

# Mystery shopping: Cryptocurrency Investment IV Update

November 2023



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**ASUFIN**, the association of financial users, was founded in 2009 for the defense and protection of the financial consumer. Registered in [REACU](#), it is a member of the [CCU](#) (Council of Consumers and Users), [BEUC](#) (Bureau Européen des Unions de Consommateurs), the largest European organization of consumer associations and [Finance Watch](#).

**ASUFIN** is present, through its president Patricia Suárez, in the Advisory Council ([BSG](#)) of the [EBA](#) (European Banking Authority), the Investor Protection Committee ([IPISC](#)) of the [ESMA](#) (European Securities and Markets Authority) and the Financial Services Users Group ([FSUG](#)) of [DG FISMA](#) of the European Commission where she holds the vice presidency. She is also Vice President of [Finance Watch](#).

At the national level, **ASUFIN** is actively involved in promoting green finance, through [Spainsif](#).

It is part of the [Finance for All](#) program coordinated by the [Bank of Spain](#) and the [CNMV](#). Within this framework, the association develops, among others, financial and digital education programs, as well education on over-indebtedness and responsible lending, housing, insurance, investment and sustainable finance, within the framework of the 2030 Agenda. That is why it received the [2021 Financial Education Lifetime Achievement Award](#) from the Finance for All program.

## About **the author**

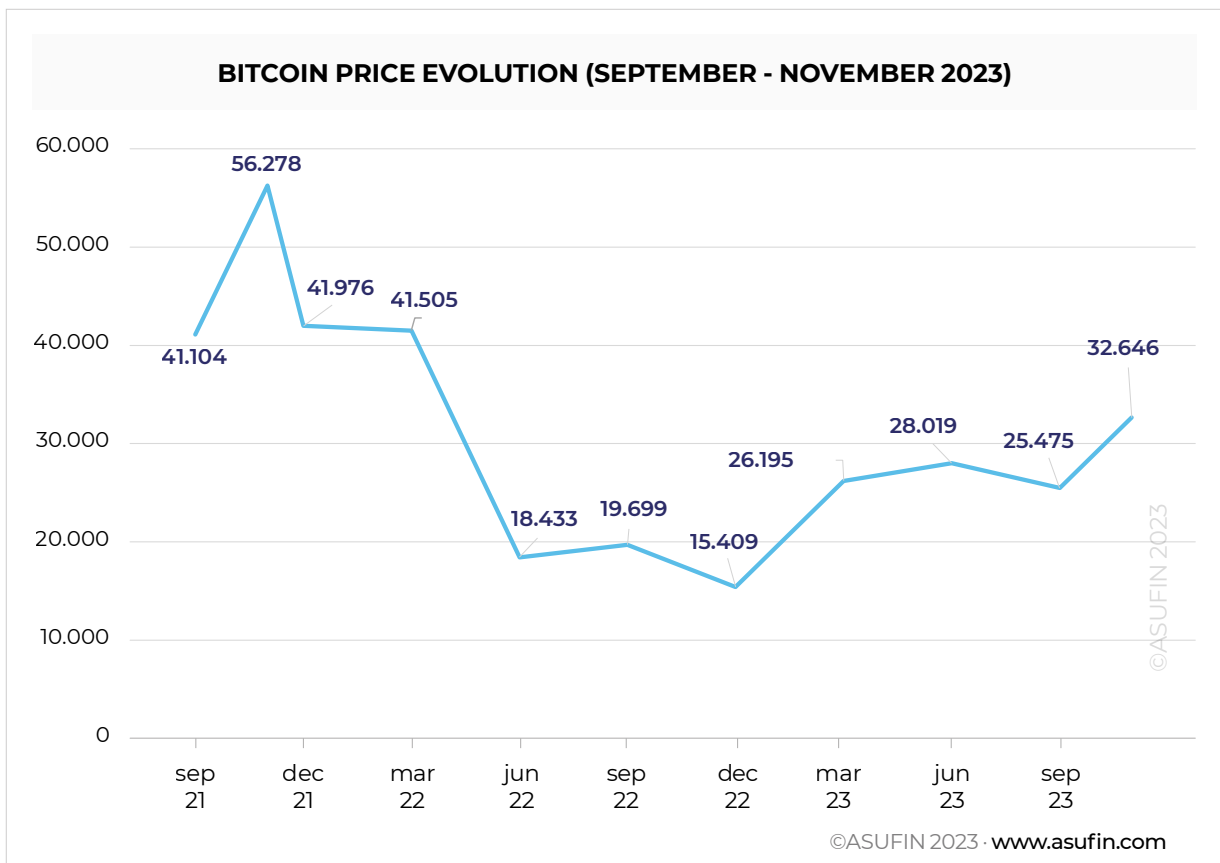
Study carried out by **ASUFIN**'s Studies Department, in collaboration with Antonio Luis Gallardo Sánchez-Toledo. A graduate in Business Administration and Management from the Autonomous University of Madrid, specializing in Financial Management and Economic Research. After having worked in the securities company La Caixa (now CaixaBank) and in the Santander Group, he has been working for more than 18 years in the field of consumer protection and financial education, carrying out educational programs that includes the preparation of studies in the field of personal finance and insurance.

