# London reopens to bitcoin ETNs — a quiet pivot that could reshape the city’s crypto role



Bitcoin ETNs are returning to London after a four-year hiatus, a move that industry observers say could be more consequential than many expect. From October 8, retail investors in the UK will once again be able to gain exposure to bitcoin without holding the asset directly, after the Financial Conduct Authority (FCA) lifted a ban that had lasted since January 2021. The initial ban reflected regulators’ concerns about extreme volatility, opportunities for fraud and the difficulty of accurate valuation in crypto markets. CoinDesk’s reporting notes that the reversal comes against a backdrop of brisk demand for crypto-linked vehicles elsewhere, with U.S. spot bitcoin ETFs drawing substantial inflows and a growing ecosystem of exchange-traded products across Europe. The move is being framed by some observers as a potential turning point for London’s role in global finance. Charlie Morris, founder of ByteTree, warned that “the importance of bitcoin exchange traded notes coming to London is being underestimated,” arguing that the city’s status as a global financial hub could amplify the reach and legitimacy of crypto exposure through regulated structures. Speaking to CoinDesk, Morris added that London’s deep touchpoints—from custody to settlement—mean a successful relaunch could matter far beyond the trading desk. Another veteran investor, Nicholas Gregory, known in crypto circles as Bitcoin OG, described the reversal as more than a rule change and suggested it signals a reconfiguration of the UK’s financial landscape. Yet not everyone expects instant uptake: Peter Lane, chief executive of Jacobi Asset Management, cautioned that the UK adviser network remains fragmented, and it will take time for firms to adjust due diligence and suitability processes before any broad recommendation of these products to clients.

The regulatory arc behind this moment helps explain why the move is being watched closely. The FCA’s 2020 decision to ban the sale of crypto derivatives and ETNs to retail investors cited multiple harms: retail buyers struggled to value these assets, crypto markets exhibited high volatility, the products were susceptible to abuse and financial crime, and there was no clear investment need for retail exposure. In the regulator’s view, prohibiting sale, marketing and distribution to retail clients was intended to prevent harm, with the anticipated savings estimated at around £53 million in avoided losses. The ban took effect on January 6, 2021. A corresponding evolution in policy followed in 2024, when the FCA stated that it would not object to the creation of UK-listed market segments for cryptoasset-backed notes intended for professional investors, provided they complied with the UK Listing Regime and ongoing disclosure requirements; the position emphasised that cETNs and crypto derivatives remained unsuitable for retail consumers and would continue to be reviewed as more trading history accrues. The latest turn of events—announced in June 2025—confirmed a plan to lift the retail ban on cETNs, contingent on trading on FCA-approved Recognised Investment Exchanges and subject to standard financial-promotion rules to ensure appropriate risk disclosures; the FCA also stressed that the ban on crypto derivatives would remain in place as regulation continues to evolve under its roadmap. David Geale, quoted in the regulator’s June release, framed the change as an opportunity to rebalance risk and expand consumer choice while guarding against harm.

