Estimated reading time: 2 min

Due to the potential for losses, the Financial Conduct Authority ("**FCA**") considers cryptoassets to be high risk.

What are the key risks?

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 cryptoassets.
- The cryptoasset market is largely unregulated. There is a risk of losing money or any cryptoassets you purchase due to risks such as cyber-attacks, financial crime and firm failure.
- Staking cryptoassets involves a risk of slashing. A potential penalty (loss of assets) due to validator non-compliance.

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 'specified investment' under the UK regulatory regime – in other words, this type of investment isn't recognised as the sort of investment that the FSCS can protect. Learn more using the FSCS 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.

You may not be able to sell your investment when you want to

- There is no guarantee that investments in cryptoassets can be easily sold at any given time. The ability to sell a cryptoasset depends on various factors, including the supply and demand in the market at that time.
- Operational failings such as technology outages, cyber-attacks and co-mingling of funds could cause unwanted delay and you may be unable to sell your cryptoassets at the time you want.

- Staking of some cryptoassets may involve a lock-up period, meaning you will have to wait before you are able to sell tokens.

Cryptoasset investments can be complex

- Investments in cryptoassets 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.

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.

The risks of different cryptoassets

Not all cryptoassets carry the same risks. Before investing, read our cryptoasset specific risk summaries to make sure you understand the different risks associated with different types of cryptoassets. Where a cryptoasset has specific risks associated with it, you can also find this information on the relevant overview screen for that cryptoasset on the Revolut app or website.

If you are interested in learning more about how to protect yourself, visit the FCA's website. For further information about cryptoassets, visit the FCA's website.