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Tasmanians Lose Millions to Crypto ATM Scams

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Tasmanians have been fleeced of over £2.5 million through cryptocurrency ATMs in recent years, falling prey to ruthless romance and investment scams. According to Tasmania Police's Cyber Investigations Unit, victims have lost an average of £165,000 each, with one individual conned out of a staggering £750,000.

In an April investigation, police interviewed victims who were deceived into funnelling cash through cryptocurrency ATMs, or CATMs. Detective Sergeant Paul Turner, leading the unit, revealed the grim reality: “We identified that the top 15 users of CATMs in Tasmania, depositing large sums, were all victims of scams.” Most victims, typically around 65 years old, were ensnared by romance scams promising love or fraudulent investment schemes boasting unrealistic 30–40% returns.

The proliferation of CATMs across Tasmania, from a single machine in 2015 to 21 in 2025, has handed scammers a new tool to exploit the vulnerable. These machines, resembling standard cash ATMs, facilitate the buying and selling of cryptocurrencies like Bitcoin and Ethereum, often without the safeguards of traditional banking.

Scammers typically initiate contact via phone calls, emails, or social media, swiftly shifting to encrypted messaging apps to evade detection. “Victims were manipulated, threatened, and intimidated into depositing money at these ATMs,” Turner explained in a recent interview. One devastating case saw a victim lose £750,000, first to an investment scam and then to fraudsters posing as recovery agents demanding ‘fees’ to return the lost funds.

The fallout is catastrophic. Victims face lifelong financial and emotional scars, with some forced to sell assets, delay retirement, or lean on social services to survive. Police are urging families to stay vigilant, watching for warning signs like frequent visits to crypto ATMs, large bank withdrawals, or struggles to afford essentials.

The Australian federal government is now exploring tighter regulations, including a £5,000 deposit limit on ATMs to curb scam losses.

Meanwhile, New Zealand's recent move to ban crypto ATMs outright, citing risks of money laundering and terrorist financing, signals a tougher stance that Australia might do well to consider.

Detective Sergeant Turner's advice is clear: "If someone you don't know asks you to send money via a crypto ATM, stop and think it's almost certainly a scam. Urgency, threats, or promises of high returns are red flags." He urges anyone with concerns to report suspected scams to police immediately.