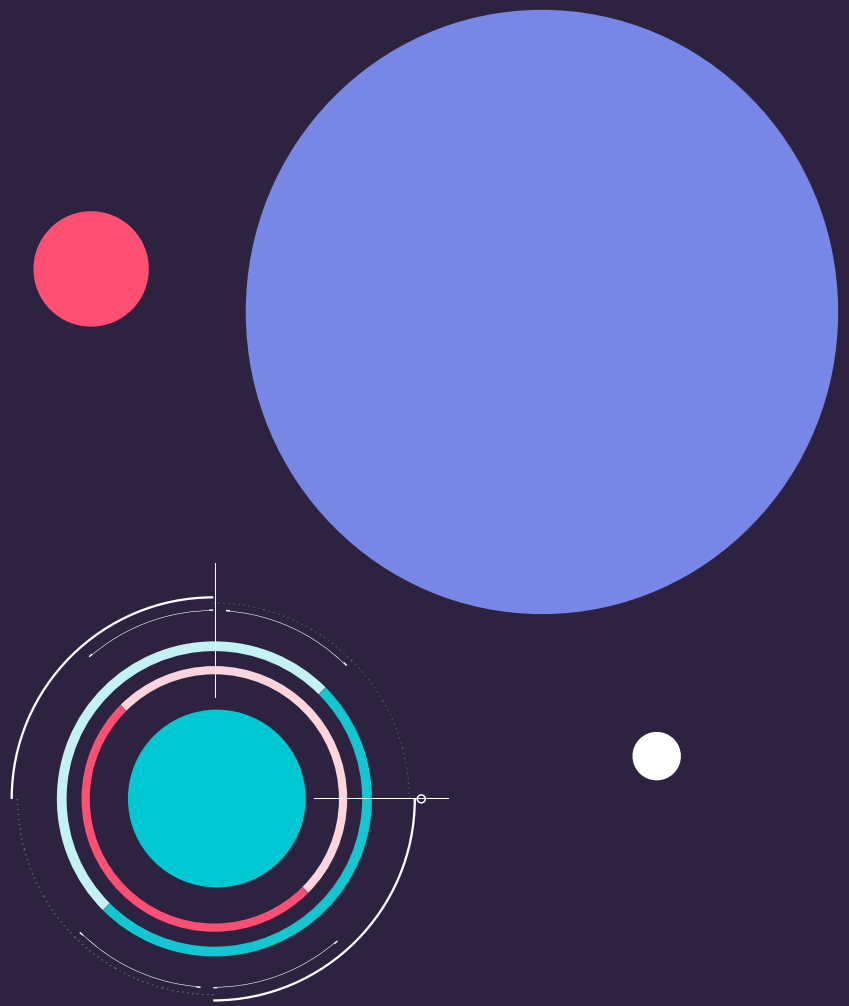


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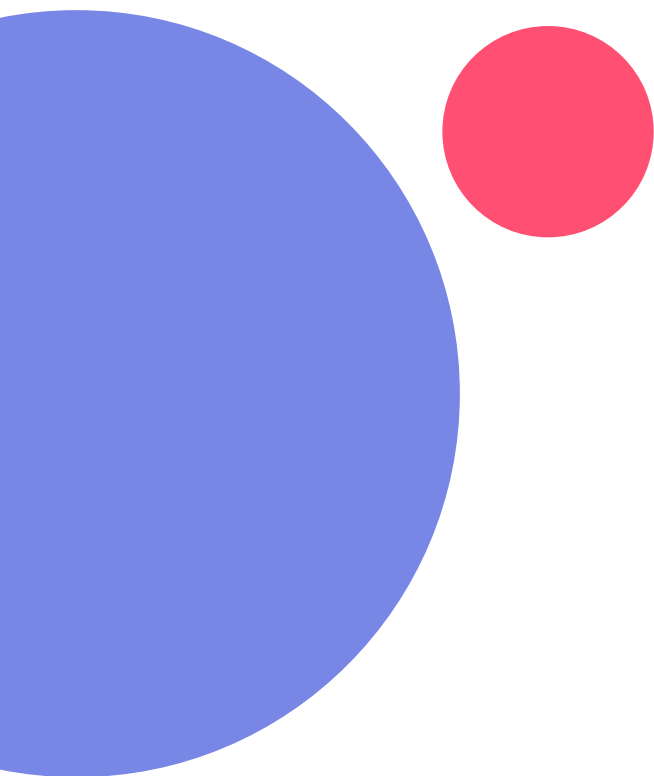


# Inside the crypto community: Plotting the journey to mass adoption

Who is investing in cryptocurrencies, why are they doing it, and what is their vision for a DeFi future?

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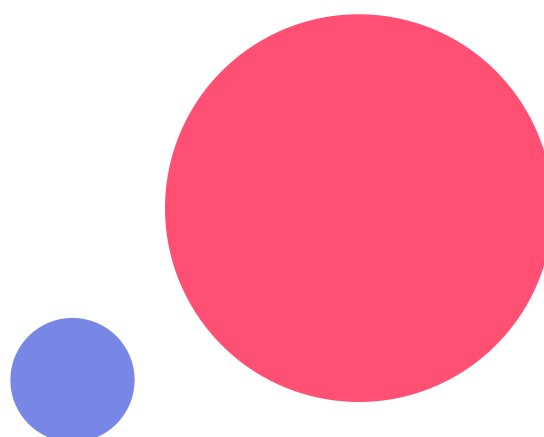
# Introduction

In April 2021<sup>1</sup> we commissioned our annual consumer research, examining the payments landscape and identifying the trends that are having the most significant impact on consumer payment methods.

One of the most significant takeaways from that study was the extent that cryptocurrencies had already become central to consumers' spending plans. 84% of U.K. respondents and 83% of U.S. respondents told us that they recognised at least one cryptocurrency. More surprisingly, 32% of U.K. consumers have owned or invested in at least one cryptocurrency in some form and at some point, and in the U.S. this increases to 44%.

