

Survey Reveals Most Financial Advisors Still Do Not Recommend Crypto

By Muntasir Aumio - February 15, 2025



- A recent survey indicated that a majority of financial advisors are not steering their clients towards cryptocurrency investments.
- Experts informed Business Insider that endorsing crypto could result in reputational risks for advisors.
- However, innovations like Bitcoin ETFs have started to ease advisors' apprehensions, setting a foundation for broader acceptance.

As cryptocurrencies have surged and gained mainstream traction recently, a segment of the financial sector remains cautious.

A CoinShares survey of 250 financial advisors revealed that 62% believe recommending Bitcoin does not comply with their fiduciary duty to prioritize a client's best interests.

Conducted from November to December last year, the research also highlighted concerns that clients might not fully grasp the risks involved in crypto investing. Over half of the advisors—53%—identified volatility as a major issue regarding digital assets, leading many to advise against client investments in this arena.

"Clients rely on us to secure their financial future. We can't afford to take risks. If that's the case, they could just go to a casino," stated Kashif A. Ahmed, a certified financial planner and president of American Private Wealth.

He expressed that there is no justification for including crypto in a client's portfolio when its primary use is "pure speculation," as he told Business Insider.

Others concurred with this stance.

"Investments in a portfolio can serve various roles: they can be high risk with high return potential, risk-reducing, or protective against inflation," noted Noah Damsky, a certified financial advisor and founder of Marina Wealth Advisors. "Crypto lacks a defined purpose. It may have the potential for high returns, but that remains speculative."

Reputation Risks



Concern about reputational damage was cited by 55% of CoinShares survey participants when advising on digital assets. Given that their careers depend on reputation and client trust, this is a significant worry.

“We must approach this more cautiously since we’re genuinely accountable,” Ahmed elaborated, adding: “If we mishandle your financial future, the repercussions could be irreversible, right?”

Other challenges may dissuade advisors from engaging with the cryptocurrency market.

Christina Lynn, a wealth strategist at advisory firm Mariner with a focus on the psychology of financial planning, outlined various uncertainties advisors must navigate, including regulatory changes, tax treatment shifts, and custody and fiduciary matters.

Gaining a thorough understanding of crypto is a formidable task, according to Lynn.

She mentioned that mastering the industry entails learning about multiple facets like blockchain principles, differences among tokens, portfolio integration strategies, compliance regulations, and client apprehensions.

“It’s not something you can grasp in a one-hour continuing education webinar; it necessitates extensive dedicated study to genuinely comprehend this technology and the diverse products available,” Lynn said.

While she believes the effort is justified, it’s understandable that some advisors might question whether it’s worthwhile to invest the time for a relatively modest allocation of 1%-5% in crypto.

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Nevertheless, there are those who are beginning to consider promoting cryptocurrency to their clients.

Lynn noted that January 2024 may have represented a critical shift in advisor attitudes toward digital assets. This transition was marked by the launch of spot Bitcoin ETFs, which lent legitimacy to cryptocurrencies. Finally, advisors had a framework through which to assess crypto from a traditional financial perspective.

Survey results also indicate this evolution. According to a Bitwise/VettaFi survey published in January, the proportion of advisors reporting crypto allocations in client portfolios soared to an all-time high of 22% last year, a significant increase from the 2023 rate.

“I believe we have reached a point where advisors can no longer simply dismiss it as inappropriate or fleeting,” Lynn stated.

As the cryptocurrency market continues to mature, she anticipates that advisors may discover advantages in becoming adept with digital assets. This could foster trust within the sector and enhance client satisfaction, leading to improved retention and referrals. Ultimately, it presents a genuine service opportunity for clients, addressing potential knowledge gaps in digital asset taxation and estate planning.

