

Crypto ETNs (“cETNs”) Risk Warning

Estimated reading time: 2 min

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the key risks?

1. **You could lose all the money you invest**
 - The performance of most cryptoassets can be highly volatile, with their value dropping as quickly as it can rise. You should be prepared to lose all the money you invest in cryptoasset exchange traded notes.
 - The cryptoasset market is largely unregulated. There is a risk of losing money due to risks such as cyber-attacks, financial crime and firm failure.
2. **You should not expect to be protected if something goes wrong**
 - The Financial Services Compensation Scheme (FSCS) doesn't protect this type of investment because it's not a type of investment that the FSCS can protect. Learn more by using the FSCS investment protection checker here: <https://www.fscs.org.uk/check/investment-protection-checker/>
 - Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection here: <https://www.financial-ombudsman.org.uk/consumers>
3. **Cryptoasset investments can be complex**
 - Investments in cryptoasset-linked products can be complex, making it difficult to understand the risks associated with the investment.
 - You should do your own research before investing. If something sounds too good to be true, it probably is.
4. **Don't put all your eggs in one basket**
 - Putting all your money into a single type of investment is risky. Spreading your money across different investments makes you less dependent on any one to do well.
 - A good rule of thumb is not to invest more than 10% of your money in high-risk investments:
<https://www.fca.org.uk/investsmart/5-questions-ask-you-invest>

If you are interested in learning more about how to protect yourself, visit the FCA's website here: <https://www.fca.org.uk/investsmart>

For further information about cryptoassets, visit the FCA's website here: <https://www.fca.org.uk/investsmart/crypto-basics>