# Introduction

In September 2021, **ASUFIN** started its Mystery Shopping, purchasing 100 euros in Bitcoins in each of the five most relevant platforms operating in Spain, both national and international. The aim of this practical exercise, which has already completed three years, was and is to know the functioning of an incipient market, with a high demand at the time, but with little regulation and level of understanding.

Since then we have seen very important changes, driven by the “**crypto winter**”, as the sharp drop in price was called, followed by greater stability, although with heavy accumulated losses for thousands of investors.

In the last year, the situation has changed radically and has been renamed “**crypto spring**,” due to the strong recovery in Bitcoin prices. Even so, its price, on the last day of October, stood at 32,760 euros, still far from the 56,278 euros, the highest price of November 2021.



This recovery, still partial, is not enough to match the optimism of two years ago. But there are more details: company closures, bankruptcies of some crypto assets and high volatility, which leads to more cautious investor behavior.

As we have done in previous studies, we have analyzed the behavior of platforms in areas such as products offered, strategies and customer service, which, as we will see, are all closely related to a greater distrust that has yet to be recuperated.

This study follows the Mystery Shopping methodology to continue monitoring the investment made, to which we have added a survey of 225 cryptocurrency investors, carried out between October 20 and 28, 2023, with a confidence level of 95.00% and a margin of error of 4.42%.

## Five main keys

1

Although the value of bitcoin has recovered by more than 60.20% in the last year, **the investment we made in September 2021 accumulates losses of 21.40%**, going from 100 euros invested in each of the 5 selected platforms, to 78.59 euros, on average. Bitcoin remains 38.00% lower than their November 2021 highs.

2

**The purchase and sale commissions of cryptocurrencies have been reduced as a way to encourage trading operations**, but on the contrary, those of investment or withdrawal, using the credit card as a method, remain with high rates and well above the use of wallets.

3

**Cryptocurrency platforms** have significantly increased other services among which are payments, loans, securities custody or credit cards seeking to alleviate the lack of business, without generally offering great improvements in transparency and communication, with the exception of the Spanish platform, **Bit2me**.

4

Despite Bitcoin's price increase, **only 25.40% of investors respondents have improved their opinion** on investing in cryptocurrencies while it has worsened for 15.70% of investors.

5

Cryptocurrency companies grow in assets offered, countries where they operate, and customers. However, **28.90% of respondents indicate that they have not operated the last year**.






