UK Cryptoasset Business Council

Locked Out: Debanking the UK's Digital Asset Economy

January 2026

Introduction

The debanking of the UK's digital asset economy is a major obstacle to its growth. And the issue is widespread: almost all of the major UK banks and payments services firms currently impose blanket transaction limits or complete blocks to cryptoasset exchanges. This trend is steadily worsening - with new restrictions being implemented (most recently by Barclays) - and banks taking a blanket approach across the sector without any differentiation based on risk (e.g., relative fraud levels of each cryptoasset exchange) or whether the transfer is to a regulated, FCA-registered UK cryptoasset business. This action by UK banks is incompatible with the City Minister's recent statement of the Government's ambitions to make *"the UK at the top of the list for cryptoassets firms looking to grow".*

These practices also raise important competition issues, which is a serious concern. The result of these widespread restrictions is that crypto exchanges are becoming dependent on a small (and shrinking) number of banks and fintech firms that will allow their customers to transfer fiat to crypto exchanges without restriction. Such dependence on a handful of firms also raises important business and operational risk considerations. It is also notable that Wise and Revolut, for example, are all in or are entering the crypto space in a meaningful way, and yet are imposing blanket restrictions on transfers to other cryptoasset platforms. Crypto firms and their customers need reliable access to banking to offer good quality services in a competitive market. Competition benefits consumers and the wider UK economy. Put simply, anti-competitive debanking practices are undermining domestic innovation and driving competition overseas: if we want the UK to be a hub for digital assets, the UK needs to ensure fair access to fiat rails.

To illustrate the scale of this issue, the UK Cryptoasset Business Council surveyed ten of the UK's largest centralised cryptoasset exchanges (CEXs). Collectively, these firms serve millions of UK consumers, have processed hundreds of billions of pounds in transactions for UK users, employ thousands of highly skilled workers, invested hundreds of millions of pounds into the UK economy and nearly all are global unicorns. The survey examines how current conditions have affected their ability to scale, invest and hire in the UK, and benchmarks this against other global markets in which they operate.

Based on this survey, the UK Cryptoasset Business Council estimates that 40% of transactions to cryptoasset exchanges are either blocked or delayed by the banks in question.

Benchmarking

Figure 1: Blocks and restrictions currently in place by banks

Provider	Bank Transfers	Debit Card
Revolut	Allowed	Allowed
Lloyds Group (+Halifax, Bank of Scotland)	Allowed	Allowed
Barclays	Restricted (£2.5k/txn, £10k/30 days)	Restricted (same limits as Bank Transfers)
Nationwide	Restricted (£5k/day limit)	Restricted (£5k/day limit)
HSBC UK	Restricted (£2.5k/txn, £10k/30 days)	Restricted (same limits as Bank Transfers)
Monzo	Restricted (£5k/30 days)	Restricted (same limits as Bank Transfers)
NatWest / RBS	Restricted (£1k/day, £5k/30 days)	Restricted (same limits as Bank Transfers)
Santander UK	Restricted (£1k/txn, £3k/30 days)	Restricted (same limits as Bank Transfers)
Virgin Money	Blocked	Blocked
Metro Bank	Blocked	Blocked
Starling Bank	Blocked	Blocked
TSB	Blocked	Blocked
Chase UK	Blocked	Blocked
Wise	Blocked	Allowed

Survey Findings

The results reveal a stark picture of the crypto debanking crisis and its impact on growth.

Rising customer friction: **80%** of the exchanges surveyed reported a noticeable increase over the past 12 months in the number of customers experiencing blocked or limited bank transfers to their platforms. Only two reported no change, with none seeing a decrease.

Perceived hostility: **70%** described the overall UK banking environment for digital asset businesses as becoming more hostile, while the remaining three viewed it as broadly unchanged (i.e. the banking environment remains hostile).

Comparative difficulty: On a scale of 1–10 (with 10 being the most difficult), the UK averaged 7.9 in difficulty for digital asset businesses compared to other global markets, based on firms' ability to secure access to banking services. Five respondents rated it an 8, and two gave it a 10 - highlighting the UK as significantly more challenging than peer jurisdictions.

Nature of restrictions: **60%** reported issues with bank transfers and card payments, while four cited bank transfers only. This dual impact compounds friction for retail and institutional users alike.

Impact on investment and growth: **70%** confirmed that these restrictions are reducing their appetite to invest, scale operations, and hire in the UK. Several explicitly noted prioritising other markets as a direct result.

Lack of transparency: **100%** stated that banks provide no clear explanations for payment blocks or account restrictions, leaving firms and customers in the dark.