## Which of the following cryptocurrencies do you recognise?

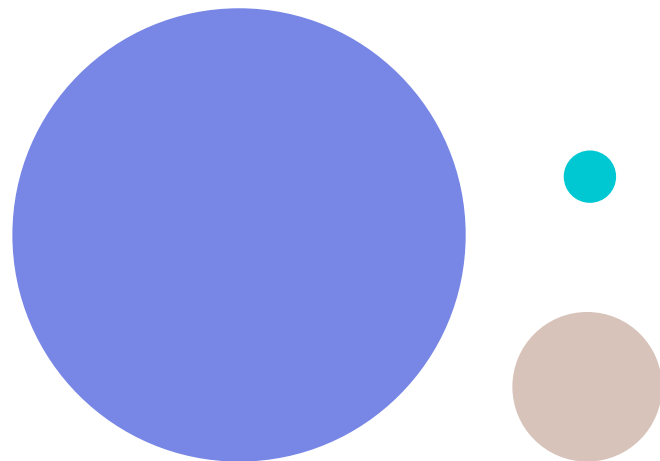
	UK	US
<b>Bitcoin</b>	61%	62%
<b>Bitcoin Cash</b>	27%	32%
<b>Ethereum</b>	14%	21%
<b>Litecoin</b>	10%	19%
<b>Ethereum Classic</b>	8%	13%
<b>Dash</b>	8%	15%
<b>Stellar</b>	7%	11%
<b>Link</b>	6%	10%
<b>EOS</b>	5%	7%
<b>Atom</b>	7%	7%
<b>Tezos</b>	5%	7%
<b>OMG</b>	5%	7%
<b>Kyber Network</b>	3%	6%
<b>Ox</b>	2%	4%
<b>Other</b>	1%	2%
<b>None</b>	16%	17%



<sup>1</sup> <https://www.paysafe.com/en/blog/lost-in-transaction-consumer-payment-trends-2021/>

## Which of the following cryptocurrencies have you owned/invested in?

	UK	US
<b>Bitcoin</b>	13%	24%
<b>Bitcoin Cash</b>	8%	12%
<b>Ethereum</b>	5%	10%
<b>Litecoin</b>	3%	9%
<b>Ethereum Classic</b>	3%	4%
<b>Dash</b>	3%	6%
<b>Stellar</b>	2%	5%
<b>Link</b>	2%	4%
<b>EOS</b>	2%	3%
<b>Atom</b>	2%	3%
<b>Tezos</b>	2%	3%
<b>OMG</b>	2%	2%
<b>Kyber Network</b>	1%	3%
<b>Ox</b>	0.4%	1%
<b>Other</b>	0.4%	1%
<b>None</b>	68%	56%



We wanted to discover more about this group of early crypto adopters. Specifically, we wanted to know who they were, to what extent they were committing their finances over to cryptocurrencies, what their motivations were for investing in crypto initially and today, and how they planned to use cryptocurrencies in their day-to-day lives both now and in the future.

We also wanted to know what vision the community has for cryptocurrencies as whole, include where it thinks we are on the road to mass adoption of crypto as a payment method. And we asked where the opportunities are to convince outsiders that crypto is the future, and what the blockers to mass adoption might be. Here is what they told us.

# Who is investing in crypto?

Mapping the crypto community



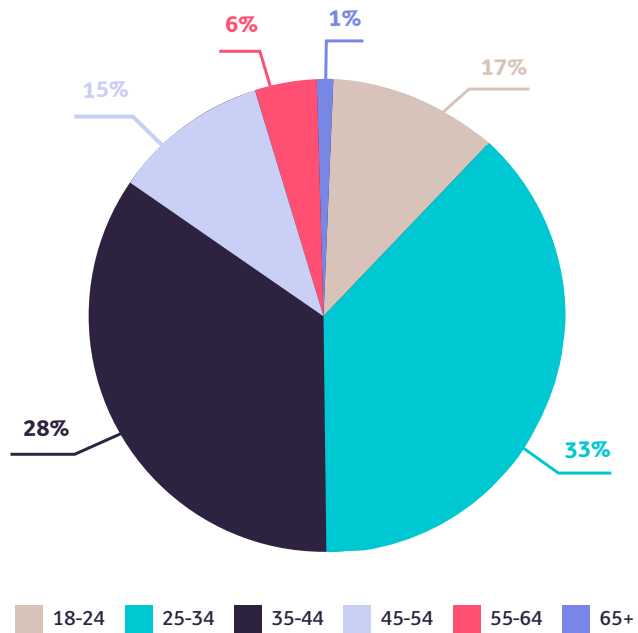
In order to understand more about who is investing in crypto in the U.K. and U.S. we asked people who had actively bought or acquired cryptocurrencies at some point to tell us more about themselves, the currencies they own, how frequently they buy or sell crypto, and their level of confidence in their abilities.

## Age

- Half of the crypto community in both the U.K. and U.S. is under 35 years old.
- 25-34 is the largest demographic of crypto owners.

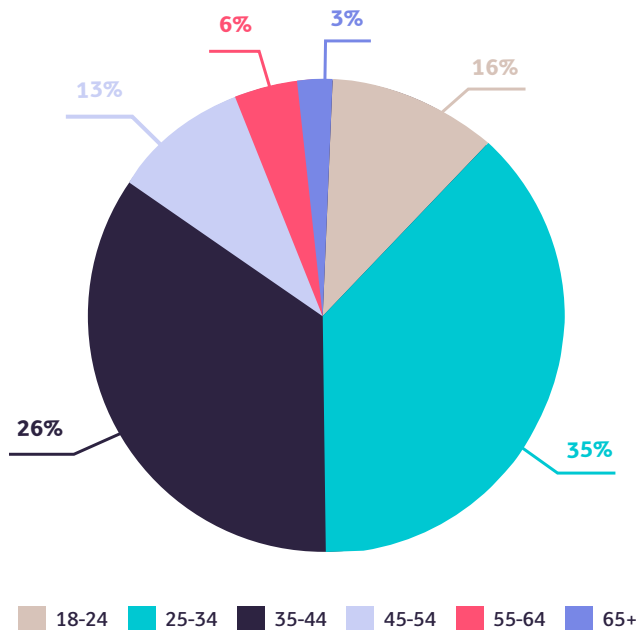
### Q: What age are you? | U.K.

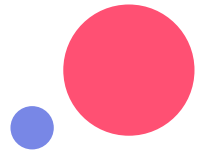
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### Q: What age are you? | U.S.

