

Venmo plays the long game with crypto, introducing crypto transfers

Article

The news: PayPal-owned Venmo now lets users transfer crypto assets to Venmo and PayPal accounts and to external wallets and exchanges, [per](#) a press release. Users can transfer

Bitcoin, Ethereum, Litecoin, and Bitcoin Cash.

In Venmo's Crypto tab, users can send their crypto by selecting another Venmo account or entering a recipient's external wallet address. To receive transfers, the solution will display a unique crypto address QR code that Venmo users can share.

Why this matters: [PayPal launched](#) the same feature last June. Bringing this feature to Venmo increases the app's utility and can help boost user engagement among the **62.8 million US consumers** we expect will use Venmo in 2023—more than one-fifth of the US population.

It also helps solidify Venmo as a mainstay crypto player as prominent crypto wallets and exchanges enable similar third-party transfers.

Why now? Given the turmoil of the crypto industry, it may seem like a bad time for this rollout. But Venmo and PayPal are placing their bets on the long term.

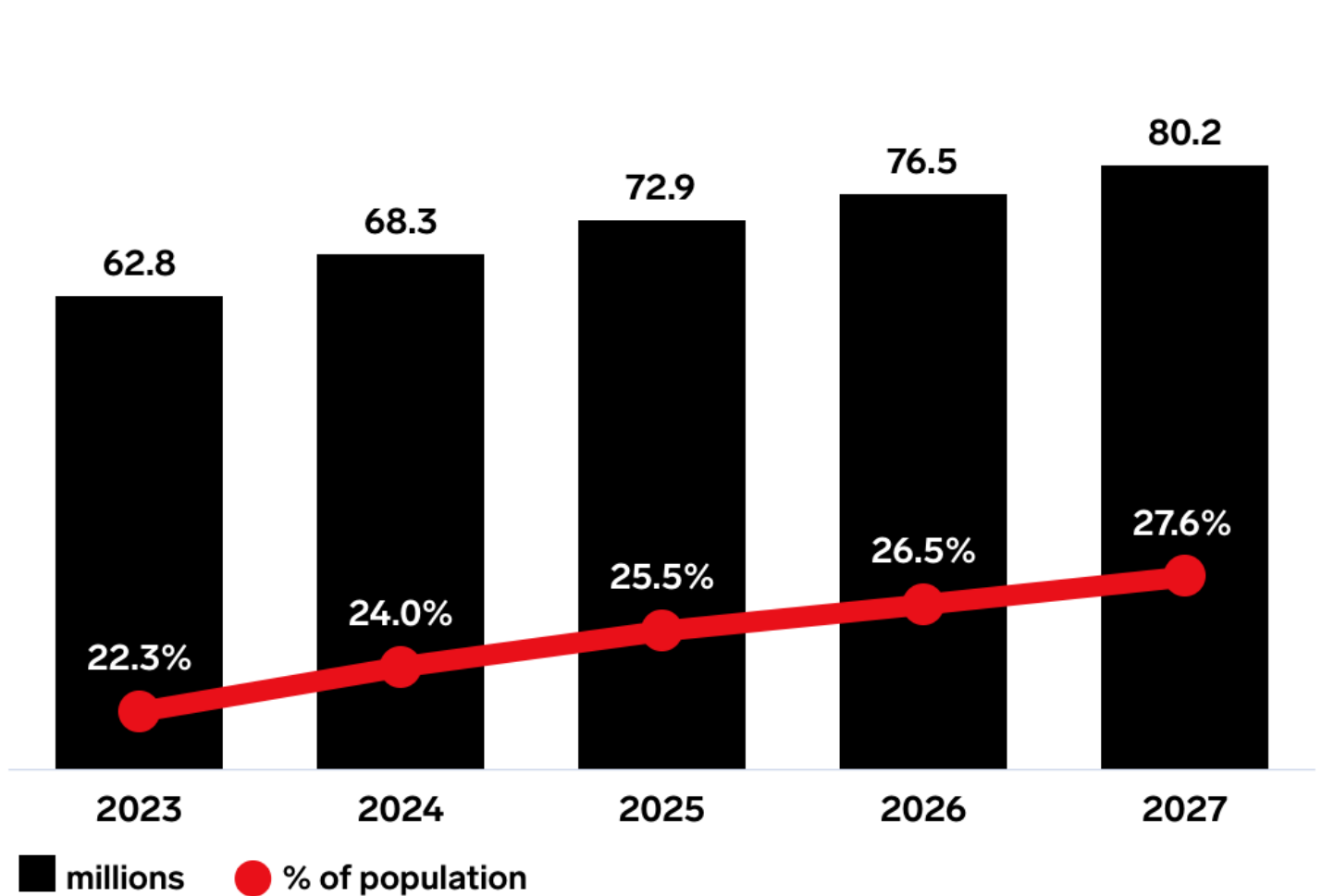
- A [string of crypto failures](#) has hurt crypto's reputation and compounded uncertainty in the space.
- And recent bank failures have made it [harder for crypto firms to access funding and banking services](#) due to lenders' increased caution and regulators' warnings.
- This is all on top of a poorly defined regulatory environment with no clear rules, which has led other crypto exchanges, like **Coinbase**, to move some operations [offshore](#).

The bigger picture: Despite all this, PayPal is betting that crypto will come out on the other side.

- The company seems to believe that blockchain technology can benefit payments and broader financial services.
- PayPal hopes to gain early adopter advantages and win over the niche crypto crowd before it goes mainstream. We expect **23.9 million US consumers will own crypto** in 2023, composing 9.0% of the country's population.

Venmo Users and Penetration

US, 2023-2027



Note: ages 14+; mobile phone users who make a peer-to-peer (P2P) payment transaction using Venmo via mobile phone at least once per month

Source: eMarketer, April 2023

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