



EU authorities warn consumers about cryptocurrency

The Danish FSA endorses new consumer warning about cryptocurrency from the EU's three financial supervisory authorities – EBA, EIOPA and ESMA.

EU supervisory authorities fear that a growing number of consumers are buying cryptocurrency without being fully aware of the risks this entails.

The price fluctuations in cryptocurrency are extreme and, at the same time, there are clear signs of a price bubble in the area, the three supervisory authorities write.

According to the warning, therefore, consumers must know that they risk losing a large part of their investment – perhaps all of it. The same applies to financial instruments which entail exposure to cryptocurrency.

Supervisors also note that cryptocurrency trading is not subject to financial regulation, which means that consumers do not enjoy the general consumer protection associated with regulated financial products.

Since 2013 and for similar reasons, the Danish FSA has generally warned the public against cryptocurrency and thus also endorses the new warning.

About the three European supervisory authorities:

The European Banking Authority (EBA) is the European supervisory authority in banking.

The European Insurance and Occupational Pensions Authority (EIOPA) is the European pension and insurance authority.

The European Securities and Markets Authority (ESMA) is the European securities and capital market authority.

[Read the EU authorities' warning here \(PDF\)](#)