

Revolut explores crypto payments despite adoption hurdles

Article

The news: Revolut launched a feature that lets customers make purchases using cryptocurrencies, according to PYMNTS.

- Cardholders can access “spend from crypto” in the app and can choose from holdings like Bitcoin, Ethereum, and Dogecoin to make purchases on their Revolut card.

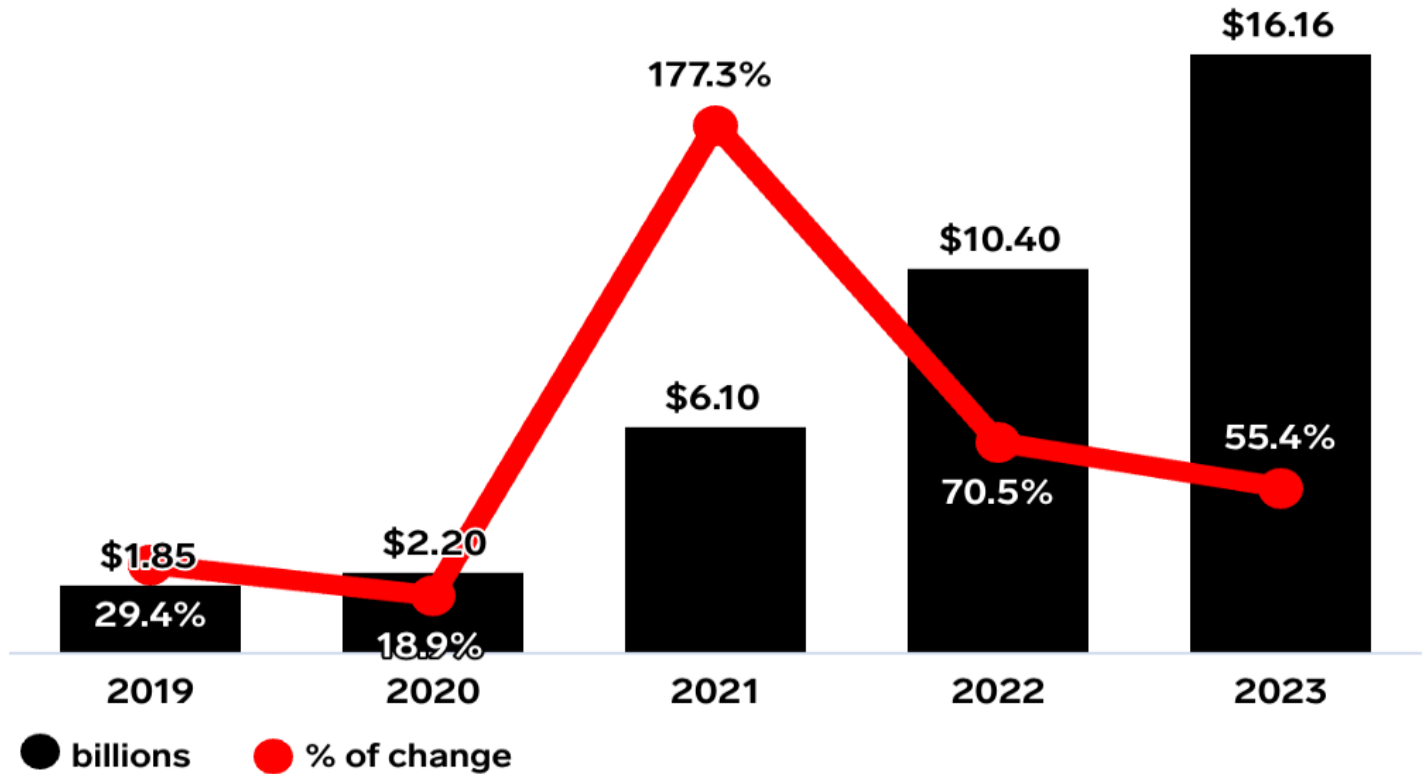
- Customers in the UK get 1% cash back on all crypto spending for a limited time.

Revolut embraces crypto: Despite a turbulent year for digital assets, the neobank is adding to its crypto offering, which already includes trading and educational courses, after [securing a UK license](#). With its latest feature, it can capitalize on the growing popularity of crypto payments.

- [Global crypto payment transaction value](#) is projected to grow 55.4% annually, hitting \$16.16 billion in 2023, according to Insider Intelligence forecasts.
- That leaves a lot of opportunity for growth: Our 2023 projection means crypto would **make up less than \$1 in every \$10,000 worth of payments** worldwide, per our [US Crypto Payments report](#).
- Young consumers in particular are interested: **40% of 18- to 35-year-olds** believe cryptos should be used for payments, not just as investment assets, per a Checkout.com survey.

Cryptocurrency Transaction Payment Value

Worldwide, 2019-2023



Note: the value of payments completed by users using cryptocurrency on any platform (such as PayPal, Bitpay, Coinbase, other crypto wallets linked to Visa accounts, etc.) to make a payment for goods or services or to another person

Source: eMarketer, March 2022

InsiderIntelligence.com

Crypto pain points persist: Revolut and other fintechs are betting on crypto payments becoming mainstream, but the relative number of those using them remains tiny. Just 1.5% of [adult internet users in the US](#), for example, will make crypto payments this year, per our forecasts.

Two major problems are holding back adoption:

1. **A lack of regulation** leaves consumers, payment providers, and the financial system vulnerable. It also prevents skeptical consumers from embracing crypto payments and stops most incumbent banks from launching products until clearer guidelines are established.
2. **Volatility** also limits crypto's payments use. This can make it difficult to convert to other currencies at checkout and puts off merchants who want to avoid holding volatile assets: Bitcoin, for example, is still down about 63% from its peak last year.

The big takeaway: While regulation and asset volatility are limiting growth, payment firms and fintechs including Revolut can explore crypto payment features to attract curious customers and build out a presence in the space before it matures.

*This article originally appeared in **Insider Intelligence's Payments Innovation Briefing**—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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