# More cryptocurrencies and in more countries

**ASUFIN** began its Mystery Shopping by investing 100 euros in five very relevant platforms: three internationally: **Binance**, **Crypto.com** and **Coinbase**, and two domestically: **Bit2me** and **2gether**. Of all of them, **2Gether** as we explained in the October 2022 study, closed its operations in July 2022, a victim of the “crypto winter”.

This year, with prices increasing, users have also increased: **Binance**, the largest platform globally, which has acquired several businesses, declares to go from 30 to 150 million users globally; **Crypto.com**, from 50 million to 80 million, while **Coinbase**, on the contrary, has reduced from 103 million to 50 million. Spanish operator **Bit2me** has also increased from 500,000 to 700,000 users.

Likewise, another variable has also increased, the number of cryptocurrencies. **Binance** has gone from 316 to 357, **Crypto** remains with a minimum rise of 295 to 297, while **Coinbase**, again due to its adjustment policy, goes down from 156 to 121. **Bit2me** also makes a significant leap from 184 to 240 cryptocurrencies.

All this reflects that in general, except for **Coinbase**, the offer of crypto-assets has expanded and thus more attractive to the customer.

THE FIVE ORIGINAL PLATFORMS INVESTED IN					
	 <b>BINANCE</b>	 <b>bit2me</b>	 <b>coinbase</b>	 <b>crypto.com</b>	 <b>2gether</b>
<b>FOUNDATION</b>	2005	2014	2012	2016	2017
<b>BASE</b>	China	Spain	USA	Hong Kong	Spain
<b>SUBSIDIARY/SUPERVISOR</b>	Spain (*)	Spain	Ireland	Malta	Spain
<b>USERS</b>	150.000.000	700.000	50.000.000	80.000.000	Closed operations in July of 2022
<b>OPERATIONS</b>	198 countries	70 countries	190 countries	103 countries	
<b>CRYPTO ASSETS</b>	357	240	121	297	

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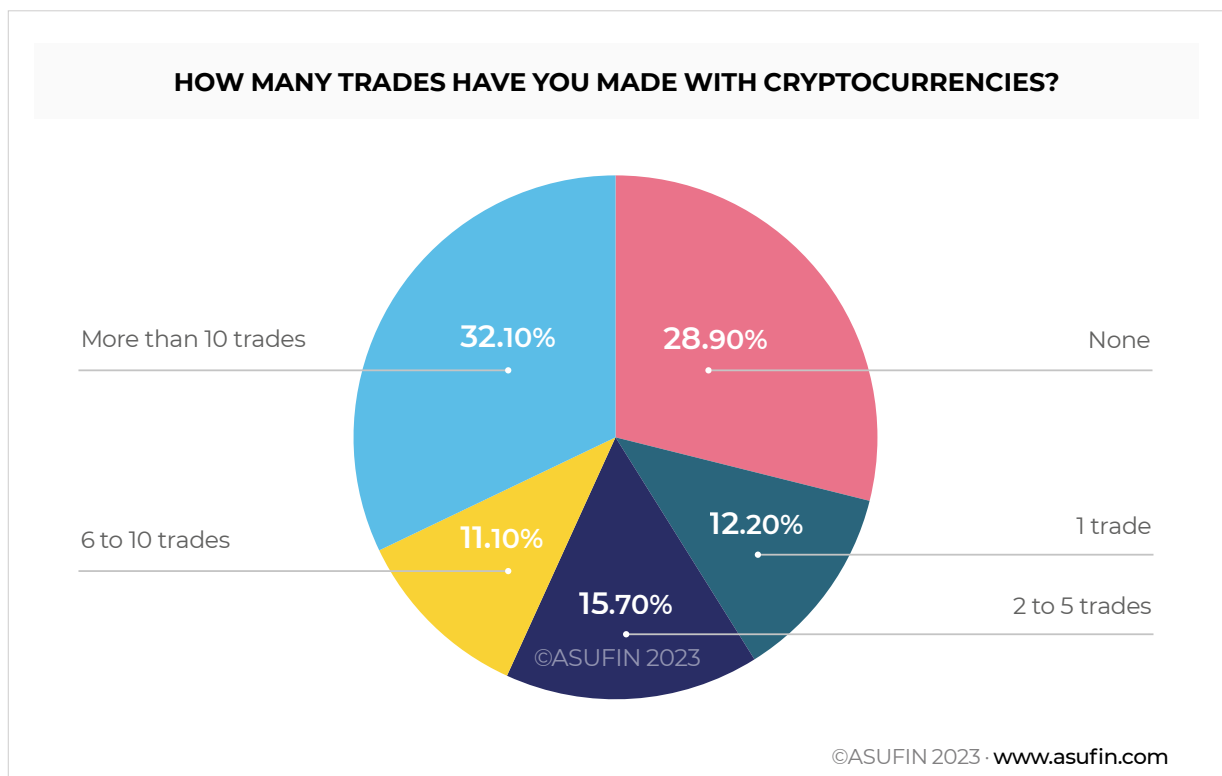
\*Registered as a virtual asset service provider by the Bank of Spain (Moon Tech Spain S.L.) since July 7, 2022, following the request dated January 28, 2022.

