Submission to the Crypto and Digital Assets APPG Parliamentary Inquiry into Access to Banking Services for the UK Crypto and Digital Assets Sector

17 August 2026

Executive summary

Bitcoin Policy UK (BPUK) welcomes the opportunity to contribute to this Inquiry. The Co-Chairs of this APPG have themselves described access to banking services as “one of the single biggest barriers to growth for UK crypto and digital asset businesses.” UKCBC’s January 2026 *Locked Out* report identifies access to banking services as a significant barrier to growth for the UK digital assets sector. [1] BPUK agrees and first raised concerns about blanket banking restrictions directly with the City Minister in September 2023. Almost three years on, the evidence set out below shows the underlying problem remains largely unresolved, despite significant progress in UK cryptoasset regulation.

This submission focuses on the aspects of the Inquiry where BPUK, as an organisation dedicated specifically to Bitcoin policy, can add the most distinct value: the case for individual, risk-based assessment over blanket restriction; the importance of transparency and appeal rights; the risk that excessive restriction pushes lawful activity towards less regulated alternatives; and, in particular, the importance of distinguishing Bitcoin from other cryptoassets rather than applying a single generic risk treatment to both. BPUK has not sought to compile a collection of individual cases, recognising that this evidence is being gathered elsewhere. Instead, we concentrate on the policy analysis and attributable evidence where our contribution is most useful, drawing on a number of strong, named examples.

1. Introduction: why banking access matters specifically to Bitcoin

Bitcoin differs materially from the other digital assets covered by this Inquiry. It has no issuer, no company behind it, a fixed and transparent supply, and settles on a base layer secured by a globally distributed network of miners and nodes rather than a central operator. These characteristics are directly relevant to how banks ought to assess risk, yet in practice UK banking policy has tended to treat “crypto” as a single risk category, with Bitcoin related activity caught by restrictions designed with very different products, such as unbacked tokens or issuer dependent stablecoins, in mind.

BPUK first raised this concern formally with HM Treasury in September 2023, following Chase UK’s decision to decline all customer payments that it judged “related to crypto assets,” regardless of the underlying asset or the customer’s individual risk profile. [2] HM Treasury has acknowledged concerns around banks’ treatment of cryptoasset firms and customer payments, while maintaining that the government should not intervene in banks’ individual commercial decisions.[3] That expectation, restated by the government in various forms since, raises a key question for this submission. Almost three years later, is banking practice actually meeting it?

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[1] UK Cryptoasset Business Council, January 2026: UKCBC - Locked Out - Debanking the UK Digital Asset Economy

[2] Chase UK, “Can I use my Chase account to make crypto asset payments?” https://www.chase.co.uk/gb/en/support/crypto/

[3] HM Treasury, written answer to Parliament on access to UK bank accounts for crypto and digital asset businesses, 21 December 2023.https://questions-statements.parliament.uk/written-questions/detail/2023-12-18/HL1267/

Scale of the problem (responds to Inquiry Question 1)

Business banking access. The clearest evidence available comes from a joint industry survey by Startup Coalition, the UK Cryptoasset Business Council (UKCBC) and Global Digital Finance, published January 2025.[4] One respondent, rejected by HSBC, was given the stated reason of "business profile," despite being an FCA-regulated firm. That single, attributable case illustrates the survey's overall finding: half of UK fintech and crypto firms surveyed had been rejected when opening a bank account, or had an account subsequently closed, and only 14% had successfully opened and retained an account with one of the nine largest UK banks. Crucially, 81% of respondents were legally UK based and 98% had UK operations, so this is not an issue confined to firms with no genuine UK presence. 81% said banking access was a significant barrier to succeeding in the UK, and 70% said it made them more likely to leave.

