



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Mr Freddie New  
Bitcoin Policy UK  
71-75 Shelton Street  
London  
WC2H 9JQ

31 October 2023

Dear Freddie,

### **Chase UK declining payments related to cryptoassets**

Thank you for your letter dated 28 September regarding Chase UK's decision to decline customers' payments related to cryptoassets.

The government and UK regulators are committed to enabling safe innovation, competition, and consumer choice within the UK's financial services sector.

We recognise concerns about the impact that decisions by banks to restrict transfers from customer accounts to cryptoasset firms may have on cryptoasset businesses in the UK. While the government and regulators do not intervene in commercial decisions taken by banks, it is important that any action taken by them is fair, proportionate and kept under review.

We also recognise that banks may adopt greater caution in certain circumstances but we expect them to take a risk-based and case-by-case approach in doing so.

More generally, the government believes that effective regulation will create the conditions for cryptoasset service providers to thrive in the UK and give people and businesses the confidence to invest with an understanding of the often high risks involved.

The government is working on the basis of "same risk, same regulatory outcome", where appropriate, which means achieving the same – or a very similar – regulatory outcome for cryptoassets that we have for traditional financial assets.

The government is taking a staged and agile approach to regulating the market, seeking to address the most pressing risks first. We have already introduced an anti-money laundering and counter-terrorist financing regime for cryptoassets, and passed secondary legislation to bring cryptoasset financial promotions within the wider financial promotions regime.

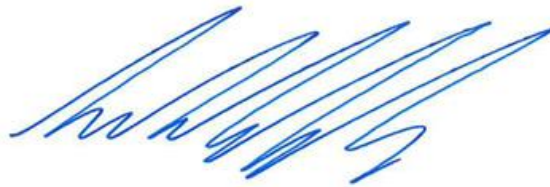
The government has Also legislated to bring stablecoins used for payments into the regulatory perimeter as part of the Financial Services and Markets Act 2023. This will create the conditions for stablecoin providers to grow and scale-up. The Act extends the Banking Act 2009 to include systemic payment systems and services providers which use digital settlement assets, including stablecoins, into the Bank of England's regulatory perimeter.

As you refer to in your letter, the consultation on the future financial services regulatory regime for cryptoassets delivered on the government's commitment to bring forward proposals for regulating activities relating to trading and investment in cryptoassets and the government will publish a response in due course.

These announcements deliver on the government's ambitious plans for the UK to harness the benefits of crypto technologies, through further regulation of the sector.

Thank you again for taking the time to share your concerns and I look forward to continuing to engage on the opportunities and challenges faced by industry in this sector.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Andrew Griffith', with a stylized flourish at the end.

ANDREW GRIFFITH MP