# About a third of cryptocurrency investors have not made any trades in the last year

The growing number of users seems to reflect a positive reality, accompanied by that slight recovery in price, but there is some **fragility in this data: user activity**.

We cannot forget that the analyzed platforms, which do not usually have very high commissions for individual trades, essentially profit if the user trades continuously, accumulating many trades, even daily through trading, which has much more risk. With all this, the data offers two realities. It is true that about a third, **32.10%** of cryptocurrency investors, declare that they have made more than 10 operations this year, many of them trading, but the second largest group, with **28.90%** trades.

If we add this percentage, of **28.90%**, to those who have made only one trade, 12.20%, possibly more sales than purchases, it totals **41.10%**, possibly more sales than purchases, it totals 41.10%, more than 4 out of 10 users, who maintain a very passive attitude with respect to investments in cryptocurrencies. This shows that this type of investment has lost appeal compared to a couple of years ago and that **many of the clients declared by the platforms are inactive users**.

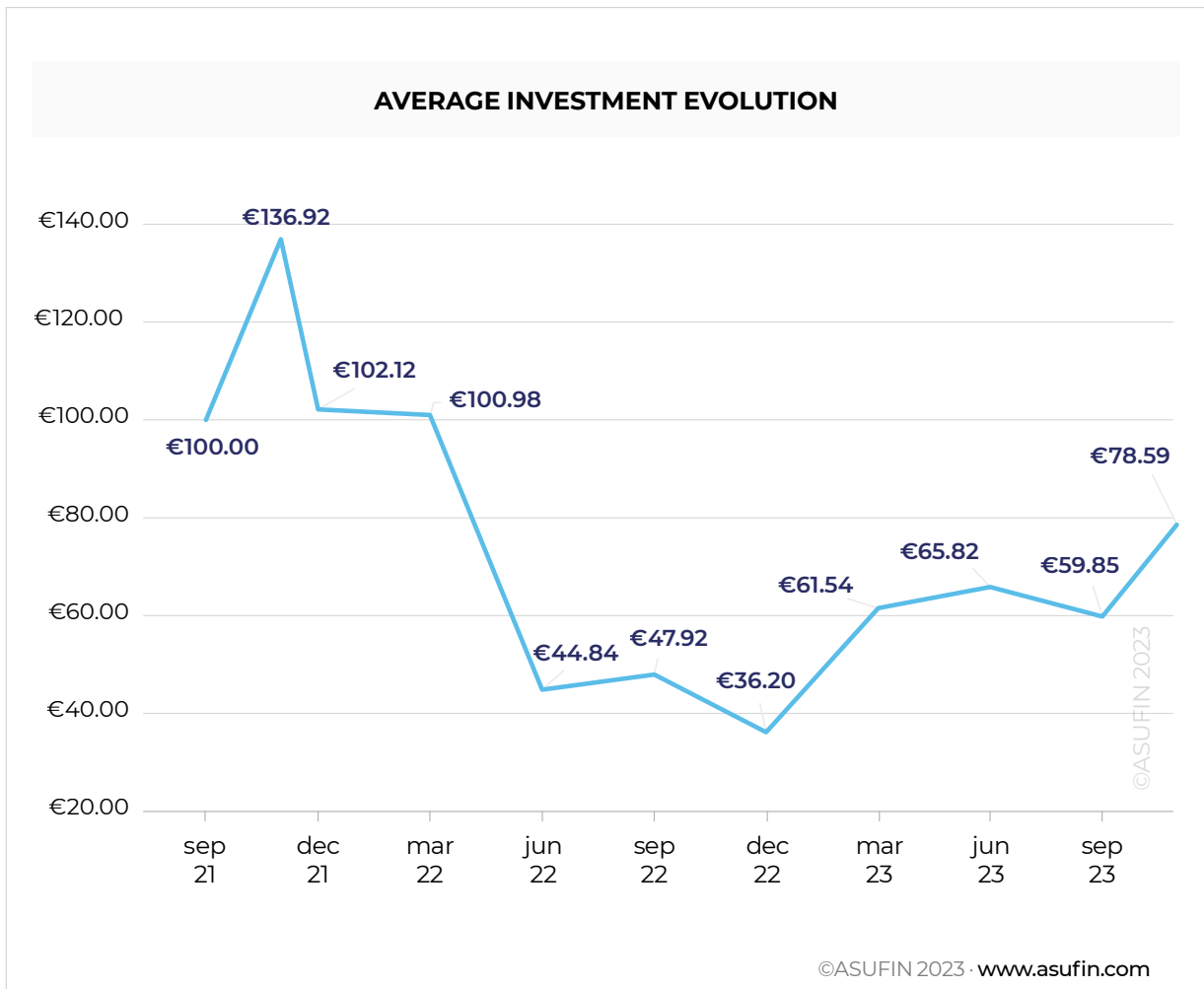


# A “crypto spring” that does not reach everyone

In this context of rising prices, **our investment has recovered a significant part of the losses, specifically between October 6, 2021 and November 6, 2023, with a recover of 60.20%**, surpassing the value of the average investment, not including the losses generated by the bankruptcy of **2Gether**, from €49.05 to €77.63. Even so, **accumulated losses are high, -21.40% since the initial investment in September 2021**. This is an important point that affects many more investors. From the highs of November 2021 to November 2023, and despite the bullish rally of recent weeks, the accumulated losses stand at 38.20%, still “trapping” many investors. All of this in Bitcoins, the oldest digital currency and second in current capitalization, only behind Tether, while there are many investors with higher losses and in many cases irrecoverable due to the “death” of other cryptocurrencies, such as Solana or Apecoin, among others.

EVOLUTION OF THE INVESTMENT							
	BINANCE	bit2me	coinbase	crypto.com	2gether	AVERAGE	VARIATION
21.09.2021	€100.00	€100.00	€100.00	€100.00	€100.00	€100.00	-
06.10.2022	€49.79	€48.49	€48.67	€49.41	€48.90	€49.05	-
06.11.2022	€37.64	€36.66	€36.79	€37.35	-	€37.11	-24.40%
06.12.2022	€36.72	€35.76	€35.89	€36.44	-	€36.20	-2.50%
06.01.2023	€50.43	€49.12	€49.30	€50.05	-	€49.72	37.40%
06.02.2023	€62.41	€48.67	€48.85	€49.59	-	€49.27	-0.90%
06.03.2023	€62.63	€60.78	€61.01	€61.94	-	€61.54	24.90%
06.04.2023	€60.15	€61.00	€61.22	€62.16	-	€61.75	0.40%
06.05.2023	€60.15	€58.58	€58.80	€59.69	-	€59.31	-0.40%
06.06.2023	€66.76	€65.02	€65.26	€66.25	-	€65.82	11.00%
06.07.2023	€63.41	€61.75	€61.28	€62.92	-	€62.51	-5.00%
06.08.2023	€57.09	€55.60	€55.81	€56.66	-	€56.29	-10.00%
06.09.2023	€60.70	€59.12	€59.34	€60.24	-	€59.85	6.30%
06.10.2023	€77.84	€75.81	€76.09	€77.25	-	€76.75	28.20%
06.11.2023	€79.71	€77.63	€77.92	€79.10	-	€78.59	2.40%
<b>RETURN ON INVESTMENT</b>	-20.29%	-20.37%	-22.08%	-22.90%		-21.40%	16.20%
<b>PROFITABILITY FOR THE PERIOD</b>						€60.20	