In May 2025, a senior employee at a publicly listed, UK registered crypto company was reported to be struggling to secure a mortgage because his salary was paid by that business, while a British high street bank had barred all outbound payments to crypto exchanges. A separate survey of 80 UK crypto and startup businesses cited in the same reporting found that half had been turned down for a business account, or had one closed, matching the Startup Coalition figures six months later. [5]

Transaction restrictions. BPUK's March 2024 briefing paper for this APPG recorded, correct as of Q3 2023, a range of bank policies from no limit at several banks through to outright blocks at others, including Chase, Starling, Tesco Bank and Virgin Money. We have revisited those policies for this submission using more recent evidence. The most recent evidence comes from UKCBC's January 2026 survey of ten major UK facing exchanges, "Locked Out." [6] It found that roughly 40% of all bank-to-exchange transfers in the UK are currently blocked or delayed; that Virgin Money, Metro Bank, Starling Bank, TSB and Chase UK maintain outright blocks on both transfers and card payments, while Barclays and HSBC UK cap transfers at £2,500 per transaction and £10,000 per rolling 30 days; and that 80% of surveyed exchanges reported a rise in blocked or limited transfers over the preceding 12 months, with none reporting an improvement. One exchange alone reported almost £1 billion in declined transactions in a single year. Separately, Barclaycard began blocking all credit card crypto transactions outright from 27 June 2025, citing unaffordable debt risk and the absence of Financial Ombudsman Service or Financial Services Compensation Scheme protection.[7]

A comparison with our 2023-24 evidence shows that the picture has changed. Several major banks previously had no restrictions at all, while blocks were concentrated at a smaller number of banks. Current evidence shows blocking has become more common at the banks that were already imposing restrictions, while transfer caps persist elsewhere. On the specific test set by government in 2023 (a risk-based, case-by-case approach), the 2026 evidence indicates blanket policies remain common, and by the exchanges' own account the trend is getting worse, even as the UK's cryptoasset regulatory regime moves toward implementation.

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[4] Startup Coalition, UK Cryptoasset Business Council and Global Digital Finance, *Access to Banking*, January 2025, https://api.startupcoalition.io/u/2025/01/Access-to-Banking-FOR-RELEASE-1.pdf.
[5] The Observer, "British businesses fear US-style wave of crypto 'debanking'," 4 May 2025. https://observer.co.uk/news/business/article/british-businesses-fear-us-style-wave-of-crypto-debanking
[6] UK Cryptoasset Business Council, Locked Out, January 2026 (see note 1).
[7] Barclays, "You can't use a Barclaycard for crypto-currency transactions," https://www.barclays.co.uk/help/cards/barclaycard/barclaycard-crypto-currency-restrictions/.

Consumer-level evidence. An IG Group survey of 500 active crypto investors and a separate sample of 2,000 UK adults, published August 2025, found 40% of investors had experienced a blocked or delayed payment; of those, 29% complained to their bank and 35% switched banks entirely.[8] In June 2026 the Coinbase backed advocacy group Stand With Crypto UK asked its 286,000 members to file formal bank complaints over blanket restrictions: evidence of organised consumer response, separate from industry lobbying, to the same underlying pattern.[9]

Impact (responds to Inquiry Question 2)

On legitimate businesses. The Startup Coalition survey figures above (70% more likely to leave the UK; account closures affecting FCA regulated firms) show banking access acting as a direct constraint on investment and growth. BPUK's own evidence to the FCA's DP24/4 consultation recorded, as of Q1 2024, thirteen named businesses (including PayPal, CoinCorner and Skrill) that had withdrawn products, mothballed services, or declined to enter the UK market, predominantly citing UK regulatory and compliance conditions. Banking restriction compounds this effect by making it harder for the businesses that do remain to operate at all.

On consumers. Excessive or blanket banking restrictions can push Bitcoin activity elsewhere. Where UK customers cannot transact through regulated, FCA registered exchanges via their own bank, some will seek out unregulated or offshore alternatives with materially weaker anti-fraud, AML and consumer-protection standards, which can leave customers with fewer protections and increase their exposure to fraud. BPUK made this argument in its own submission on the Money Laundering Regulations in September 2025, and it is reinforced by the IG Group finding that over a third of blocked customers simply switch banks rather than abandon the activity, behaviour that shifts the underlying friction without resolving the underlying risk assessment problem.

