

Crypto Payments Blocked for 40% of UK Investors

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A survey by IG Group reveals that 40% of UK cryptocurrency investors have faced blocked or delayed bank payments when attempting to fund digital asset accounts, highlighting significant barriers in the UK's financial sector. The study, conducted in August 2025 with 500 crypto investors and 2,000 UK adults, found that 29% of affected investors lodged complaints with their banks, while 35% switched providers due to restrictions. The findings

raise concerns about access to financial services and the UK's competitiveness in the global digital asset market.

Among the broader public surveyed, 42% opposed banks intervening in crypto transactions, while 33% supported such measures, often citing fraud prevention. High-street banks like Chase UK and NatWest have implemented restrictions, blocking payments to crypto exchanges to mitigate risks of scams, which the Financial Conduct Authority (FCA) reported cost UK consumers £75 million annually. These restrictions, combined with the FCA's ban on using borrowed funds, such as credit cards, for crypto purchases, limit funding options for retail investors, prompting accusations of anti-consumer practices.

The UK's regulatory framework requires crypto firms to register with the FCA as virtual asset service providers, ensuring only authorised platforms handle fiat transactions in pounds. However, banking restrictions create a bottleneck, with some investors unable to transfer funds to exchanges like Binance or Kraken. The lack of pound-denominated stablecoins, with only \$616,000 in circulation compared to the \$288 billion global market, underscores the UK's lag in digital finance innovation.

Recent regulatory shifts offer some progress. In October 2025, the FCA lifted its ban on retail trading of crypto exchange-traded notes (ETNs), citing a maturing digital asset sector. This move aims to boost investor access while maintaining oversight, aligning with efforts to position the UK as a hub for financial innovation. However, ongoing banking hurdles risk undermining these efforts, with 47% of major UK banks not supporting crypto transactions, according to industry reports.

The issue has broader implications for the UK's financial services sector, which contributes £100 billion annually to the economy. Persistent barriers could deter investment and innovation, particularly as global competitors advance in cryptocurrency adoption. The IG survey highlights a public divide on crypto regulation, with growing calls for a balanced approach that protects consumers without stifling access. As the FCA refines its policies, the resolution of banking restrictions will be critical to ensuring UK investors can participate fully in the digital economy.