FAQ: FCA Lifts UK Retail Ban on Crypto ETPs

Following the FCA's announcement that UK-listed crypto exchange-traded products (ETPs) will be accessible to retail investors, individuals in the UK can now gain cryptocurrency exposure through traditional investment platforms. This FAQ answers key questions about what the change means for investors, what investors need to consider, what crypto ETPs are available, and how WisdomTree's physical crypto ETPs work.

General

1. What does the FCA's approval of crypto ETPs mean for retail investors?

On 1 August 2025, the FCA announced that it had decided to lift the ban on retail access to crypto Exchange-Traded Products (ETPs). The change came into effect from 8 October 2025, which means that the FCA now allows retail investors in the UK to access certain crypto ETPs, provided that they have been admitted to trading on a UK recognised investment exchange such as the London Stock Exchange (LSE) and subject to certain consumer protections. Some Crypto ETPs, such as WisdomTree Bitcoin and Ethereum ETPs, have been admitted for listing on the LSE and, since 20 October 2025, have been accessible to UK retail investors through traditional investment platforms.

2. What are Crypto ETPs?

An exchange-traded product (ETP) is a financial instrument which trades on a stock exchange like shares in a publicly traded company. ETPs provide a simple, cost-efficient and secure way to diversify portfolios through exposure to various assets such as stocks, commodities or, in this case, cryptocurrencies.

Cryptocurrency ETPs provide investors exposure to single cryptocurrencies such as bitcoin or ether, or to diversified cryptocurrency indices. Cryptocurrency ETPs are typically physically backed, meaning that the cryptocurrency ETP is fully collateralised by the relevant cryptocurrency. You can learn more by visiting the WisdomTree Crypto ETP centre

3. Who can invest in crypto ETPs, and are there any restrictions?

Crypto ETPs are classified as Restricted Mass Market Investments (RMMI) - meaning that the FCA views Crypto ETPs as higher-risk investments that can be marketed to retail customers, but where restrictions on marketing are appropriate for consumer protection reasons. Hence, crypto ETPs are only available to UK retail investors whose individual circumstances and level of knowledge have been deemed appropriate. A RMMI assessment will be undertaken by brokerage platforms, who will:

- Present clients with product information and a personalised risk warning
- Categorise the retail investor by investor type

- Administer a knowledge-based appropriateness test
- Institute a 24-hour cooling off period before investors are able to invest

4. When will UK retail investors be able to buy crypto ETPs?

The FCA has allowed retail investors in the UK to access certain crypto ETPs, provided that they have been admitted to trading on a UK recognised investment exchange such as the London Stock Exchange (LSE). Brokers and investment platforms began making Crypto ETPs available to retail investors from 20 October 2025. Investors are encouraged to check with their individual broker.

5. Are crypto derivatives also being made available?

The FCA's retail ban on crypto derivatives remains in place.

6. What cryptocurrency exposures are currently available to retail investors through UK-listed crypto ETPs?

While UK-listed physically backed crypto ETPs have not previously been available to retail investors, ETPs offering exposure to Bitcoin or Ethereum are now accessible to the UK retail market through traditional investment platforms, subject to the conditions outlined above.

7. What investor protections apply to crypto ETPs in the UK?

Crypto ETPs are not protected under the Financial Services Compensation Scheme (FSCS), and the Financial Ombudsman Service does not cover poor investment performance. Investors should be aware that an investment in Crypto ETPs carries a risk that they may lose all of their investment.

8. How can I buy crypto ETPs, and through which platforms?

Availability of crypto ETPs is subject to each retail broker's discretion as to whether they choose to offer the products and institute the required RMMI criteria and appropriateness testing (see question 3). Brokers began making WisdomTree's Physical Bitcoin and Ethereum ETPs available to retail investors from 20 October 2025. Investors are encouraged to check with their individual broker for availability.

9. Are crypto ETPs ISA and SIPP eligible?

The UK Government has confirmed changes to the tax treatment of crypto ETPs:

- From 8 October 2025, retail investors will be permitted to invest in crypto ETPs. These products are expected to be eligible for inclusion in Self-Invested Personal Pensions (SIPPs) and, initially, in Stocks & Shares ISAs, subject to provider approval.
- From 6 April 2026, crypto ETPs will be reclassified as qualifying investments for Innovative Finance ISAs (IFISAs). At that point, they will no longer qualify for Stocks & Shares ISAs.
- The Government has indicated that crypto ETPs may become eligible for Stocks & Shares ISAs again in the future as the market develops.

We are awaiting further guidance from HMRC and ISA managers on how existing holdings will be treated after 6 April 2026 and whether transitional arrangements will apply for investors who do not yet hold an IFISA.

10. Can I buy Crypto ETPs the same way I buy other ETFs and ETPs?

Operationally, crypto ETPs work the same way as other ETFs and ETPs and will therefore be listed on the LSE like ETFs and ETPs providing exposure to more traditional asset classes such as stocks and bonds. UK retail investors will be able to access certain crypto ETPs through their usual brokerage or investment accounts, subject to conditions. Investors will not be required to create separate accounts to access crypto ETPs.