A “crypto spring” that does not reach everyone



We invested **€100.00** in each of the 5 largest crypto platforms and now maintain an average of **€60.20**, in each of them, after 3 years.







# Commissions: slight decrease with a clear commitment to trading

The lack of business, despite the rise, which is more related to the interest of large investors than small ones, is having consequences. One of them is the increasingly clear commitment to encourage trading, that more trades are made, especially on the same day, which leads to an increase in their income.





To do this, **they seek to reduce commissions, which are usually moved on scales, determined by the number of trades and the volume**, with the more trades made and the higher the amount, the cheaper they are. Only **Binance** maintains a fixed fee of 0.10%, while **Crypto.com**, **Coinbase** and **Bit2me** do so on that scale depending on the type. The Spanish operator's change stands out, which with its **Bit2me** pro modality, goes from a purchase commission of 0.10% - 0.50%, a maximum that is practically half of the 0.95% of a year ago and that encourages the realization of short-term operations.

Of course, high commissions are maintained for card operations, for investments and withdrawals, **with the clear intention of operating with Wallets**, some controlled by the platforms themselves, which have much lower commissions and seek to discourage money withdrawals, even after having sold their cryptocurrency positions.

PURCHASE COMMISSIONS				
	 <b>BINANCE</b>	 <b>crypto.com</b>	 <b>coinbase</b>	 <b>bit 2 me</b>
<b>PURCHASE COMMISSIONS</b>	0.10%	0.10% - 0.35%	0.10% - 1.00%	0.95%
<b>ADDITIONAL CHARGES CARD PURCHASE</b>	2.00% (0,90% on the card <b>Binance</b> )	2.00%	2.00%	1.99% EU card/ 4.99% credit card other countries
<b>PURCHASE COST WITH WALLET</b>	Up to 0.35%	Up to 0.25%	0.15%	No additional cost
<b>ADDITIONAL TRANSFER FEE</b>	-	-	0.15%	-
<b>CRYPTOCURRENCY EXCHANGE AND CONVERSION</b>	0,0005 BTC	Up to 1.50%	Up to 2.00%	0.95%

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SALES COMMISSIONS				
	 <b>BINANCE</b>	 <b>crypto.com</b>	 <b>coinbase</b>	 <b>bit 2 me</b>
<b>SALES COMMISSION</b>	0.10%	0.10% - 0.35%	0.10% - 1.00%	0.00% - 0.50%

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# Investor customer service: there are still serious deficiencies

In terms of investor relations, there have been few changes. Only **Bit2me**, the Spanish platform, offers an active and efficient multi-channel service in terms of the quality of information it offers, warning of the risk of all products. In addition, when contacting them, the response is positive in the three channels used: phone, mail and chat, informing us correctly in form and time, with responses always less than 24 hours.

In the remaining platforms, significant deficiencies have been detected:

## **BINANCE**




- They have included a **warning message** on the back of their website and app warning **that the purchase/sale of cryptocurrencies is a risky and unregulated operation.**
- **The chat**, which offers uninterrupted assistance, **responded quickly, unlike via email** without the availability of any form of telephone communication.