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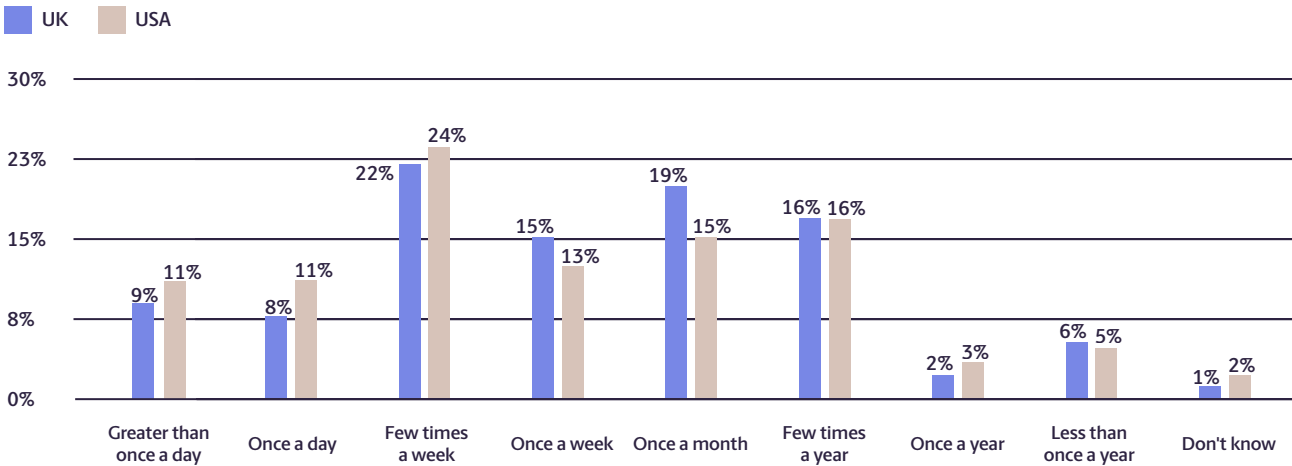




## Trading frequency

- Almost 20% of the community is buying/trading crypto daily.
- More than half of the community is buying/trading crypto on a weekly basis.
- Under 25% of the community is buying/trading crypto less than once per month.

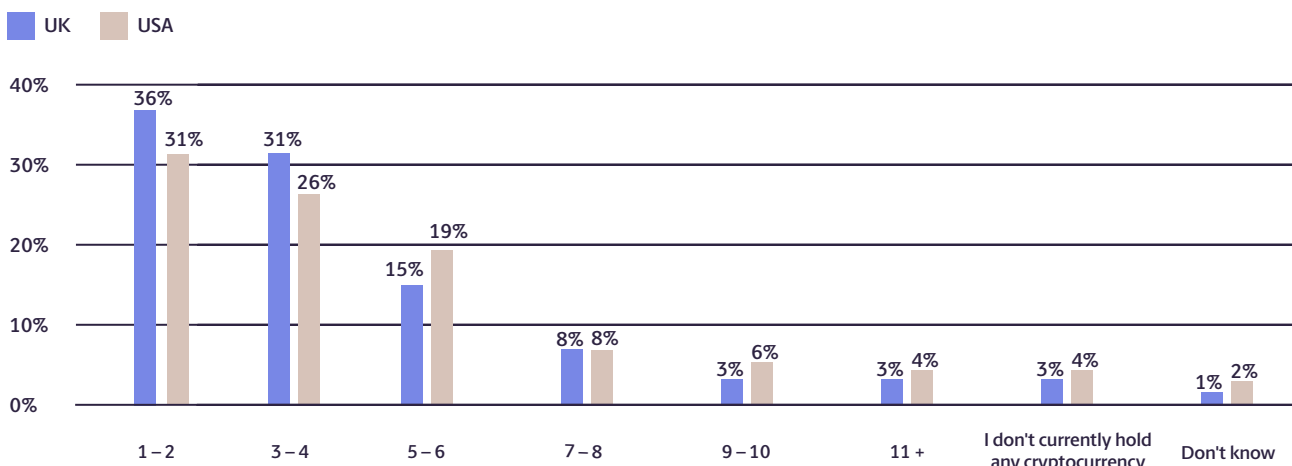
### Q: How often do you currently buy or trade cryptocurrencies?



## Number of cryptocurrencies invested in

- Only a third (36% in the U.K., 31% in the U.S.) of the community holds only one or two currencies currently.
- In the U.S. more people own at least five cryptocurrencies (37%) than own one or two (31%).
- Only a small percentage (3% in the U.K., 4% in the U.S.) of people who have invested in crypto previously are no longer holding any cryptocurrencies.

### Q: How many different types of crypto coin / cryptocurrency do you currently hold?



## Gender

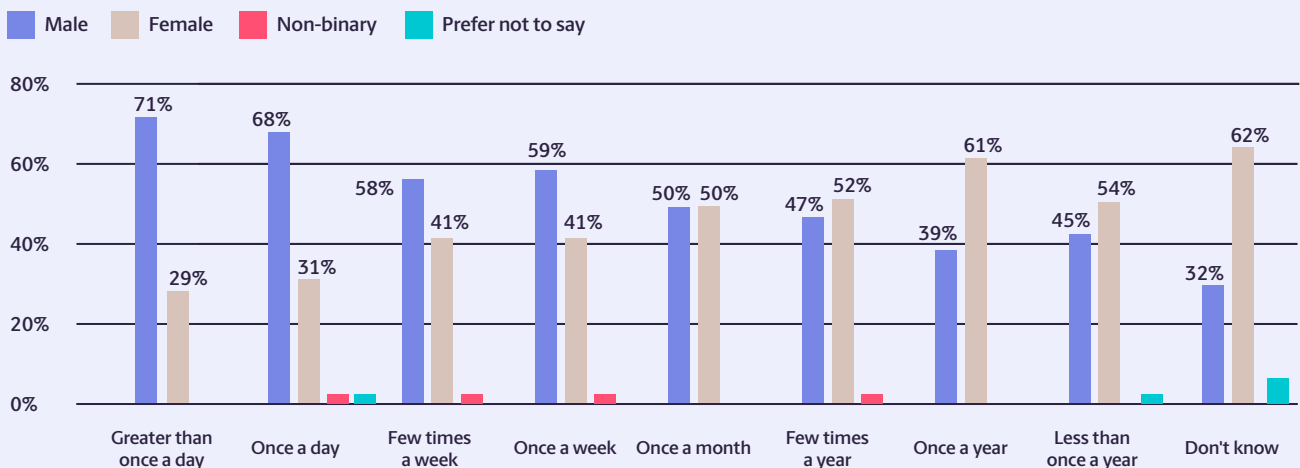
- Women currently comprise 44% of the crypto community.
- However, overall men are more active traders than women. 71% of crypto owners trading more than once a day are men, and 78% of traders that own 11 cryptocurrencies or more are men.