11. What WisdomTree Crypto ETPs are listed on the LSE and available to retail investors?

The WisdomTree Physical Bitcoin and WisdomTree Physical Ethereum ETPs are available in USD and GBP trading currencies, having initially listed on the London Stock Exchange in May 2024 for professional investors only. **From 20 October 2025, these ETPs are also available to UK retail investors with both USD and GBP trading currencies available**.

ETP name	MER	Exchange	Trading currency	Exchange code	ISIN
WisdomTree Physical Bitcoin	0.15%[1]	London Stock Exchange	USD	BTCW	GB00BJYDH287
			GBx	WXBT	GB00BJYDH287
WisdomTree Physical Ethereum	0.35%	London Stock Exchange	USD	ETHW	GB00BJYDH394
			GBx	WETP	GB00BJYDH394

12. What fees are associated with WisdomTree's UK-listed crypto ETPs?

A portion of the management fee (MER) for the WisdomTree Physical Bitcoin ETP has been waived, effective from 26 March up to and including 31 December 2025. During this period, the MER will be 0.15% per annum. From and including 1 January 2026, the MER will be 0.25% per annum. The WisdomTree Physical Ethereum ETP has a MER of 0.35%. Fees are inclusive of institutional grade safeguarding of the underlying crypto assets. Platform/brokerage fees may apply, and investors should contact their broker for more details.

[1] A portion of the management fee (MER) for the WisdomTree Physical Bitcoin ETP has been waived, effective from 26 March up to and including 31 December 2025. During this period, the MER will be 0.15% per annum. From and including 1 January 2026, the MER will be 0.25% per annum.

13. How are crypto ETPs taxed for UK retail investors?

Crypto ETPs will be subject to the prevailing UK capital gains tax regime. Investors should consult a regulated advisor regarding their individual tax circumstances.

14. What is the recommended holding period for a crypto ETP?

The appropriate holding period will depend on an individual investor's circumstances and the Crypto ETP being considered. Investors should consult the relevant ETP's related KID document for guidance on the recommended holding period.

15. What main benefits should I be aware of when investing in crypto ETPs?

Cryptocurrency ETPs provide exposure to digital assets with all the benefits and characteristics of the ETP structure, and they can be traded like shares on stock exchanges such as the LSE. ETPs provide a uniform framework to compare performance, fees and liquidity. This simplifies portfolio construction and helps investors allocate across cryptocurrencies with the same precision they apply to traditional investments, they are also eligible to be held in ISAs and SIPPs. Additionally, well constructed physically backed crypto ETPs can offer all the following advantages to investors:

Security

- Safe storage of private keys in a secured physical location (cold storage)
- Geographic and human redundancies to allow secure and constant access
- A robust approval process for moving the assets with multi-approval technology

Low cost of ownership

- While fees on crypto ETPs can vary significantly, some issuers offer very attractive, transparent pricing.

Yield generation

- While being one way to generate yield, lending digital assets which underlie a physically backed crypto ETP is a very risky activity as it creates risks that are difficult to manage and often unknown to the end investor.

Staking[2] digital assets underlying a physically backed crypto ETP is a good way to generate yield but is only available for proof-of-stake blockchains such as Ethereum. To learn more about the benefits of accessing crypto through the ETP structure, read our insights paper: **Why ETPs are the best wrapper for crypto**

[2] Staking is a feature in proof-of-stake blockchains where cryptocurrency holders can earn a reward by delegating or 'staking' their cryptocurrency to secure the blockchain network and participate in the validation of transactions.

16. What main risks should I be aware of when investing in crypto ETPs?

While the ETP wrapper is a more efficient and secure way to invest in crypto, it doesn't make the asset class less volatile, and investors need to understand the risks before investing.

Crypto ETPs are typically structured as debt securities meaning that investors have credit risk towards the issuer of the ETPs. However, as WisdomTree's Crypto ETPs are fully backed by the underlying cryptocurrencies, investors have a claim to the underlying assets.

Further risks include:

Market Risk: The price of cryptoassets may fluctuate and may be affected by numerous factors including supply and demand, the global financial markets and other political, financial or economic events. The value of securities in crypto ETPs are directly affected by increases and decreases in the value of the respective cryptoasset. Accordingly, the value of a security may go up or down and a security holder may lose some or all of the amount invested but can not lose more than the amount invested.

Digital Asset Exchange Risk: To the extent that a relevant stock exchange, where the ETP securities are listed, is closed while the markets for cryptoassets remain open, significant price movements may take place. This may limit an investor's ability to react to price movements or volatility in the value of the underlying cryptoasset until such relevant stock exchange is open for trading.

Technical Risk: Digital asset networks are a relatively new asset class where the underlying technology is under active development. This can lead to technical failures, network outages or cybersecurity incidents that may subsequently affect the price of the respective cryptoasset and/or lead to unavailability of the network for transactions.

