UK Risk Disclaimer

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the key risks?

1. You could lose all the money you invest

- The performance of most cryptoassets can be highly volatile, with their value dropping as quickly as it can rise. You should be prepared to lose all the money you invest in cryptoassets.
- The cryptoasset market is largely unregulated. There is a risk of losing money or any cryptoassets you purchase due to risks such as cyber-attacks, financial crime and firm failure.

2. You should not expect to be protected if something goes wrong

- The Financial Services Compensation Scheme (FSCS) doesn't protect this type of investment because it's not a 'specified investment' under the UK regulatory regime – in other words, this type of investment isn't recognised as the sort of investment that the FSCS can protect. Learn more by using the FSCS investment protection checker here.
- Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA regulated firm, FOS may be able to consider it. Learn more about FOS protection here.

3. You may not be able to sell your investment when you want to

- There is no guarantee that investments in cryptoassets can be easily sold at any given time. The ability to sell a cryptoasset depends on various factors, including the supply and demand in the market at that time.
- Operational failings such as technology outages, cyber-attacks and comingling of funds could cause unwanted delay and you may be unable to sell your cryptoassets at the time you want.

4. Cryptoasset investments can be complex

- Investments in cryptoassets can be complex, making it difficult to understand the risks associated with the investment.
- You should do your own research before investing. If something sounds too good to be true, it probably is.

5. Don't put all your eggs in one basket

- Putting all your money into a single type of investment is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments. Learn more here.

Risks specific to stablecoins

The section above outlines the key risks related to investing in cryptoassets generally. However, there are additional risks associated with trading stablecoins, including: counterparty risk, collateral risk, depegging risk, regulatory and centralisation risk, redemption risk, FX risk, algorithm risk (not applicable to USDT and USDC).

Risks specific to staking

Staking involves locking up cryptoassets to support blockchain operations and earn rewards. However, staking carries several risks, including, slashing risk, liquidity risk, validator risk, reward fluctuation risk.

Before staking, ensure you understand these risks and review any specific terms related to your staking activity. Click here to read more about the specific risks relating to stablecoins and staked coins

If you are interested in learning more about how to protect yourself, visit the FCA’s website here.

You can download a hard copy of the risk disclaimer here.

For further information about cryptoassets, visit the FCA’s website here.