### Q: What gender are you?

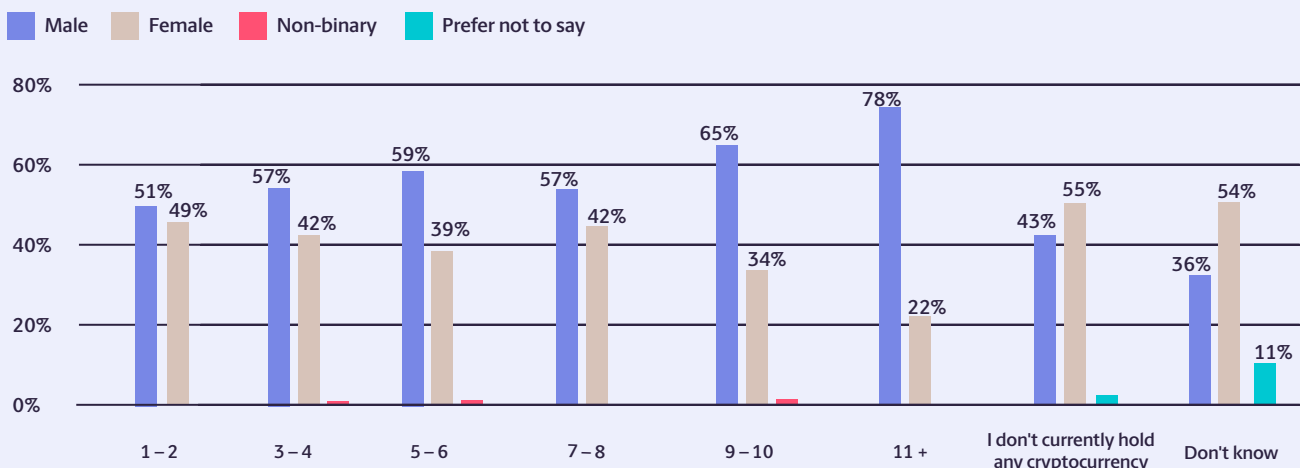
	UK	US
<b>Male</b>	56%	56%
<b>Female</b>	44%	43%
<b>Non-binary</b>	0%	1%

● by gender

### Q: How often do you currently buy or trade cryptocurrencies?



### Q: How many different types of crypto coin / cryptocurrency do you currently hold?





## Acquisition and storage

- The community is acquiring cryptocurrencies in many different ways, with no method being used by the majority of consumers.
- Only a third of the community has purchased cryptocurrencies, although this is the most popular method for acquiring crypto. Earning through interest (23%) is the second most popular way of acquiring cryptocurrencies, followed by P2P transfers (21%). Selling NFTs (19%) is already as popular in the community as mining.
- There is also no overall preferred method for purchasing cryptocurrencies, with direct bank transfer (35%), digital wallets (32%), and eCash (15%) being popular in addition to bank cards.
- Cashing out back to fiat currency via an exchange (28%) is still the most likely action the community takes with its cryptocurrency.

### Q: How did you / do you acquire cryptocurrency? Select all that apply.

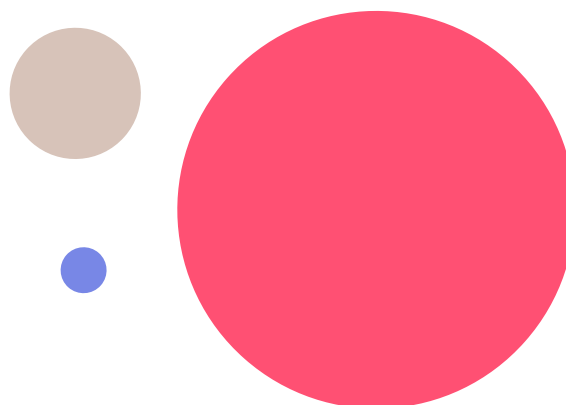
	Overall	UK	USA
<b>From an exchange</b>	33%	33%	32%
<b>I get paid interest in cryptocurrency</b>	23%	21%	25%
<b>I was sent some by a friend/family member</b>	21%	21%	21%
<b>As a reward for mining (selling computer's hash power)</b>	19%	17%	21%
<b>Via the sale/trading of NFTs</b>	19%	17%	21%
<b>I earn by playing decentralized games</b>	18%	16%	19%
<b>From a broker</b>	16%	16%	17%
<b>I get paid for providing liquidity at decentralized exchanges</b>	14%	12%	17%
<b>I don't technically own my cryptocurrency – I use financial spread betting / CFD service or platform</b>	10%	10%	9%
<b>Other</b>	4%	3%	5%
<b>Don't know</b>	4%	3%	5%

## Q: How have you previously paid for cryptocurrency? Select all that apply.

	Overall	UK	USA
Debit card	50%	54%	47%
Direct bank transfer	35%	33%	37%
Digital wallet	33%	30%	36%
Credit Card	32%	27%	37%
eCash	15%	14%	16%
Prepaid Card	15%	12%	19%
Other	2%	2%	2%
Don't know	1%	1%	1%

## Q: How do you primarily cash out/store your cryptocurrency?

	Overall	UK	USA
Via a cryptocurrency exchange into fiat currency i.e. USD/GBP	28%	30%	26%
I store my cryptocurrency in a hot wallet i.e. online and software-based wallet	24%	25%	24%
Via a digital wallet e.g. Skrill	24%	25%	22%
I store my cryptocurrency in a cold wallet i.e. offline and hard-ware based wallet	17%	14%	19%
Other	1%	1%	1%
Don't know	6%	5%	7%



## Familiarity

- The majority of the crypto community (53%) first heard about cryptocurrencies through peer-to-peer communication methods.
- In the U.K., word of mouth (29%) is the most popular way they first heard about cryptocurrencies, in the U.S. social media (28%) was more popular.
- Only 12% of the community was introduced to crypto through another payment method they use, although this is likely to increase as more fintechs integrate crypto payment methods.