On competition and UK competitiveness. UKCBC's January 2026 survey found that around 70% of surveyed exchanges said restrictions had reduced their willingness to invest, scale or hire in the UK. This sits uneasily with the Inquiry's stated concern that these issues "could affect investment, competition and the UK's ambition to become a global leader in crypto and digital assets." HM Treasury told CoinDesk in January 2026 that it would not expect FCA-authorised firms "to be subject to account or transaction restrictions by banking services providers" simply because of the sector they operate in, a position restated by the Economic Secretary to the Treasury to Parliament in 2026. [10] The gap between that stated expectation and the blocking and capping evidenced above is, in BPUK's view, the key policy issue this Inquiry should examine.

Why these problems arise (responds to Inquiry Question 3)

Several overlapping factors appear to drive current bank practice:

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[8] IG Group, "Two in five UK crypto investors say their bank has blocked or delayed payment to provider," 20 August 2025, https://www.ig.com/uk/media-centre/press-release-overview/two-in-five-uk-crypto-investors-say-their-bank-has-blocked-or-de.

[9] CoinDesk, "Over 280,000 UK crypto holders kick off campaign against banks blocking transactions," 10 June 2026, https://www.coindesk.com/business/2026/06/10/over-280-000-uk-crypto-holders-kick-off-campaign-against-banks-blocking-transactions.

[10] CoinDesk, "The UK government says banks need to stop blocking crypto firms if the country wants to become a digital hub," 28 January 2026, https://www.coindesk.com/policy/2026/01/28/the-uk-government-says-banks-need-to-stop-blocking-crypto-firms-if-the-country-wants-to-become-a-digital-hub; restated to Parliament by the Economic Secretary to the Treasury, Lucy Rigby MP, as reported in The Block, 11 August 2026.

- Blanket, sector-wide risk treatment in place of individual assessment. Policies are applied uniformly to all payments to a given exchange or sector, regardless of the exchange's FCA registration status or the individual customer's history. UKCBC's report notes its documented restrictions "apply regardless of whether the destination exchange is registered with the Financial Conduct Authority"[11]; difficult to square with the case-by-case approach the government has repeatedly said it expects.

- Genuine fraud concerns, applied too broadly. Banks' stated rationale, protecting customers from authorised push payment fraud, for which banks have carried mandatory reimbursement liability since October 2024, is legitimate. But applying it as a blanket sector-wide policy, rather than targeting the specific patterns associated with fraud, disproportionately restricts lawful activity while doing little to stop fraudsters, who can adapt around a known blocking policy more easily than an established business can.

- Regulatory uncertainty during the transition period, ahead of the regime's full implementation in 2027, does not explain restrictions that pre-date the current framework by several years, nor the finding that eight in ten surveyed exchanges report restrictions worsening as the framework nears completion.

- AML/CTF obligations, interpreted conservatively. "De-risking" an entire sector is a recognised, and recognised as flawed, response to AML risk internationally; UKCBC's report contrasts this with the approach in other jurisdictions, discussed below.

- Treating Bitcoin and other cryptoassets as interchangeable: an area where BPUK has particular expertise. A bank policy calibrated to the risk profile of low-liquidity tokens or unregistered offshore platforms is a poor fit when applied uniformly to payments to an FCA registered exchange for the purchase of Bitcoin specifically. Sector-wide restriction, by definition, cannot distinguish between these risk profiles.

- Lack of transparency and limited routes to challenge a restriction. Customers and businesses are typically not given a specific explanation when a payment is blocked or an account closed, and have limited or unclear routes to query or appeal the decision, making it difficult for affected customers to challenge the decision or show why their circumstances should be assessed differently, while also limiting the Inquiry's ability to assess whether restrictions are applied proportionately in practice.

Examples of good practice (responds to Inquiry Question 4)

The Inquiry specifically asks what can be learned from other jurisdictions. Two examples are particularly relevant to the question of individual risk assessment and blanket restrictions:

France. Article L.312-23 of the Code monétaire et financier restricts the circumstances in which a French credit institution may refuse to open a deposit account for an authorised cryptoasset service provider. Refusal is permitted where the bank cannot meet specified customer due diligence obligations or where the applicant or its business model presents an excessive risk profile. The bank must communicate the reasons for refusal to the relevant French regulators, including the AMF and ACPR.[12] This provides a legislative response to the transparency issues identified above.

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[11] UK Cryptoasset Business Council, *Locked Out*, January 2026 (see note 1).

