

Cryptocurrencies: The future of online spending?

Thought about dabbling in cryptocurrency recently or wonder if they'll become the future of your day to day transactions? Here's what 15,000 people across Europe think of the volatile digital currencies



Source: Shutterstock

The peaks and troughs of cryptocurrency prices continually spark attention and focus in the media. At ING, we are interested in how people in different countries feel about cryptocurrency and how they expect it to fare in the future.

In the latest ING International survey, we asked people from 13 different countries across Europe as well as Australia and the USA what they make of cryptocurrencies.

State of play

If we asked 100 people across Europe, our survey results suggest 66 would have heard of cryptocurrency, nine would already own some form of digital money and 25 would expect to own some in the future. Those who expect to own are more likely to be male and most likely already

actively banking on the go – on their tablet, mobile or wearable device.

In every country surveyed, ownership of cryptocurrency is expected to increase. The average percentage increase in Europe is 16%. But will cryptocurrency actually transition into a more mainstream currency in the future, or is it more likely to [remain the niche investment](#) asset it currently is?

Mainstream or niche?

Our [previous mobile banking surveys](#) have highlighted the growing popularity of cash-free transactions but a significant portion of people in Europe aren't really interested in changing the way they currently pay. This might not be surprising given our tendency to stick to the status quo and a relative aversion to change.

What's quite peculiar is that despite its ubiquity in the media due to its volatility, the percentage of people who believe that crypto is the future of spending online has increased by 7% since 2015. And bitcoin owners are more likely than non-owners to say they wouldn't use cryptocurrency for purchases, due to its risk.

We think economists are still learning about the demand function for cryptocurrency. Our survey evidence, when considered alongside price volatility, dispels ideas that bitcoin might be an alternative "safe" asset and also corresponds with the idea that emerging markets or those with less liquid currencies or more volatile exchange rates have higher crypto ownership

The fact that younger people and countries with lower per-capita income such as Poland, Romania, Spain, Turkey and Italy seem likelier to consider paying with cryptocurrency than others may be because in some areas traditional financial systems are less efficient or more expensive to use.

But despite all of this, 35% people believe cryptocurrencies such as bitcoin could be the future of online spending and a similar number (32%) reckon it is the future of investing. But most consider it is a riskier investment than holding cash, gold, real estate, government bonds, investing in their own business or the stock market.

Behavioural science suggests this may be because the average person's perception of risk is partly based on a natural bias towards tangible and familiar assets, such as gold and property and less about the actual degree of risk represented by a particular asset class.

[Read our report: Are bitcoins destined to become a niche asset?](#)

Too risky for me

Given that the value of bitcoin plunged from \$13,860 to \$6,926 between December 2017 and

March 2018 – it's hardly surprising many see the alternative currency as [relatively risky](#). Our survey suggests cryptocurrency may be viewed as a relatively complex investment that requires expert knowledge to invest in. More people would turn to experts or specialist websites than friends or family to develop their understanding if they were interested in potentially investing. And 30% say they would simply not invest.

At ING, we think economists are still learning about the demand function for cryptocurrency. Our survey evidence, when considered alongside the price volatility, dispels ideas that bitcoin might be an alternative “safe” asset. It also corresponds with the idea that emerging markets or those with less liquid currencies or more volatile exchange rates have higher crypto ownership.

The future is unknown

Different attitudes towards cryptocurrency will depend on multiple factors such as culture, history, uptake of technology, risk attitudes and media coverage just to name a few. Without strong trends across these variables, it's uptake in the future still remains unclear.

[Read our ING International survey on cryptocurrencies here.](#)