

FINANCIAL SERVICES

## Majority of HNWI to invest in cryptocurrency by 2022: report

May 8, 2019



*More HNWI investors are looking into cryptocurrencies. Image credit: Maserati*

By SARAH RAMIREZ

Wealthy investors are beginning to embrace cryptocurrencies, as digital assets such as bitcoin gain more acceptance.

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More than two-thirds of high-net-worth individuals will invest in cryptocurrencies in the next three years, according to new research from the deVere Group. Major financial institutions and retailers are also beginning to explore how to use cryptocurrencies.

"The research shows that wealthy individuals are increasingly seeking exposure to cryptocurrencies," said Nigel Green, founder and CEO of **deVere Group**.

"There is growing, universal acceptance that cryptocurrencies are the future of money and the future is now," he said. "High-net-worth individuals are not prepared to miss out on this and are rebalancing their investment portfolios towards these digital assets."

The findings are based on a survey of more than 700 deVere Group clients from around the globe, including the U.S., U.K., Hong Kong and France. All the respondents had a minimum of \$1.3 million in investable assets, or \$1 million pounds at current exchange.

Cryptocurrency boom?

By 2022, 68 percent of HNWIs are expected to have investments in cryptocurrencies.

The most popular cryptocurrencies among respondents were bitcoin, ethereum and XRP.



*Bitcoin is one of the most common cryptocurrencies. Image credit: RYB*

Bitcoin reached its highest value of the year on May 3, and is approaching \$6,000 per bitcoin. According to [Forbes](#), the overall cryptocurrency market has experienced growth in recent weeks while the bitcoin market alone is now worth \$100 billion.

"There has been a realization that cryptocurrency and blockchain are not a fad but are here to stay," said Elizabeth White, founder and CEO at the [White Company](#), New York. "Cryptocurrency has clearly become an important asset class that HNW individuals have added, and will be increasing exposure to, in their portfolios."

Consumers are not the only ones investing in cryptocurrencies, as large corporations also take an interest in digital assets.

Institutional investors are cited by deVere Group as one reason why affluents are becoming more receptive towards cryptocurrencies.

New research from [Fidelity Investments](#) shows that almost half of the institutional investors surveyed view cryptocurrencies as having a place in their portfolios. Twenty-two percent of those surveyed already have some exposure to digital assets, with most investments having been made within the last three years.

Banking giant J.P. Morgan Chase is testing its own cryptocurrency, reversing its previous stance on digital tokens. J.P. Morgan was one of three lenders that prohibited its credit card customers from purchasing bitcoins in 2018.

Unlike other existing cryptocurrencies, JPM Coin will not be available to the public and was developed with business-to-business transactions in mind. Only large clients that have undergone regulatory checks such as corporations, banks and broker-dealers will have access to the tokens ([see story](#)).



*The List claims to be the first luxury fashion mobile platform globally offering cryptocurrency payment. Image credit: The List*

Digital currencies are also "borderless" and rely on blockchain technology for security, making them appealing to HNWI's who may have various investments around the world.

Cryptocurrency platform Bond is an equity offering that allows individuals to purchase securities in an asset portfolio that includes real estate, properties and cryptocurrency. Looking to ease affluent consumers into blockchain, Bond attempts to more closely replicate the experience of trading on NASDAQ or FTSE ([see story](#)).

Spending cryptocurrency

Companies outside of the financial world are also becoming more adept with cryptocurrencies.

"It is easier for a HWN shopper to send \$100,000 for a piece of art in bitcoin than sending a bank wire," Ms. White said. "Luxury brands can attract HWN shoppers by catering to them and accepting cryptocurrency."

Social network Facebook is recruiting companies to build a cryptocurrency-based payment system, according to *The Wall Street Journal*. This could potentially be the largest mainstream application of cryptocurrencies.

Currently, Dubai-based ecommerce platform The List is making payments more convenient for luxury shoppers with BitBay Pay integration. Cryptocurrency payment platform BitBay Pay is working with The List to allow its shoppers to check out via bitcoin and other cryptopayments ([see story](#)).

Digital television channel FashionTV announced that it would begin accepting bitcoin for all of its services, including at its cafes and hotels, as well as allowing customers to purchase products from FashionTV with bitcoin. Additionally, FashionTV plans to introduce its own form of cryptocurrency called FTV Coins ([see story](#)).

Similarly, Japanese ecommerce site Rakuten introduced Rakuten Coin in 2018 as a point-based rewards system. AirAsia also announced its intent to convert frequent-flyer rewards into cryptocurrency ([see story](#)).

"Crypto is to money what Amazon was to retail," Mr. Green said. "Those surveyed clearly will not want to be the last one on the boat."

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