### Q: How did you first hear about cryptocurrencies?

	UK	USA
<b>Word of mouth i.e. from friends, family, or colleagues</b>	29%	25%
<b>Social media</b>	25%	28%
<b>From traditional news outlets</b>	12%	13%
<b>Through another company/payment method I use</b>	11%	12%
<b>Trading forums</b>	11%	11%
<b>Non-mainstream websites</b>	7%	6%
<b>Other</b>	0%	1%
<b>I don't remember</b>	4%	4%

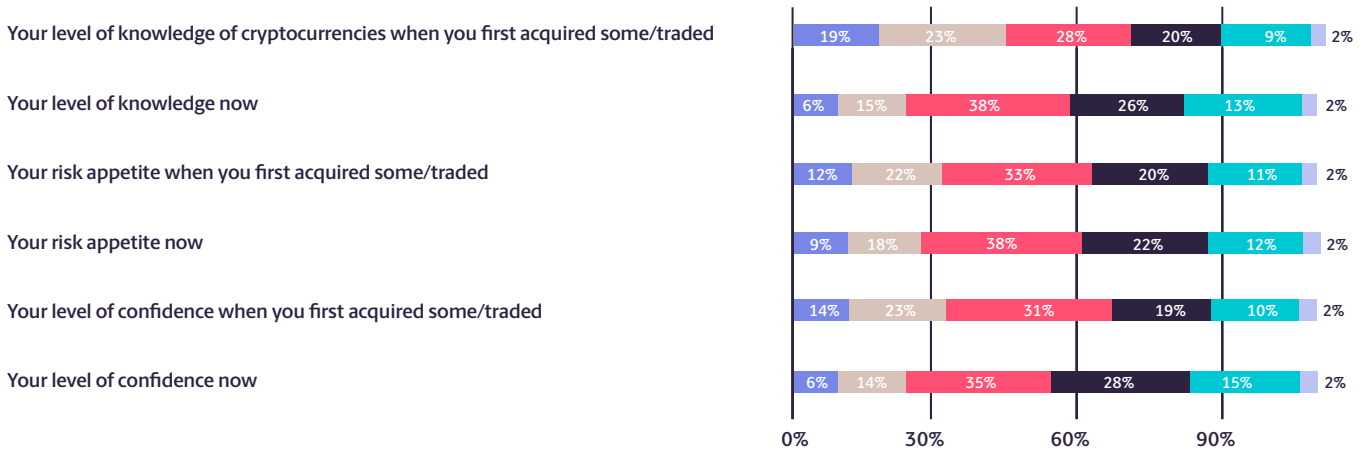
## Confidence and risk

- Only a third of the community (32%) described their knowledge and confidence in trading cryptocurrencies as high or very high when they first acquired crypto.
- This has increased today, but still only 41% of the community consider themselves very knowledgeable and 43% are very confident today.
- Risk appetite doesn't appear to increase as confidence grows, with 35% of the community describing their risk appetite as high or very high when they first acquired crypto, versus 37% today.

## Q: When thinking about both now and when you first acquired cryptocurrencies, how would you assess the following?

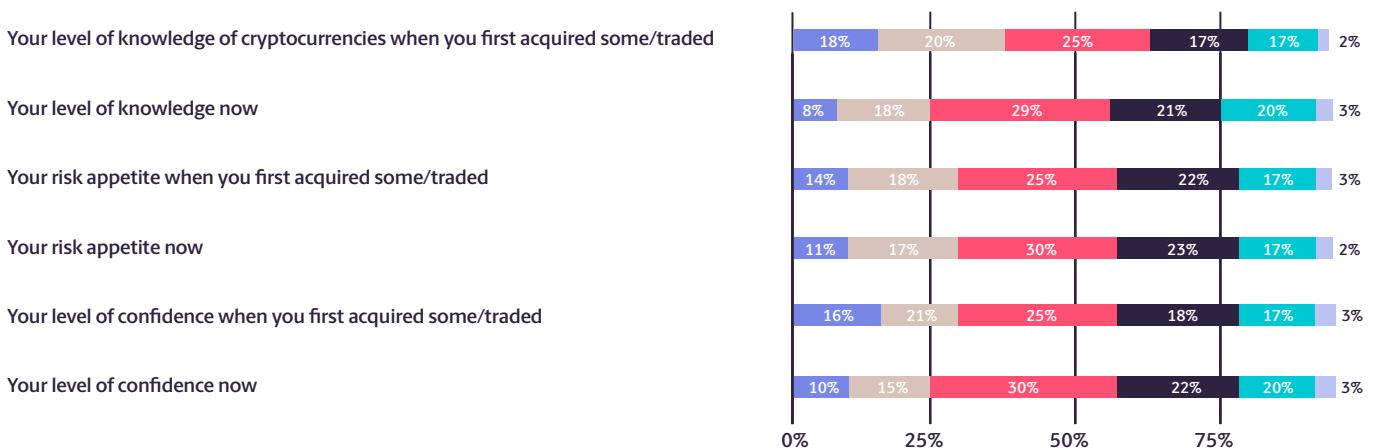
### U.K.

Very Low Low Moderate High Very High Don't know



### U.S.

Very Low Low Moderate High Very High Don't know



## Q: When thinking about both now and when you first acquired cryptocurrencies, how would you assess the following? Answer = High or Very High

	UK	USA
Your level of knowledge of cryptocurrencies when you first acquired some/traded	29%	34%
Your level of knowledge now	39%	41%
Your risk appetite when you first acquired some/traded	31%	39%
Your risk appetite now	34%	40%
Your level of confidence when you first acquired some/traded	29%	35%
Your level of confidence now	43%	44%

# The road to crypto adoption

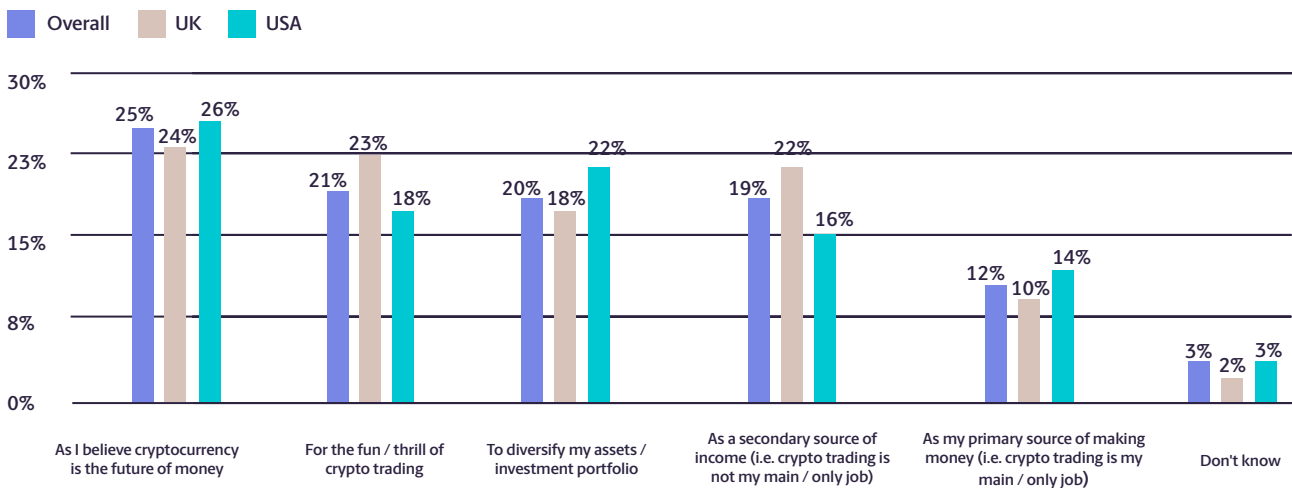


In order to understand more about where crypto is going, we also asked the community to tell us about their motivations for owning crypto, how they plan to use cryptocurrencies now and in the future, where they think we are on the road to mass adoption, and the blockers that might derail that journey.