## **coinbase**

- It includes a **message warning of investment risk.**
- At the time of this Mystery Shopping **all their support services were not working**; the only way we were able to contact them was through an email address.

## **crypto.com**

- It still **does not offer any kind of investment risk warning.**
- **All their methods of communication, chat and mail are in English.** The information that has been received in Spanish was only related to commercial responses and not about service issues.

CUSTOMER SERVICE				
	 <b>BINANCE</b>	 <b>bit 2 me</b>	<b>coinbase</b>	 <b>crypto.com</b>
<b>RISK WARNING</b>	Yes	Yes	Yes	No
<b>TERMS OF USE</b>	Spanish	English	Spanish	Spanish
<b>SUPERVISION</b>	Spain	Spain	Ireland	Malta
<b>CUSTOMER SERVICE</b>	Spanish	Spanish	English/ Spanish	English/ Spanish
<b>JURISDICTION</b>	Courts of Spain	Courts of Spain	Ireland Arbitration	Courts of Malta

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# Product diversification to increase revenue

The second move that the market is making is based on **a significant increase in the added services offered by cryptocurrency platforms**, with which they generally seek to replace the loss of income from their traditional business of buying and selling crypto assets.

The most common service, along all four platforms in which we invested, is the wallet, and payments in crypto assets to other businesses that support them. But from these basic payment services, others have been developed and expanded on, as we show in the following table, including the **offer of loans, backed by crypto-assets, being able to create tokens, crypto-assets and even NFT products**.

Another of the growing trends is **the custody of crypto-assets, in exchange for remuneration**, as if it were a deposit.

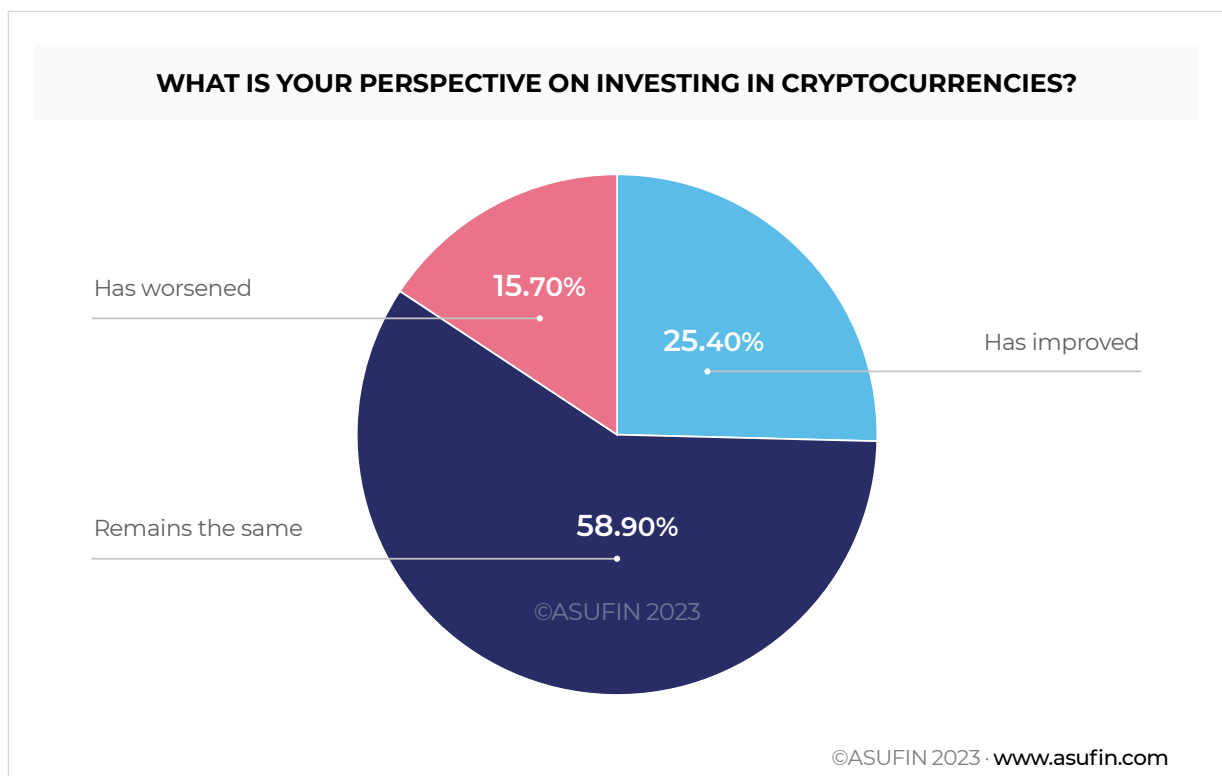
In any case, this growth in services, some very incipient, signals the search for alternative ways of doing business.

