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By email

24 May 2018

Our Ref: FOI5673

Dear

Freedom of Information : Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act), for the following information:

- 1. How many investigations has the FCA opened relating to cryptocurrencies in the last 5 years?*
- 2. How many whistleblower reports related to cryptocurrencies has the FCA received in the last 5 years?*

Firstly, please accept our apologies for the delay in responding to you. Your request has now been considered and the relevant information is below.

Before responding to your request, I would like to explain that not all cryptocurrencies (alternatively referred to as cryptoassets) are within the FCA's regulatory perimeter and so not regulated by us. For information on the types of cryptocurrencies that are within or outside the FCA's regulatory perimeter please refer to the following documents:

<https://www.fca.org.uk/publication/feedback/fs17-04.pdf>

<https://www.fca.org.uk/news/statements/cryptocurrency-derivatives>

<https://www.fca.org.uk/news/statements/initial-coin-offerings>

For point 1, we can confirm that we do not currently have any investigations in relation to cryptocurrencies. By "investigations" we mean investigations in which investigators have been formally appointed under section 168(2)(a) FSMA). However, we are making enquiries into the activities of 24 unauthorised firms that are involved in some form of cryptocurrency business to determine whether they might be carrying on regulated activities that require FCA authorisation. If we conclude that they are, then we may investigate and take action, identifying and determining the most serious matters which pose the greatest risk to consumers. The action we may take ranges from issuing an alert to consumers via the FCA website to warn them about a particular individual, activity or firm or add a warning on our Scamsmart page:

<https://www.fca.org.uk/scamsmart>, to taking civil court action to stop activity and freeze assets, insolvency proceedings and, for the most serious cases, criminal prosecution. We recently issued a warning about firms offering CFDs with underlying cryptocurrencies on our website:

<https://www.fca.org.uk/news/news-stories/consumer-warning-about-risks-investing-cryptocurrency-cfds>.

For point 2, we can confirm that no whistleblower reports were opened in 2014, 2015, 2016 and 2017. However, 7 reports have been opened in 2018.

Yours sincerely

Information Disclosure Team