## Primary motivation

- More people (25%) own cryptocurrencies because they believe it is the future of finance than any other reason.
- Only 21% of crypto owners are acquiring crypto for fun or the thrill of trading, for all other owners it is a more serious endeavour.
- However, trading cryptocurrencies is the primary source of income for only 12% of the community.

### Q: What is your primary motivation for trading or owning cryptocurrency?

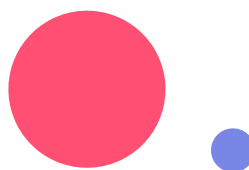


## Commitment to crypto

- Over half (55%) of the crypto community would like to be paid in cryptocurrency if given the opportunity. This percentage is even higher in those aged under 45, and reaches 60% of those aged 18-24.
- Belief that the value of crypto is increasing (35%) and that cryptocurrencies are the future of finance (33%) are the two main reasons these consumers are happy for crypto to be their main source of finance.
- One-in-five (21%) people that would like to be paid their salary in cryptocurrencies would like to make all of their payments in crypto, and 16% no longer trust traditional banks.
- The volatility of crypto's value is the main reason some people are hesitant about crypto being their main source of finance, with 32% of those who don't want to be paid their salary in crypto saying it is too risky not knowing what their salary would be, and 26% are worried about a price crash leaving them with no money.

## Q: If cryptocurrency trading wasn't / isn't your main job, would you like to get paid your main salary in cryptocurrency

	Overall	UK	USA
Yes	55%	49%	60%
No	34%	38%	30%
Don't know	11%	13%	10%



	18-24	25-34	35-44	45-54	55-64	65+
Yes	60%	58%	57%	48%	38%	19%
No	30%	33%	32%	36%	49%	63%
Don't know	11%	9%	11%	17%	14%	19%

## Q: Why would you like to get paid in cryptocurrency? Select up to two.

	Overall	UK	USA
It's a smart investment as there's a good chance it will be worth more in the days/week after payment	35%	36%	34%
Cryptocurrency is the future of finance – I'll likely get paid in cryptocurrency soon anyway	33%	33%	33%
It would give me more flexibility and control over my finances	28%	27%	28%
I want to make all of my payments in cryptocurrency	21%	18%	23%
As it would keep my job exciting, you'd never know exactly what you were going to get paid!	20%	20%	20%
I no longer trust traditional banks	16%	17%	16%
Don't know	1%	1%	1%

## Q: Why would you not like to get paid in cryptocurrency? Select up to two.

	Overall	UK	USA
<b>The crypto market is too volatile, it is too risky not knowing what my exact salary would be</b>	32%	33%	31%
<b>If the coin that I got paid in crashed, then I'd be left with no money</b>	26%	26%	26%
<b>I can't use crypto to make payments widely enough at the moment</b>	24%	24%	23%
<b>I only want to invest small sums in crypto</b>	22%	22%	21%
<b>Investing in crypto is just for fun</b>	17%	20%	14%
<b>I don't know enough about crypto to make an informed decision about this</b>	15%	12%	19%
<b>I don't believe in the long-term future of cryptocurrencies, it won't be around forever like fiat currency</b>	8%	8%	9%
<b>Other</b>	1%	1%	0%
<b>Don't know</b>	4%	2%	5%

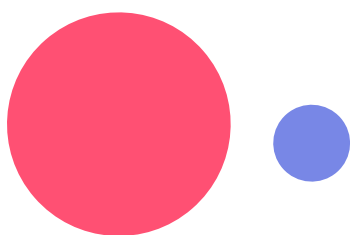
## Long-term adoption and growth

- More than half of the community (54%) believe cryptocurrency is the future of finance (vs. 19% that disagree), and half (49%) believe that everyone will own cryptocurrencies in five years' time.
- A significant percentage of the community thinks that you will be able to make payments with cryptocurrencies more easily next year – 60% believe you will be able to use crypto to make purchases with many more online merchants and 47% say accepting cryptocurrencies in physical stores will become commonplace in the next 12 months.
- However, there are still barriers to mass adoption. Two thirds (66%) of the community believes that most people still don't trust cryptocurrencies and a similar percentage (65%) say withdrawing funds needs to become easier for mass crypto adoption.
- More retailers accepting cryptocurrencies as a form of payment (22%) and more countries accepting cryptocurrencies as legal tender (17%) are two of the main factors that would convince the community to invest more in cryptocurrencies. 13% of the community would invest more if it was more environmentally friendly.



## Q: To what extent do you agree with the following statements?

	Strongly agree	Somewhat agree	Neither agree or disagree	Somewhat disagree	Strongly disagree	Don't know	% Agree	% Disagree
<b>Cryptocurrency is the future of finance, and will take over as the dominant form of international currency</b>	20%	34%	24%	13%	6%	3%	54%	19%
<b>You will be able to use cryptocurrencies to make online purchases with many more eCommerce vendors this time next year</b>	22%	38%	23%	10%	4%	4%	60%	14%
<b>Accepting cryptocurrencies in physical stores will become commonplace within the next 12 months</b>	17%	30%	27%	16%	7%	4%	47%	23%
<b>Everyone will own cryptocurrencies within five years</b>	16%	32%	26%	15%	7%	3%	49%	22%
<b>Cryptocurrencies will be less popular in 12 months' time than they are today</b>	15%	24%	24%	18%	16%	4%	39%	34%
<b>Withdrawing funds need to become easier before crypto adoption is more widespread</b>	28%	37%	20%	8%	3%	3%	65%	11%
<b>The lack of real-world applications e.g. online payments is preventing cryptocurrencies reaching their full potential</b>	21%	38%	24%	10%	4%	4%	59%	14%
<b>Most people still don't trust cryptocurrencies</b>	30%	36%	19%	8%	3%	3%	66%	11%



