

FCA lifts crypto ETP ban, what does this mean for me?

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Key Takeaways

- From 8 October 2025, UK retail investors will be permitted to invest in crypto exchange-traded products (ETPs), starting with Bitcoin and Ethereum ETPs.
- Previously, retail investors could only gain exposure by holding cryptocurrencies directly or through riskier bitcoin treasury companies.
- To invest, you will need an account with a broker that offers crypto ETPs and must pass an appropriateness test.
- Physically backed crypto ETPs make investing easier, enhance security, and maintain both liquidity and cost efficiency.
- Related Products [WisdomTree Physical Bitcoin](#), [WisdomTree Physical Ethereum](#) [Find out more](#)

The FCA's turnaround

From 8 October 2025, retail investors in the UK will be permitted to invest in crypto exchange-traded products (ETPs), starting with Bitcoin and Ethereum ETPs. These securities must trade on the London Stock Exchange¹, and access to them will be subject to certain consumer protections.

Let's take a step back to understand what that means and why it matters. Investing in cryptocurrencies has gained huge popularity in Europe, with investments in crypto funds growing from just \$526 million at the beginning of 2020 to \$21 billion as of August this year². Across most of continental Europe, investors have enjoyed access via crypto ETPs, which offer straightforward and cost-efficient exposure to cryptocurrencies such as bitcoin, ether, SOL, and many more.

UK retail investors, by contrast, have had to wait on the sidelines. Retail investors, meaning everyone who isn't an institution such as a bank or hedge fund, were banned from investing by the FCA³ in 2021. The FCA, the UK's financial services regulator, oversees companies like WisdomTree and sets the rules for how investment products can be marketed in the UK. At the time, the FCA argued that the public didn't understand cryptocurrencies deeply enough and that investing was too risky. Despite that judgment call, interest in cryptocurrencies grew, with investors seeking exposure by holding bitcoin and

other cryptocurrencies outright, as well as through derived or leveraged exposures such as shares of the bitcoin treasury company Strategy, formerly known as MicroStrategy.

Now, the FCA has updated its guidance, stating that crypto has “become more mainstream and better understood.”⁴ Finally, UK retail investors have access to Bitcoin and Ethereum ETPs.

Why holding cryptocurrencies directly can be tricky



Holding cryptocurrency outright comes with its own challenges: from setting up a wallet and making sure that private keys are securely stored and protected from scammers or hackers, to gaining access to a reliable cryptocurrency exchange. A wallet’s primary function is to keep your private key safe. The private key, in turn, gives you access to your cryptocurrencies. Losing it can be catastrophic, as James Howell from Newport discovered. In 2013, Howell accidentally disposed of a hard drive containing a wallet with 8,000 bitcoins, which he never retrieved again⁵. At today’s prices, that would be worth £678 million⁶.

ETPs solve these challenges by allowing crypto ETPs to be held in the same standard investment accounts that house stocks and exchange-traded funds (ETFs), making the management of wallets and private keys unnecessary for investors. Furthermore, by aggregating crypto assets at the fund level, industry-grade cybersecurity standards can be applied, bringing the storage of these highly sought-after assets to a much higher level of safety.

What you need to start

To invest, you’ll need a brokerage account that offers crypto ETPs. We spoke with many brokers, and most are considering offering crypto ETPs. So, check your broker’s app to see if crypto ETPs are available. Your

broker will ask you several questions, known as an appropriateness test, to ensure you understand the risks of investing in cryptocurrencies. Once you've passed that hurdle, you're free to invest. Typically, a unit of an ETP costs less than £50, and most brokers allow you to buy a fraction of a unit.

Where to begin

Bitcoin represents about 60% of cryptocurrency assets⁷. With 15 years of track record, it has been adopted by conservative institutions such as pension funds and sovereign wealth funds⁸. As the largest and most established cryptocurrency, bitcoin might offer investors a prudent starting point. For now, the FCA has restricted investments to Bitcoin and Ethereum, but alternative crypto assets such as XRP and Solana may follow in 2026.

Cryptocurrencies make up 1.7% of liquid wealth⁹, meaning easily tradable assets like stocks or bonds. For example, listed equities account for just over half of that, while gold represents about 10.4%¹⁰. Hence, even without taking any view on cryptocurrencies, a passive investor would allocate 1.7% to crypto simply to maintain a market-weighted portfolio.

Even small allocations can improve investment outcomes¹¹. On the one hand, that is due to the strong growth potential that cryptocurrencies have, historically, exhibited. On the other hand, it comes from diversification, as cryptocurrencies tend to display return patterns that are uncorrelated with other asset classes. Put differently, they form a completely separate asset class, subject to their own unique drivers.

How storage works

Here's where the care and experience of the issuer really matter. For decades, WisdomTree has managed billions of pounds' worth of gold for our clients via the physically backed ETP structure. At today's prices, our clients trust us with around £15 billion worth of gold¹². The physical gold is stored in highly secure vaults, including one beneath the River Thames in London.



When it comes to crypto, we wanted to guarantee the same high security standards.

The crypto assets are stored with regulated custodians who use industry-grade cybersecurity systems and are secured in what is called 'cold storage' wallets. These are wallets that are completely offline, disconnected from the internet, and kept in secret, geographically scattered locations. To authorise a transaction, multiple personnel must physically access the storage device, much like depositing or withdrawing gold from a vault. Each ETP has its own dedicated cold storage wallet, creating vault-like security for crypto and minimising the risk of hacks.

Conclusion

With the FCA lifting the ban on retail access to crypto ETPs, UK investors are now permitted to buy Bitcoin and Ethereum ETPs on regulated exchanges (including the London Stock Exchange).

For many investors, crypto ETPs offer a simpler, more secure route to crypto exposure. They provide regulated access, professional custody and easy integration into existing investment accounts, all without the technical hassle of managing wallets and keys. For more crypto insights or details of WisdomTree's crypto product range, please visit our [Crypto ETP Centre](#).

1Or on another UK recognised investment exchange.

2Source: Morningstar, WisdomTree as of 31 August 2025.

3FCA = Financial Conduct Authority.

4Source: FCA as of August 2025.

5Source: <https://www.bbc.co.uk/news/articles/c620jej4kd4o>

6Source: Bloomberg as of 16 September 2025.

7Source: [Bitcoin Dominance | CoinMarketCap](#)

8Source: <https://coinshares.com/corp/insights/knowledge/sovereign-funds-a-new-class-of-investors-for-crypto/>

9Source: Bloomberg, WisdomTree, as of August 2025.

10Source: Bloomberg, WisdomTree, as of August 2025.

11WisdomTree Research, [Bitcoin is a good option for diversifying your portfolio](#) **Historical performance is not an indication of future performance and any investments may go down in value.**

12Source: WisdomTree, Bloomberg as of 16 September 2025.

Important Risks Related to this Article

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