Liquidity risk: There can be no certainty that securities can always be bought or sold on a stock exchange or that the market price at which the securities may be traded on a stock exchange will always accurately reflect the price of the respective cryptoasset.

Currency Risk: The price of cryptoassets are generally quoted in US Dollars. To the extent that a security holder values their holdings in another currency, the value will be affected by changes in the exchange rate.

Custodian Risk: There is a risk that any cryptoassets held by the custodian may be lost, stolen or damaged and the Issuer may not be able to satisfy its obligations in respect of the securities in the event that the custodian's insurance is insufficient to cover such liabilities.

Cryptoassets do not have a 'fair value' in the same way equities or bonds do as they don't generate cash flows and therefore classic valuation models can't be easily applied.

Investors should not invest unless prepared to lose all the money invested. This is a high-risk investment and investors should not expect to be protected if something goes wrong.

17. How is investing in a crypto ETP different from buying crypto on a centralised crypto exchange?

A critical yet often overlooked factor in crypto investing is counterparty risk. To trade on a centralised crypto exchange such as Binance, investors need to pre-fund their trades by depositing fiat or cryptocurrency on the exchange. In the event of insolvency, investors are treated as unsecured creditors of the exchange while their assets are co-mingled with the assets of all other exchange clients and creditors of the exchange. Similarly, structured bank-issued products often expose investors to the solvency of the issuer without proper ring-fencing.

Crypto ETPs are purpose-built to mitigate these risks. Assets are held in bankruptcy-remote and ring-fenced vehicles and the creation and redemption mechanisms employed by Crypto ETPs ensure that the underlying assets are held in cold storage at all times. Further, ETPs are traded on regulated exchanges with central clearing mechanisms which mitigate any counterparty risk towards the exchange. Choosing a seasoned issuer with a proven track record in physically backed ETPs and diversified business operations adds another layer of protection.

18. How is investing in a crypto ETP different from buying crypto directly on chain?

Crypto ETP vs direct crypto ownership

Feature	Crypto ETPs	Direct crypto ownership
Custody	Professional, regulated custody removes key-loss risk	You safeguard private keys; loss is potentially permanent
Access	Simple: trade through your existing brokerage and can be held in ISAs and SIPPs	Requires wallets & crypto exchange accounts and cannot be held in ISAs or SIPPs
Costs	Transparent fees (brokerage + management fee)	Exchange fees, spreads; may be unclear
User experience	As easy as buying a stock or ETF	Technical know-how needed, may be complex for newcomers
Risks	Market risk as operational risks reduced	Hacks, scams, lost keys, counterparty failures

19. Where can I learn more about crypto ETPs and whether they're right for me?

For more information and educational resources on crypto ETPs please visit The WisdomTree Crypto ETP Centre.

20. Why WisdomTree for crypto ETP exposure?

WisdomTree was the first established provider to launch a physically backed bitcoin ETP in 2019, the WisdomTree Physical Bitcoin ETP (BTCW). We have a proven track record managing institutional-grade crypto ETPs and are committed to offering investors a secure, convenient and low-cost entry point to cryptocurrencies.

With 20 years' expertise managing physical ETPs for institutional investors, we now offer a thoughtfully curated range of physically backed crypto ETPs that provide exposure to single coins, such as bitcoin and ether, and to diversified crypto baskets.

Our crypto ETPs use a dual custody model that leverages regulated custodians, Coinbase and Swissquote, with the underlying assets professionally secured in cold storage and held in segregated wallets.

We manage over circa $140bn in assets under management globally[3] and can offer cryptocurrency ETPs with highly competitive fees that don't compromise on security or risk management. As such, BTCW and ETHW are available at one of the lowest fee levels for institutional-grade physical bitcoin and Ethereum ETPs in Europe.

For more information about crypto ETPs and our leading range, please visit our Crypto ETP Centre.

Trading and custody

21. Can I buy or sell these ETPs outside of market hours?

Crypto ETPs are traded on regulated exchanges such as the LSE. While some brokers facilitate trading outside of market hours, liquidity is expected to be highest during the standard trading hours of the LSE.

22. Do I need a special account or wallet to hold these ETPs?

No, you can trade and hold Crypto ETPs the same way you trade and hold other ETFs and ETPs on your "standard" brokerage account. Hence the Crypto ETP structure fits seamlessly within current portfolio management structures

23. How are the crypto assets held and secured within an ETP structure?

The crypto assets underlying a Crypto ETP are held in cold storage accounts with the relevant custodians. The trustee holds security over these accounts on behalf of the underlying investors.

[3] As of 17 October 2025

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Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong.

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The digital assets underlying WisdomTree's exchange traded products are held using secure, institutional-grade custody solutions that prevent unauthorised access or movement. Digital assets are primarily stored offline in cold wallets and their transfer requires authorisation from multiple independent parties with a redundancy of locations, communication methods and authentication devices.

Our operational processes are regularly updated to protect against evolving threats and are kept confidential for security reasons.

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