



Andrew Griffith, MP  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

28 September 2023

Dear Minister

We write to express our deep concern regarding the recent decision by Chase Bank to decline customer payments relating to crypto assets ('if we think you're making a payment related to crypto assets, we'll decline it' (*email sent from Chase Bank to UK customers dated 26 September 2023*)).

It is, of course, the stated policy of this Government that the UK become a crypto asset hub, but it is hard to square this policy aim with the actions of this UK regulated bank.

John Glen MP, former Economic Secretary to the Treasury, said in April 2022: "*We want this country to be a global hub - the very best place in the world to start and scale crypto-companies. If there is one message I want you to leave here today with, it is that the UK is open for business - open for crypto businesses.*" Less than 9 months later, you yourself published proposals for crypto asset regulation stating that the UK Government remained "*steadfast in our commitment to grow the economy and enable technological change and innovation - and this includes crypto asset technology*". Since then, the UK has taken significant and welcome steps towards regulating this market, with the future financial services regime consultation, the resultant FSMA amendments included in the Financial Services and Markets Act 2023, and recent guidance from the FCA in both GC23/1 and GC23/2.

Firstly, we should not need to note that the purchase, ownership and sale of crypto assets are lawful activities in the UK, and these activities are increasingly within the scope of relevant Government regulators. These activities and the industry itself are directly supported by the Government as a matter of policy.

Secondly, the majority of the exchanges offering crypto asset services are themselves regulated. Coinbase, likely the best known example, is a listed company in the United States, trading on the Nasdaq, and also operates a regulated entity in the United Kingdom<sup>1</sup>. UK customers of Coinbase are therefore entitled to assume a degree of regulatory protection and legitimacy when they are lawfully transacting on this platform.

In this context, it is alarming on many fronts to witness a bank such as Chase, regulated by the FCA<sup>2</sup> and the PRA, deciding arbitrarily to prevent its customers from spending their money in a lawful way and in a sector that is clearly supported both as a matter of Government policy and increasingly regulated by the same bodies that regulate that bank itself.

---

<sup>1</sup> CB Payments, Ltd (also trading as Coinbase) is an electronic money institution regulated by the UK Financial Conduct Authority under register number 900635.

<sup>2</sup> [Chase and JPM Europe FCA registration](#)



Chase alleges that this change of policy is to 'help keep your money safe from fraud and scams'. While we concede that the crypto asset industry does suffer from such problems, and we would never advocate that retail consumers purchase any asset other than Bitcoin (as the oldest, most secure and decentralised asset in the space), the most recently available data does not support the view that the sector is particularly fraudulent by comparison with any other. Indeed, the market leader in the analysis of crypto crime activity (Chainalysis) reports in its 2023 Crypto Crime report that **"Overall, illicit activity in cryptocurrency remains a small share of total volume at less than 1%"**<sup>3</sup> - actually at around 0.24%.

The data, therefore, simply does not support the claim by Chase that the intention behind this policy change is to keep customer money safe. In fact, this policy decision is likely to increase the risk of customer harm. Why? Simply because if customers are unable lawfully to trade on regulated marketplaces, like Coinbase, they will turn to unregulated marketplaces - untraceable by Chase - and in all likelihood will be exposed to a greater risk of harm and scams. If Chase are in fact concerned that their own internal compliance procedures are insufficiently robust in order to monitor transactions and prevent customer harm, then their focus should be on improving these procedures, rather than banning interaction with an entire asset class.

Lastly and most importantly, this decision is yet more evidence of a concerning trend in the UK towards financial censorship and the restriction of financial freedom<sup>4</sup>. The freedom to transact lawfully is a fundamental one, and underpins the ability to exercise all other freedoms in a democratic society. It should not be controversial to affirm that UK citizens ought to have the right to spend their own money freely from their bank accounts for any lawful purpose.

Not being permitted to buy cryptoassets is a turn in the wrong direction. It seems absurd to suggest that one day your bank could choose to decline your donation to a political party, or whether from moral or other reasons prevent you from buying alcohol or from gambling, but this is the first step down a road of financial censorship and into a world where such suggestions are no longer absurd but have become very real.

In short, this is an arbitrary and capricious policy decision made by a bank subject to UK regulation, that will prevent UK citizens spending their money lawfully and as they see fit. It is a highly questionable step for a UK regulated bank to take and we urge the Minister and the Government to review this decision, particularly in light of the stated policy aims of this Government.

Yours sincerely,

**Freddie New**

Head of Policy

Bitcoin Policy UK

Cc Rt. Hon Lisa Cameron MP, Chair of the Crypto and Digital Assets All Party Parliamentary Group

---

<sup>3</sup> [The Chainalysis 2023 Crypto Crime Report](#)

<sup>4</sup> [The Telegraph 23 July 2023: Debanking - banks close 1000 accounts every day](#)