Over the past year, one exchange observed close to £1bn in declined transactions attributable to bank-side rejections in the UK alone. This figure reflects only what can be directly observed: card payments and bank transfers initiated via open banking. There is no visibility into bank transfers that are manually initiated within a user's own banking app, where the user enters the recipient details themselves and only successful transactions are visible to exchanges. As a result, while the declined amount we can observe is already significant, the true scale of declined activity across the ecosystem is likely materially higher.

Qualitative Responses

Qualitative feedback reinforced these figures.

Respondents highlighted inconsistent restrictions, even against FCA-registered firms, driven by blanket policies rather than evidence-based risk assessment. One noted that 60% of their customers expressed anger at the resulting friction. Others pointed to the irony in banks allowing gambling-related transactions while blocking crypto, despite lower demonstrated risks in regulated exchanges. High-street banks, namely Barclays, NatWest, Lloyds, Santander, Metro Bank, Starling, TSB, and Chase UK, were frequently named as particularly challenging, often imposing strict limits or outright bans. A clear split has solidified. Traditional incumbents HSBC, Santander, NatWest, and Barclays have moved toward near-total bans or severe caps, while challengers, Revolut and Monzo, for example, remain the primary 'on-ramps', albeit with significant frictions, such as 30-day transfer limits.

One leading CEX that was founded and scaled in the UK said:

“

We need support. If we are registered with the FCA it should not be this challenging for UK businesses.

Some of the world's largest exchanges said:

“

This has compounded growing the UK market and continues to be the single biggest problem with growing/launching new crypto products in the UK. As a result, we have prioritised other markets.

Blanket restrictions from the bank are designed to constrain the growth of the crypto industry. No consideration of our regulatory status, actual fraud levels or genuine risks have been taken into account. There is no willingness from most banks to even engage in good faith conversations.

We've tried to engage the banks time and time again on reducing fraud and breaking the impasse but there is no appetite to find a path forward. The UK has the lowest pay in rate of all our international markets - as a result of the debanking measures that are in place - which is unsustainable if the UK wants to grow and cultivate its burgeoning cryptoasset ecosystem.

Research on Consumer Impact

There are also firsthand accounts of customers on the frictions and restrictions they are facing on leading digital asset social media forums:

Tony McLaughlin · 2nd + Follow ···
Tokenized money maximalist
3mo ·

How is one meant to get money into crypto exchanges in the UK? Asking for several million friends. I have been chokepointed by 3 banks/fintechs. The worst has been the name most people will suggest as the solution. Buddies at Coinbase and other exchanges must be pulling their hair out. Lost revenue will be material. Fraud controls are one thing, but stopping by people from moving their own money between their own accounts isn't cool. There should be an option 'I'm doing this at my own risk' that adults can opt into.

155 61 comments · 7 reposts

r/Bitcoin 7mo ago
mcshorts81

UK banks making barriers to Bitcoin even harder

So tried to buy some bitcoin today. The bank blocked my account and said to contact them. Spent over 30minutes waiting, got speaking to someone who took me through a list of questions and then asked if I had ever borrowed money to buy cryptocurrency. I advised no and they said good as it is illegal to borrow money to buy crypto in the UK, I have never heard of this before and searches brings up nothing saying it's illegal. Has anyone in UK been told this before. Anyway after about 40minutes my account was unblocked so payment could be made but was advised I could not buy anymore crypto this month

r/BitcoinBeginners 4y ago
cocainecarolina28

Uk banks blocking all attempts at buying bitcoin

So it seems uk banks are being very controlling with trying to stop me from spending my cash on crypto.

Honestly I think its absolutely appalling just another way of society trying to control what I can and can't do with my money.

Does anyone know of any get arounds or any exchanges that accept PayPal as a payment method.

Coinbase won't let me pay with my PayPal.

I'm so angry at this point

r/BitcoinUK 2mo ago
Puzzleheaded_Row522

Please help. UK banks blocking kraken transfers. How do you actually do it?

I'm at my wits end today after trying to put cash into kraken from two banks, Revolut and HSBC and both being unbelievably difficult. Final decision is they blocked it.

How do you actually go about buying bitcoin in this country? I heard Monzo might allow 5k a month to kraken but I want to do a bigger lump sum.

28 · 68

Legal and Global Regulatory Context

While banks are private entities with commercial discretion, their actions should not be unfettered/unlimited; they are constrained by UK regulatory obligations that promote fair access, competition, and consumer protection. Regulation 105 of the Payment Services Regulations 2017 requires case-by-case assessments for payment restrictions, prohibiting blanket bans without specific, evidence-based justification. The FCA's Consumer Duty further mandates banks to avoid foreseeable harm to customers by unduly restricting legitimate activities, while the Competition Act 1998 guards against anti-competitive practices that distort markets or protect incumbents from innovation.

