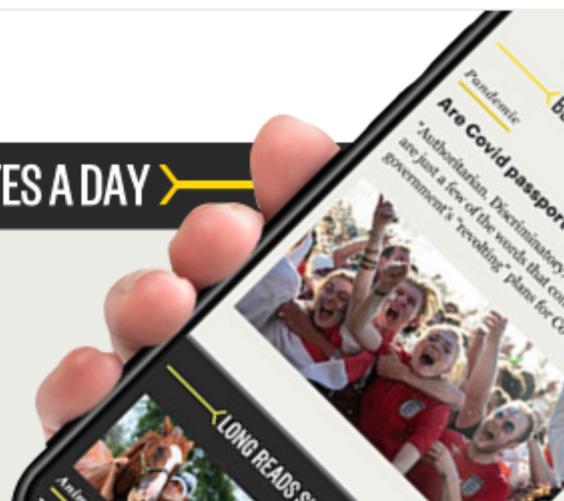




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# Time for a crypto crackdown? As tempting bitcoin adverts pop up on trains and buses, some experts say they should all be banned

- Top cryptocurrency bitcoin has plummeted by as much as 50% in recent weeks
- Watchdog bans ads for cryptocurrency trading firm Luno on London Transport
- Cryptocurrency is not regulated by the Financial Conduct Authority watchdog
- Buyers have no protection under the Financial Services Compensation Scheme
- FCA warns that investors betting on cryptocurrency could lose all their money

By [BEN WILKINSON FOR THE DAILY MAIL](#)

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Adverts for volatile cryptocurrency plastered all over London have been banned for being misleading and irresponsible.

Consumer campaigners now want a tough crackdown on any other digital currency commercials that urge savers to stake their nest eggs in the unregulated and unprotected schemes.

It comes as the price of flagship cryptocurrency bitcoin has plummeted by as much as 50 per cent in recent weeks.



**Watchdog the Advertising Standards Authority banned ads for cryptocurrency trading firm Luno that appeared on the London Underground and on buses in February**

Experts say the increasingly prominent advertising of the 'unproven' currencies is blurring the lines between investing and gambling — putting savers at risk of losing all.

Watchdog the Advertising Standards Authority (ASA) banned ads for cryptocurrency trading firm Luno that appeared on the London Underground and on buses in February.

The ads stated: 'If you're seeing bitcoin on the Underground, it's time to buy.' But there was no mention of the risk involved.

Cryptocurrencies are not regulated by the Financial Conduct Authority (FCA), so buyers have no protection under the Financial Services Compensation Scheme and cannot complain to the Financial Ombudsman Service.

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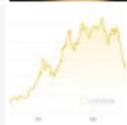
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The FCA has warned that investors betting on cryptocurrencies should could lose all their money.

Hong Kong plans to restrict cryptocurrency trading to professional investors only.

Baroness (Ros) Altmann, investing expert, former pensions minister and consumer campaigner, believes all cryptocurrency ads should be banned.

She says: 'Not only are cryptos an obvious conduit for money laundering and criminality, they involve massive climate damage with computing power, microchips and energy being consumed to generate something that is purely speculative.'

Neil Lovatt, Scottish Friendly commercial director, says: 'Crypto isn't an investment.

'Just as the Kardashians are famous for just being famous, crypto is just valuable because people think it is.

'You're basically gambling on the assumption, or hope, that others will buy it from you at an even higher price than

**“We understood that bitcoin investment was complex, volatile, and could expose investors to losses and considered that stood in contrast to the impression given by the ad, that investment was simple and conventional.”**

you paid for it.'

## Advertising Standards Authority

ASA ruled that the Luno ads were likely to have been seen by consumers without 'extensive financial knowledge' who would expect bitcoin to be regulated with legal protections.

The ASA ruling, out today, reads: 'We understood that bitcoin investment was complex, volatile, and could expose investors to losses and considered that stood in contrast to the impression given by the ad, that investment was simple and conventional.'

Luno Money Ltd told the ASA that future campaigns would feature an appropriate risk warning. Yet it is the second time this year that the watchdog has stepped in over cryptocurrency.



**Price crash: Flagship cryptocurrency bitcoin has plummeted by as much as 50 per cent in recent weeks**

It banned a promotion by bitcoin exchange Coinfloor in March — ruling it was misleading and irresponsible.

The headline on the ad, which appeared in the Northamptonshire Telegraph

newspaper, read: 'There is no point in keeping your money in the bank.'

It told the story of a 63-year-old who used her pension to buy bitcoin instead of saving with banks offering 'insulting interest rates'.

The ad said in the small print: 'Investing in cryptocurrencies involves significant risk and can result in the loss of your invested capital. You should not invest more than you can afford to lose.'

Yet the ASA ruled the disclaimer was not enough and that the ad should have said that the value of bitcoin could go down as well as up, and that the market was unregulated.

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There are more than 1,500 cryptocurrencies to available buy. Tesla billionaire Elon Musk sent the price bitcoin tumbling last week when he questioned its viability.

Susannah Streeter, of investment service Hargreaves Lansdown, says regulators are concerned about cryptocurrencies and how they are marketed.

She adds: 'It's important these ads come with a health warning.'

Meanwhile, Russ Mould, investment director at broker AJ Bell, says: 'Buying any investment off the back of an advert at a train station is no way to build an investment portfolio.'

'An advert might alert you to an investment opportunity... but it is then vital that you do your own due diligence and research into that investment.'

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'This is even more relevant when it comes to cryptocurrencies which are still in their infancy... and utterly unproven in terms of their value in the real world.'

Lord Lee of Trafford, the first Isa millionaire, adds: 'My concern is that those with very limited resources and knowledge are tempted into this highly volatile area — at the very least they need to be warned of the risks — they could lose everything.'

An FCA spokesman says: 'Many activities carried out using cryptoassets are unregulated even if they may appear similar to regulated activities.'

'Adverts promoting cryptoasset investments are unlikely to be regulated by the FCA but, in 2020, HM Treasury proposed extending this to cryptoassets.'

'We are working closely with HM Treasury on this matter.'