Both companies market globally, and while some British investors have participated in their token sales, there is no guarantee of regulatory recourse should problems arise.

Financial crime specialists say the popularity of such offerings illustrates a wider challenge for regulators. “We’re seeing a pattern of slick marketing campaigns aimed at everyday investors, many of whom don’t fully understand the risks,” said John Edwards, a London-based financial fraud investigator.

Campaigners argue that ensuring safe access to financial products is a human rights issue, particularly as fraudulent schemes can disproportionately harm vulnerable groups. Losses

from unregulated investments may lead to debt, mental health problems and loss of livelihood.

“Financial exploitation is a form of harm that needs stronger recognition in UK law,” said Fiona Grant, director of the consumer rights group Protect Your Purse. “When people are persuaded to put savings into high-risk schemes without proper warnings or safeguards, that is a failure of the regulatory system.” The UK government has pledged to introduce tighter rules on crypto marketing and exchange operations. Draft legislation under consultation would require crypto firms targeting British consumers to meet the same advertising and disclosure standards as traditional financial services.

The FCA has already introduced measures restricting how high-risk investments can be promoted, including mandatory risk warnings and bans on certain incentive schemes. These rules apply to some crypto-related products, but many token presales remain outside their scope.

Officials say the upcoming reforms will aim to close these gaps, making it harder for unregulated projects to target UK residents without meeting transparency and accountability standards.

Experts recommend several steps for anyone considering investing in a crypto presale:

Check FCA registration. If a firm is not on the register, it may not be authorised to operate in the UK.

Avoid relying on online hype. Social media discussions and influencer endorsements are not evidence of legitimacy

Understand the risks. High potential returns usually come with high potential losses.

Use regulated exchanges as buying through authorised platforms provides more safeguards.

The FCA’s consumer protection advice warns that investors should only risk money they can afford to lose entirely, given the high volatility and potential for scams in the crypto market.