## Q: What would convince you to invest more in cryptocurrency? Select up to two.

	Overall	UK	USA
If I had more capital to invest	29%	29%	29%
If more retailers accepted cryptocurrency as a form of payment	22%	21%	22%
If the price / market capitalisation of cryptocurrency continues to increase	20%	18%	22%
More countries accepting cryptocurrency as legal tender	17%	18%	17%
If bank interest rates remained low / dropped further	15%	16%	13%
If the price / market capitalisation of cryptocurrency decreases	14%	13%	14%
If it didn't consume so much energy to use it / it was more environmentally friendly	13%	12%	14%
Less cryptocurrencies (coins) available to invest in / consolidation of existing coins	9%	8%	11%
Other	1%	1%	1%
Don't know	5%	5%	5%

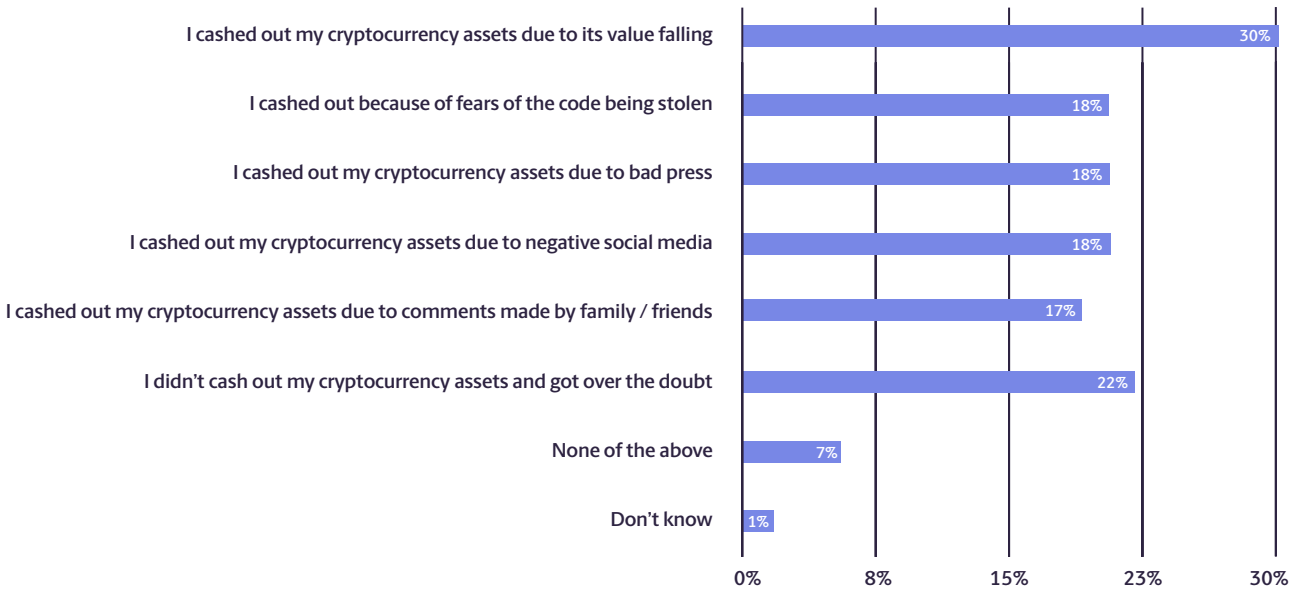
## Doubts about the future of crypto

- 70% of the community say they have had doubts about investing in crypto, and overall half (49%) have cashed out cryptocurrency because of those doubts.
- Negative press (18%), negative social media reporting (18%), and negative comments from family and friends (17%) are all impacting the crypto community significantly.
- The main reason some owners have never had doubts is that they believe that cryptocurrencies are the future of finance.

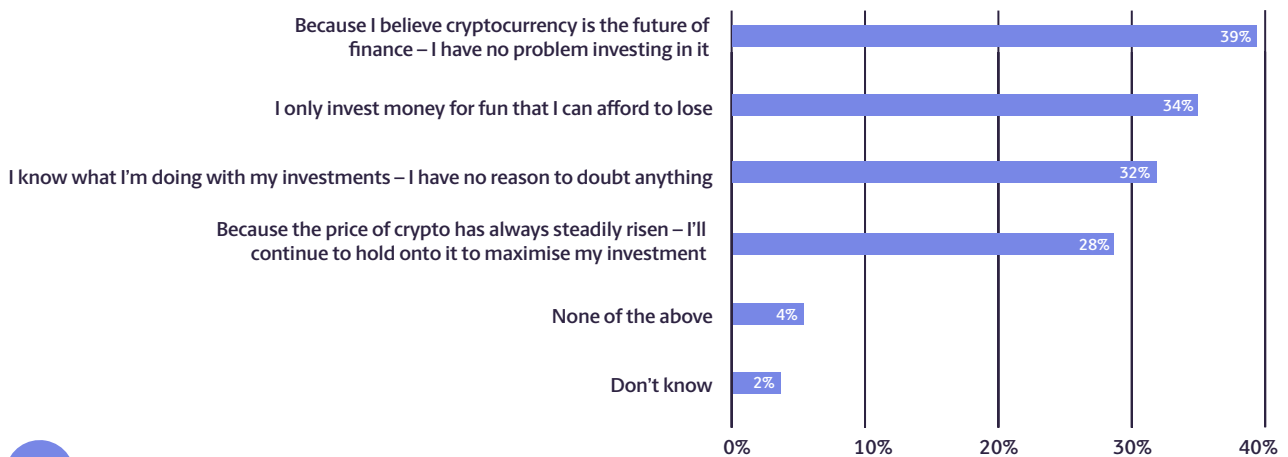
## Q: Have you ever had doubts about investing in cryptocurrencies?

	Overall	UK	USA
Yes	70%	72%	69%
No	25%	24%	27%
Don't know	4%	4%	4%

**Q: You said that you have had doubts about investing in cryptocurrency. What were the most likely outcomes? Select up to two.**



