

PayPal bets big on crypto payments future with international expansion

Article

The news: PayPal launched its crypto services in the UK—its first international crypto expansion, according to a press release.

How it works: UK users can buy, hold, and sell four cryptocurrencies—**Bitcoin**, **Ethereum**, **Litecoin**, and **Bitcoin Cash**—directly from the PayPal app. PayPal has not said whether it will bring other crypto features like [Checkout with Crypto](#) to the country.

The challenge: The UK has cracked down on firms that offer crypto services and threatened to shut down companies that don't comply with anti-money laundering regulations by March 2022.

Likely to preempt close consumer protection scrutiny, PayPal urged UK consumers to research the risks involved with crypto before investing. It also implemented unique transaction limits for UK users, whereas it just scrapped its annual crypto purchase limit in the US.

The opportunity: In an interview with the Financial Times, **PayPal CEO Dan Schulman** outlined his company's commitment to digital currencies and his belief that cryptos will shift from mainly acting as an investment vehicle to soon having wider payments utility.

Schulman said central bank digital currencies (CBDCs) are "inevitable" in the wake of China's advanced pilot and wants PayPal to be ready to support them.

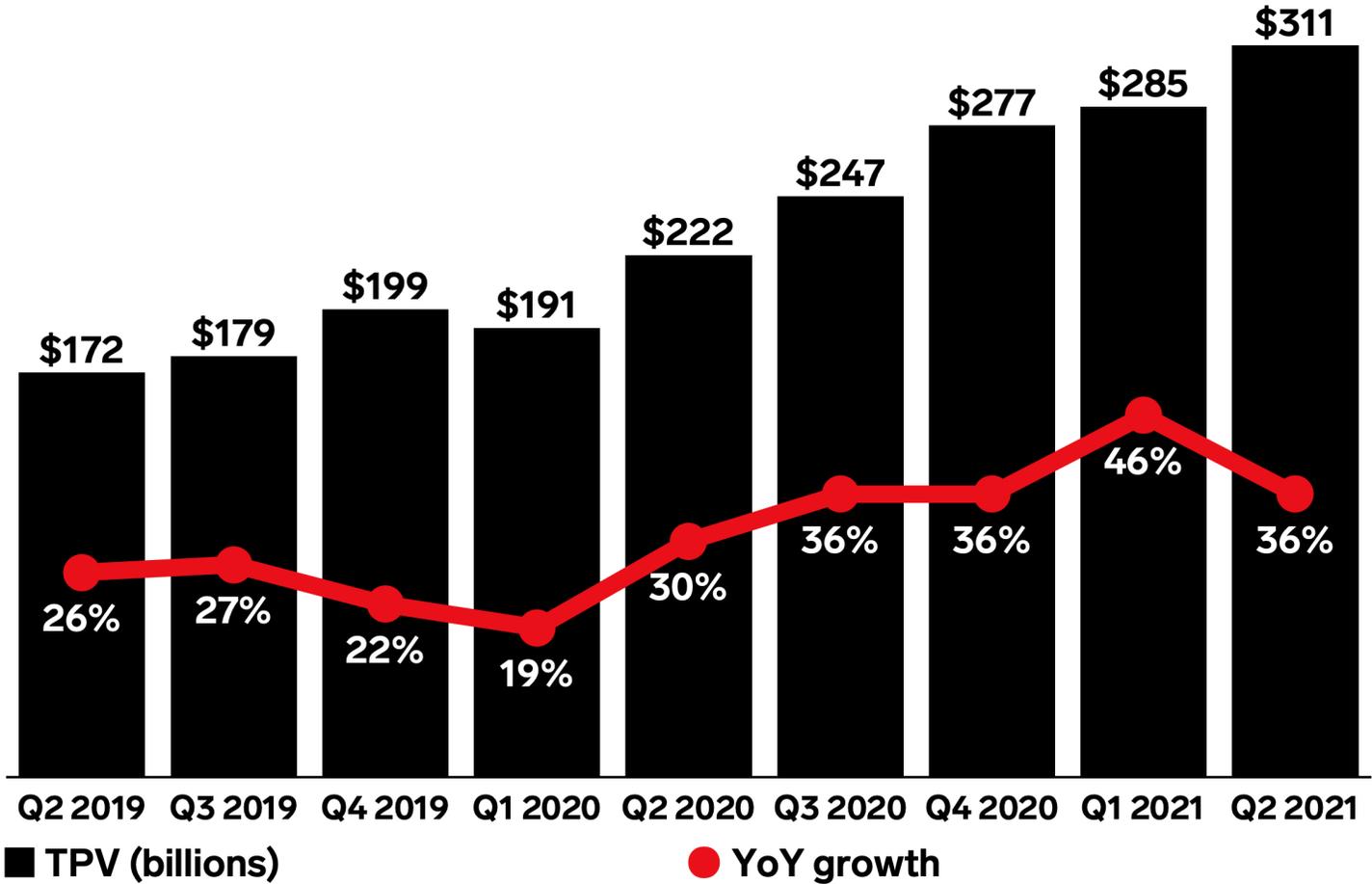
- PayPal's push can help the company grow its user base by attracting consumers interested in crypto: **18% of the US adult population—46 million consumers—said they will likely use cryptocurrencies to make a purchase this year, according to** a recent study from PYMNTS and crypto payment service provider BitPay.
- And **PayPal customers who hold cryptos tend to log in twice as often** as they did before owning crypto, according to Schulman, increasing engagement and tying them closer to the app overall.

Long-term outlook: Expanding its crypto services into new markets brings PayPal closer to its goal of morphing into a "super app" that consumers use every day.

This super app will be ready to launch later this year, according to PayPal's Q2 earnings call, and will include messaging, a savings account, bill payments, money transfers, and shopping features. Expanding beyond traditional payments can help PayPal continue its recent success and strong growth: In Q2, PayPal's **total payment volume (TPV) jumped 36% year over year (YoY)**, hitting **\$311 billion**—up from the same period last year, when the metric grew 30% YoY.

PayPal Total Payment Volume (TPV)

global



Note: growth is reported on a constant currency basis

Source: PayPal, 2021

Methodology: This data is from PayPal's Q2 earnings report released on July 28, 2021

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