Beyond regulatory specifics, the UK’s broader position in global finance remains a factor. Even as London regroups after Brexit and reasserts its competitiveness, global investors continue to compare London’s financial-centre credentials with those of New York and other capitals. A 2024 Reuters survey of the Global Financial Centres Index highlighted New York as the world’s leading financial centre, with London occupying a strong second place across FX, investment banking and fintech—demonstrating London’s persistent clout even as the industry evolves. The dynamic is further framed by the US ETF boom: by early 2025, the United States had already hosted a wave of spot bitcoin ETFs with substantial inflows since their 2024 inception, underscoring investor appetite and regulatory shifts that spur product innovation while also prompting caution around volatility and policy risk. Taken together, these developments position London’s forthcoming cETN access as both a test of regulatory craft and a potential catalyst for a more globally connected UK market—one that could attract new capital if the market infrastructure, disclosure standards and adviser networks align with the ambitions of a modern, regulated crypto investment channel.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.coindesk.com/policy/2025/08/20/uk-bitcoin-etns-could-be-a-bigger-deal-than-people-expect), [[4]](https://www.fca.org.uk/news/press-releases/fca-lift-ban-crypto-exchange-traded-notes)
* Paragraph 2 – [[1]](https://www.coindesk.com/policy/2025/08/20/uk-bitcoin-etns-could-be-a-bigger-deal-than-people-expect), [[2]](https://www.fca.org.uk/news/press-releases/fca-bans-sale-crypto-derivatives-retail-consumers), [[5]](https://www.fca.org.uk/news/press-releases/fca-opens-retail-access-crypto-etns)
* Paragraph 3 – [[3]](https://www.fca.org.uk/news/statements/fca-updates-position-cryptoasset-exchange-traded-notes-professional-investors), [[6]](https://www.reuters.com/business/finance/new-york-keeps-top-spot-london-second-zyen-financial-centre-survey-2024-03-21/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.coindesk.com/policy/2025/08/20/uk-bitcoin-etns-could-be-a-bigger-deal-than-people-expect> - Please view link - unable to able to access data
2. <https://www.fca.org.uk/news/press-releases/fca-bans-sale-crypto-derivatives-retail-consumers> - This FCA press release from 6 October 2020 explains the late 2020 ban on selling derivatives and exchange-traded notes (ETNs) referencing unregulated cryptoassets to retail consumers. The authority cites multiple harms: retail investors cannot reliably value these assets; crypto markets have experienced significant price volatility; the market is prone to abuse and financial crime; and there is no clear investment need for retail exposure to these products. The rules aim to prevent harm by prohibiting sale, marketing and distribution to retail clients, with an anticipated protective effect estimated by the FCA at around £53m in avoided losses. The ban takes effect on 6 January 2021.
3. <https://www.fca.org.uk/news/statements/fca-updates-position-cryptoasset-exchange-traded-notes-professional-investors> - This 2024 FCA statement confirms that the regulator will not object to exchanges creating a UK-listed market segment for cryptoasset-backed cETNs intended for professional investors. It states that such notes must comply with the UK Listing Regime, with prospectus and ongoing disclosure requirements, and that trading should be orderly and protect professional investors. The FCA reiterates that cETNs and crypto derivatives remain unsuitable for retail consumers, and that the position will be kept under review as data accrues from longer trading histories. The document emphasises international collaboration and alignment with consumer-protection priorities. This move aligns with global practice and investor protection.
4. <https://www.fca.org.uk/news/press-releases/fca-lift-ban-crypto-exchange-traded-notes> - The FCA’s 6 June 2025 press release sets out plans to lift the retail ban on crypto exchange-traded notes (cETNs) to support UK growth and competitiveness. It explains that, if traded on an FCA-approved Recognised Investment Exchange, cETNs could be sold to individual consumers, subject to financial promotion rules to ensure appropriate risk disclosures. David Geale is quoted emphasising the aim to rebalance risk and expand choice for consumers while guarding against harm. The statement notes that while retail access may widen, the ban on crypto derivatives remains, and broader crypto regulation continues to evolve under the FCA’s roadmap. Indeed.
5. <https://www.fca.org.uk/news/press-releases/fca-opens-retail-access-crypto-etns> - This FCA press release announces that retail access to crypto ETNs will be opened, with cETNs available to individual investors only when traded on an FCA-approved, UK-based Recognised Investment Exchange. It reiterates that financial-promotion rules will govern marketing to consumers to ensure clear risk information and guard against inappropriate incentives. The statement places the change within the wider Consumer Duty framework, clarifies there will be no FSCS protection for these products, and notes that the change takes effect on 8 October 2025. The FCA emphasises ongoing monitoring of crypto regulation alongside broader crypto-roadmap work. To help citizens understand risk clearly.
6. <https://www.reuters.com/business/finance/new-york-keeps-top-spot-london-second-zyen-financial-centre-survey-2024-03-21/> - Reuters reports that New York remains the world's leading financial centre, with London in second place in the Global Financial Centres Index 35. The piece explains that the ranking uses 48,365 assessments including 8,494 from financial professionals, along with World Bank and OECD data. It notes London's continued significance in foreign exchange, investment banking and fintech, despite Brexit-driven shifts. The piece also highlights that while New York leads overall, London remains a key global hub with strong talent and infrastructure, underscoring the competitive landscape for global finance.
7. <https://www.reuters.com/technology/cryptoverse-next-wave-us-crypto-etfs-already-pipeline-2025-01-10/> - The Reuters article highlights that by January 2025, the US had already seen a wave of spot bitcoin ETFs debut with total 2024 inflows around $65 billion, led by BlackRock's iShares Bitcoin Trust. It notes the shift to a friendlier regulatory climate and potential for further product innovation, including multi-asset funds and equities tied to crypto. The piece underscores market enthusiasm but also cautions on volatility and regulatory risk. It also mentions that securities regulators and the SEC are considering new products, with ongoing competition among issuers like VanEck, 21Shares, and Canary Capital. This underscores regulatory shifts shaping asset markets.