NETELLER Cryptocurrency Service - Risk Statement

Please read the following risk warnings carefully before using the Cryptocurrency Service.

This document provides you with information about the risks associated with using the Cryptocurrency Services and authorizing Cryptocurrency Transactions. The defined terms used in this document are the same as those set out in the Cryptocurrency Service Terms of Use.

Due to the potential for losses, the Financial Conduct Authority (FCA) considers investments in cryptoassets to be high risk.

What are the key risks?

1. You could lose all the money you invest

• The performance of most cryptoassets can be highly volatile, with their value dropping as quickly as it can rise. You should be prepared to lose all the money you invest in cryptoassets.

• The cryptoasset market is largely unregulated. There is a risk of losing money or any cryptoassets you purchase due to risks such as cyber-attacks, financial crime, and firm failure.

2. You should not expect to be protected if something goes wrong

• The Financial Services Compensation Scheme (FSCS) doesn't protect this type of investment because it's not a 'specified investment' under the UK regulatory regime – in other words, this type of investment isn't recognised as the sort of investment that the FSCS can protect. Learn more by using the FSCS investment protection checker here.

• The Financial Ombudsman Service (FOS) will not be able to consider complaints related to this firm. Learn more about FOS protection here.

3. You may not be able to sell your investment when you want to

• There is no guarantee that investments in cryptoassets can be easily sold at any given time. The ability to sell a cryptoasset depends on various factors, including the supply and demand in the market at that time.

• Operational failings such as technology outages, cyber-attacks and comingling of funds could cause unwanted delay and you may be unable to sell your cryptoassets at the time you want.

4. Cryptoasset investments can be complex

• Investments in cryptoassets can be complex, making it difficult to understand the risks associated with the investment.

• You should do your own research before investing. If something sounds too good to be true, it probably is.

4.1 Risks related to stablecoins or asset-backed tokens.
When using our **Cryptocurrency Service,** you may be exposed to (purchase interest in or instruct us to buy) **stablecoins or asset-backed tokens**, as such may be part of our **Supported Cryptocurrencies.**

Such crypto assets carry additional specific risks:

• Issuers of stablecoins and/or asset-backed tokens use stabilisation mechanisms to maintain a constant value relative to an official fiat currency or to another asset, often another reserve asset (underlying asset), an algorithm to match supply and demand or a combination of both. These stabilisation mechanisms depend on the value of the underlying asset, the efficiency of the used algorithms and the transparency and auditability of the respective issuers.

• You should not expect to be protected if the value of the stablecoins or the asset-backed tokens is not maintained by their respective issuers.

• You may not be able to redeem your stablecoins or asset-backed tokens at par value to their referenced official fiat currency or referenced asset.

5. Don’t put all your eggs in one basket

• Putting all your money into a single type of investment is risky. Spreading your money across different investments makes you less dependent on any one to do well.

• A good rule of thumb is not to invest more than 10% of your money in high-risk investments.

If you are interested in learning more about how to protect yourself, visit the FCA’s website here. For further information about cryptoassets, visit the FCA’s website here.