Current debanking of regulated crypto firms risks breaching these rules, contradicts the Government's stated ambition to make the UK a leading crypto hub, and drives investment overseas. Far from demanding special treatment, the recommendations in this report seek only to ensure banks comply with existing obligations, fostering a level playing field consistent with the UK's broader economic policy goals.

Other jurisdictions have addressed these issues through targeted regulatory action. For example, in response to debanking practices, US regulators have clarified that payments to lawful digital asset platforms should be assessed under standard fraud and AML controls, rather than subject to sector-wide restrictions.

Policy Recommendations

The Government and FCA should make a public statement on the FCA's expectations that banks take a risk based, case-by-case approach to restrictions

The survey's findings and latest announcement highlights the blanket approach being taken to the sector, as well as the need for the FCA to make a public statement on transfer restrictions to registered UK cryptoasset exchanges, and to engage directly with banks to put an end to blanket debanking of the sector.

This is critical for the future growth of the cryptoasset industry in the UK.

The FCA should require banks to establish a risk-based framework that recognises differences between exchanges

The FCA should require banks to recognise that not all CEXs operate to the same standards or present the same levels of risk. Blanket transaction limits and payment blocks do not reflect the diversity of fraud controls, governance arrangements and regulatory status across the sector.

The Government should also encourage closer collaboration between banks, regulators, social media platforms and the digital asset industry to define what good practice in fraud prevention looks like.

This is not a request for special treatment - digital assets are part of the wider technology and financial services ecosystem and should be subject to proportionate, evidence-based regulation that supports a level playing field.

The Government should create a regular forum for engagement on the topic that brings together policymakers, digital asset platforms and banks to address fraud and break the impasse

The Government should create a forum that brings together leading players from the UK authorities (e.g., FCA, PRA), banks, social media and digital asset platforms to share best practices on fraud and data on fraud levels (which crypto exchanges currently do not have access to), and to discuss steps that should be taken to find a path forward.

The FCA should promote a more nuanced approach to retail customer risk

The FCA and Government should encourage banks to move away from treating all retail crypto users as equally high risk.

A more granular, risk-based approach would distinguish between vulnerable users and more experienced or sophisticated customers. This could include trusted recipient lists, consideration of transaction history and frequency to regulated exchanges, and information-sharing mechanisms that allow banks to assess risk more accurately. A sliding-scale model would reduce unnecessary friction for lower-risk consumers while maintaining robust safeguards.

The FCA should require banks to remove unnecessary frictions for FCA-registered exchanges, which could be seen as anti-competitive practices

For FCA-registered crypto firms, current transaction limits and payment blocking practices risk undermining growth, investment and job creation in the UK digital asset sector. These firms already operate under a growing body of consumer protection requirements, including the financial promotions regime. However, even once consumers have completed onboarding and received mandated disclosures, access to payments remains constrained.

Addressing this would support a competitive, well-regulated UK crypto market while maintaining high standards of consumer protection - in line with the Government's ambitions to grow the sector in the UK

Conclusion

The UK digital asset sector is in a transitional phase, moving to a future of comprehensive regulation under the Financial Services and Markets Act 2000 (FSMA). On 15th December 2025, HM Treasury laid the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2025 before Parliament, and the FCA is consulting on more final rules with full commencement of the regime expected October 2027.

While it is hoped that this enhanced oversight and authorisation process will provide banks with greater confidence in authorised CEXs, this does not address the immediate and ongoing debanking issues identified in this report, which continue to affect even FCA-registered firms and materially constrain growth in the interim. Without action, digital asset firms are left navigating a regulatory vacuum in which access to basic banking services remains uncertain.

Swift implementation of the recommendations set out above would help bridge this gap, reducing the risk of innovation being offshored and ensuring the UK is able to fully capitalise on the forthcoming regulatory framework. As jurisdictions such as Singapore, Hong Kong and Dubai actively court crypto firms with clarity and certainty, the case for timely intervention is clear. The window for action is now.

Survey

The firms that have taken part in this survey are Coinbase, Kraken, Uphold, Xapo Bank, Zumo, Wirex, OKX, Luno, Bitpanda, & Gemini.

UK Cryptoasset Business Council

About

The UK Cryptoasset Business Council (UKCBC) champions the UK's crypto ecosystem to support users, investors, and businesses – fostering innovation, consumer protection and growth through effective policy. We educate policy and decision-makers, promote collaboration and best practice among the leading industry players, and advocate for clear regulation. We are committed to trust, integrity and sustainability and work on behalf of the membership to positively influence the development of the UK's crypto ecosystem.