[12] *Code monétaire et financier (France), Article L.312-23, version in force from 1 July 2026, as amended by Ordonnance n° 2024-936 of 15 October 2024, Article 29, Légifrance.*
https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000050372333/2026-07-12

Hong Kong. Ahead of its 2023 VASP licensing regime, the Hong Kong Monetary Authority issued a circular directly instructing banks to support the legitimate banking needs of SFC-licensed virtual asset service providers, explicitly warning against a “wholesale de-risking approach” and a “one-size-fits-all” approach to account opening, and requiring a risk-based approach instead.[13] The HKMA’s own deputy chief executive has stated publicly that there is “no legal and regulatory requirement prohibiting banks in Hong Kong from providing banking services to virtual assets related entities,” helping to reduce the ambiguity that may be contributing to conservative bank behaviour in the UK.

Both examples provide clearer regulatory or legislative direction on banks serving the sector, reducing some of the ambiguity that can contribute to blanket restrictions. The UK does not currently provide an equivalent level of clarity; the government's stated expectation of case-by-case treatment is not, at present, backed by an equivalent mechanism.

Policy recommendations (responds to Inquiry Question 5)

BPUK proposes the following measures:

1. A clear regulatory statement that Bitcoin-specific, FCA-registered activity should not be subject to blanket restriction. This would address the conflation described above, where sector-wide policies are applied without considering whether the activity is Bitcoin specific and already FCA regulated. This applies the existing BPUK position, set out in our FCA DP24/4 and Money Laundering Regulations responses, that Bitcoin warrants distinct regulatory treatment from higher-risk cryptoassets, extended specifically to banking access.

2. A requirement for banks to give a specific, actionable reason when declining a payment or closing an account connected to lawful Bitcoin activity, with a defined internal appeal route. This would address the lack of transparency and clear appeal routes described above, drawing on the French approach to transparency discussed above.

3. Clear government and/or FCA confirmation that banks can rely on FCA registration when assessing risk, following the Hong Kong model. This would address the regulatory ambiguity that can drive conservative bank behaviour, even for firms that are already regulated.

4. A periodic, published measure of the scale of account and transaction restriction affecting the sector, whether through the FCA, the Payment Systems Regulator or an industry government forum. This would address gaps in the available data on account closures, suspensions and declines, which the FCA has acknowledged require further work to verify and understand.[14] Without better data, it will be difficult for this Inquiry or future oversight to assess whether restrictions are becoming more proportionate over time.

BPUK notes that the UKCBC’s “Locked Out” report separately argues that current blanket restrictions may raise issues under Regulation 105 of the Payment Services Regulations 2017, the FCA’s Consumer Duty, and the Competition Act 1998. BPUK has not independently assessed these specific legal claims

[13] Hong Kong Monetary Authority, Circular on Access to Banking Services for Corporate Customers, 27 April 2023, and Arthur Yuen, “Embracing new opportunities and accessing banking services,” HKMA Insight, 27 April 2023, https://brdr.hkma.gov.hk/eng/doc-ldg/docId/20230427-1-EN.

[14] Financial Conduct Authority, *FCA sets out initial findings on bank account access and closures*, 19 September 2023. https://www.fca.org.uk/news/press-releases/fca-sets-out-initial-findings-bank-account-access-and-closures

and does not adopt them as its own legal conclusion; we note them as UKCBC's position and a matter the Inquiry may wish to explore with UKCBC and legal counsel directly.

Conclusion

The evidence set out above shows that, close to three years after BPUK first raised this issue with government, the pattern of blanket restriction on lawful Bitcoin related banking activity persists, and recent industry evidence suggests the problem is becoming more severe, even as the UK's cryptoasset regulatory framework approaches full implementation. The government has consistently and recently restated its expectation that FCA-authorised firms should not face restriction simply because of the sector they belong to; current banking practice does not yet reflect that expectation.

BPUK's recommendations above are targeted specifically at closing that gap for Bitcoin-related activity: distinguishing Bitcoin from other cryptoassets in risk treatment, requiring transparency and a route to challenge restriction, giving banks a clear and reliable basis to rely on FCA registration, and building the database needed to track whether the position is actually improving. BPUK would be happy to provide further information or clarification if helpful to the Inquiry.

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