**Q: You said that you have never had doubts investing in cryptocurrency. Why do you think that is? Select up to two.**

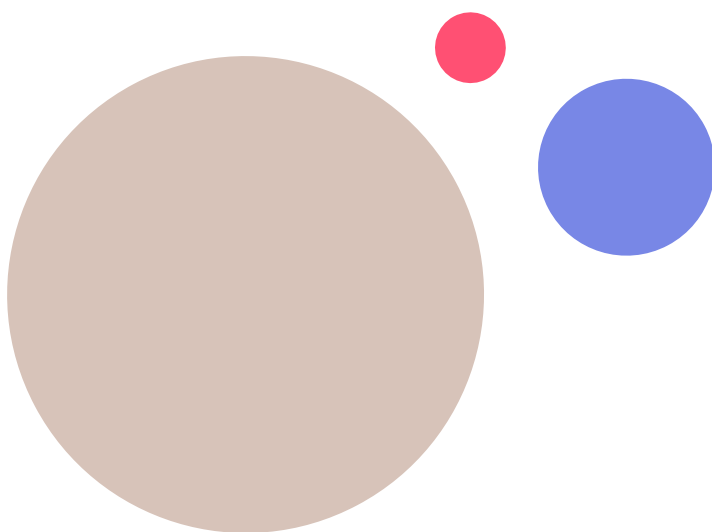


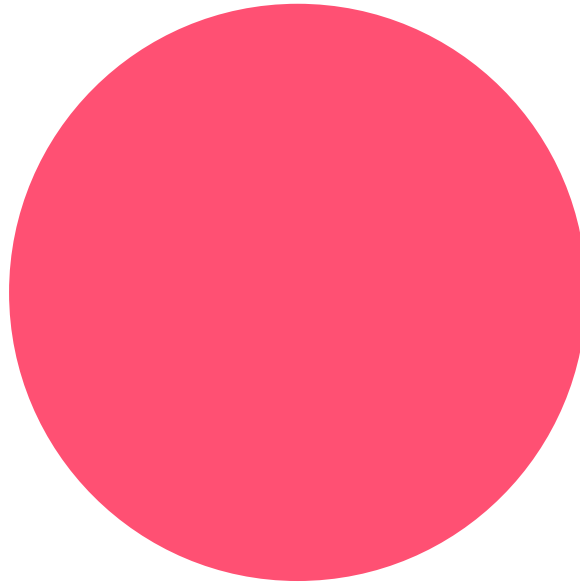
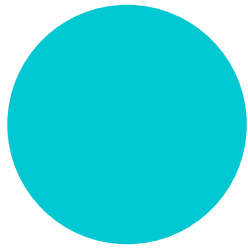
## Methodology

This research was commissioned by Paysafe, and conducted by independent research house Sapio Research in October 2021. The research was collected using an email invitation and online survey.

The research was conducted among 2,015 consumers living in either the UK or U.S. (minimum of 1,000 respondents in each country). Only respondents that confirmed that they currently owned one or more cryptocurrencies, or had done at any point previously, were able to participate in the survey. This sample was selected in order to more accurately reflect the actions and opinions of those with first-hand knowledge of cryptocurrencies. The demographics of respondents (age and gender) are a representative sample of the total crypto community (consumers that own or have owned cryptocurrencies), rather than a nationally representative sample.

The sample was selected from online partner panels. The results of any sample are subject to sampling variation.

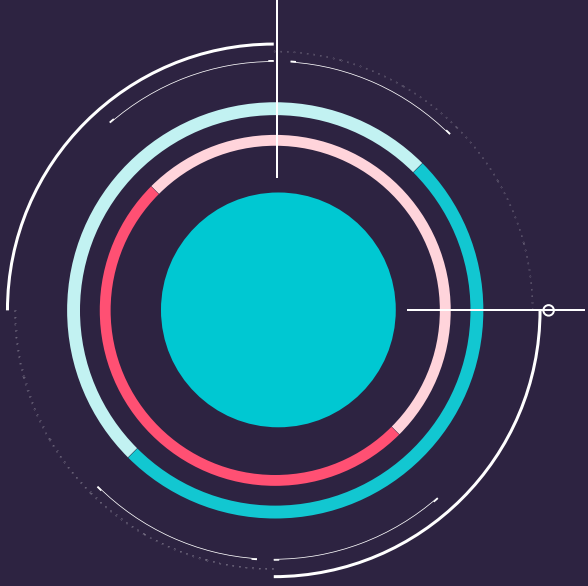
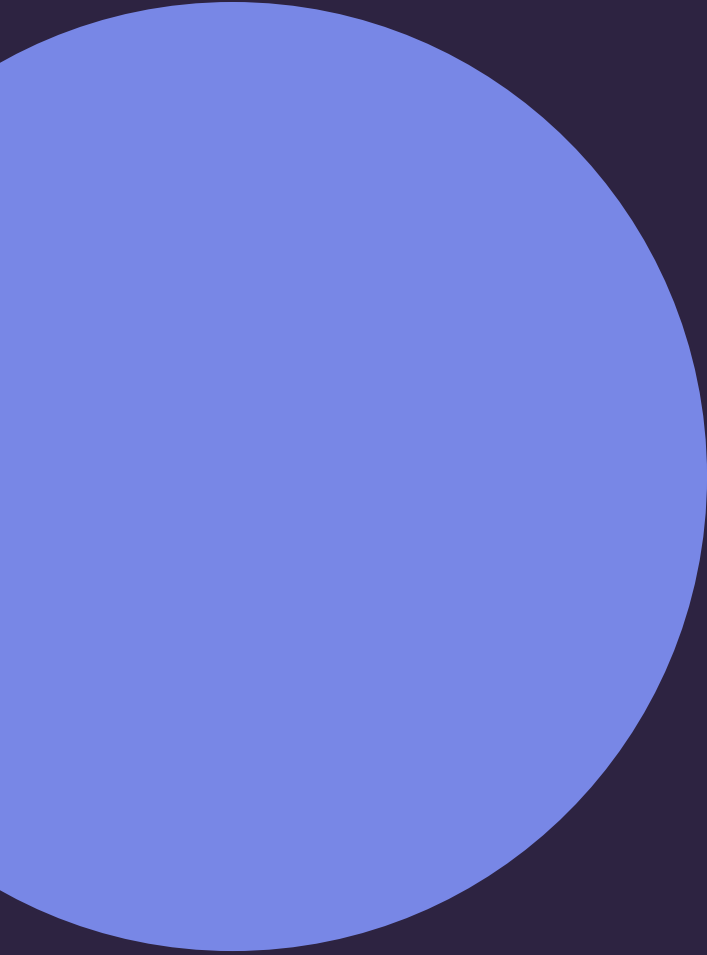




## About Paysafe Group

Paysafe Limited (“Paysafe”) (NYSE:PSFE) (PSFE.WS) is a leading specialised payments platform. Its core purpose is to enable businesses and consumers to connect and transact seamlessly through industry-leading capabilities in payment processing, digital wallet, and online cash solutions. With over 20 years of online payment experience, an annualised transactional volume of US \$100 billion in 2020, and approximately 3,400 employees located in 12+ global locations, Paysafe connects businesses and consumers across 70 payment types in over 40 currencies around the world. Delivered through an integrated platform, Paysafe solutions are geared toward mobile-initiated transactions, real-time analytics and the convergence between brick-and-mortar and online payments.

Further information is available at  
[www.paysafe.com](http://www.paysafe.com)



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