OTHER SERVICES OFFERED BY PLATFORMS OTHER THAN BUYING AND SELLING				
				
CRYPTOCURRENCY MINING SERVICES	X			
CRYPTOCURRENCY PAYMENTS SERVICES	X	X	X	X
LOANS	X		X	X
FAN TOKEN	X			X
WALLET	X	X	X	X
PASSIVE MANAGEMENT (INVESTMENT MANAGEMENT) OF CRYPTOCURRENCIES	X	X		X
NFT	X		X	
CREDIT CARD		X	X	X
REWARD SYSTEMS	X			X
BUSINESS PAYMENTS SERVICE				X
CONSULTANCY				X
GENERIC BRAND TO CREATE OWN CRYPTO ASSETS				X
CUSTODY SERVICE				X

## Despite the price recovery, only 25.00% of investors have improved their outlook

The “**crypto spring**” has not reached a large group of investors (with positions inherited from the first price increases), despite the recovery experienced in the second quarter of this year. So much so that 1 in 4, **25.40%**, have improved their investment expectations in cryptocurrencies. The majority, **58.90%**, remains the same, but what is more striking is that **15.70%** has worsened despite this significant rise.

This highlights that there are many points to improve upon, ranging from the knowledge of the investment itself to the customer service, but also that **many investors who maintain that negative perspective have been victims of bankruptcies of** platforms such as FTX or **2Gether** or simply continue to accumulate very significant losses.



# Conclusions

Behind the rise in the price of Bitcoins and other cryptocurrencies, there are many realities that reflect that not everything is positive. The first relates to the nature of the rise itself, **involving more and more large operations that leave the small investor at their mercy**. Although this investment is clearly bullish and is ultimately benefiting the small investor, who has seen how part of their investment has recovered, we have also seen moments of selling with very sharp drops, so the efficiency of the market is quite questionable, especially when they are not regulated markets.

Secondly, **there are other realities beyond Bitcoin marked by hundreds of cryptocurrencies and thousands of tokens that have caused significant losses** and that would explain why, despite the market situation, only 25.00% see the market situation as more positive.

Despite all this, **there are increasingly more products, although their growth rate in recent months has slowed down**. Faced with the apparent “freedom” in markets as deregulated as the current ones, in which digital currency projects such as the digital euro are advancing, it is essential to improve consumer knowledge and demand clearer and more transparent information from platforms when raising doubts and potential problems.

Given this, there are also great differences that have barely narrowed in recent years. The way in which platforms such as the Spanish **Bit2me** behave, with much clearer information and more transparent communication channels, shows that, despite the risks inherent in this type of investment, better services and security can be offered than by other giants such as **Binance**, **Coinbase** or especially **Crypto.com**.

In this context, and in the face of many inactive clients or with low investment levels, **one of the most important challenges is how to re-incentivize clients**, so we must be very attentive to the promotion of taking higher risks, such as with trading. In this case, clearer and more transparent information becomes even more important.

# Contact

## Let's talk!

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