

# Bitcoin's Political Push Means There's No Turning Back Now

A year ago, when the US election campaigning was in full swing — but early enough that Biden (not Harris) was in the running — I wrote an article<sup>1</sup> suggesting that Trump's bitcoin policy might help win him the election and bring Bitcoin further into mainstream.

Let's look back on what has happened since then and what lessons us investors can learn.

## Fringe to fixture

Bitcoin gains strength via the network effect. If no one uses it, it has no value. But conversely the more people who use it the stronger (and more valuable) it becomes.

If the first few months of the Trump term are anything to go by, then bitcoin will have established itself in every corner of the US financial system. Four years of network growth could put it on an unstoppable path to global adoption.

Regardless of political beliefs, us investors need to deal with the fact that bitcoin may be here to stay, and assess what that means for our investments.

## Pro-bitcoin policy is a vote winner

In an election year marked by economic anxiety, demographic shifts and technological disruption, bitcoin played an outsized role in the 2024 U.S. presidential election.

Trump and the Republican Party identified that Bitcoin is largely bi-partisan (a movement for a better monetary system that appeals to those on the 'left' and the 'right' of politics) and they could secure voters they might not otherwise have got.

The digital asset, once dismissed as a speculative fringe interest, found itself thrust into the heart of the political conversation—particularly in swing states where margins were razor-thin. What began as a financial innovation has now become a political litmus test, reshaping voter coalitions and expanding the Overton Window of acceptable debate.

The result? In several swing states where the margin of victory was less than 1%, digital asset voters may have tipped the scales. According to polling data released after the election, as many as 15% of under-40 voters cited a candidate's stance on digital assets as a "significant factor" in their decision.

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<sup>1</sup> [Could policy towards Bitcoin win Trump the election and bring Bitcoin further into the mainstream? - Pension Funds Online](#)



## Why should we care about politics?

Politics matters because it legitimises the asset class, which creates an environment where people and companies can build products and services on top of the bitcoin network. And, now that bitcoin has been legitimised by the US government and big industry players like Larry Fink at BlackRock, it's hard to see how the genie could be put back in the bottle.

Two years ago in the US, bitcoin faced uphill battles. There was no easy investment access (no ETFs), companies were penalised for holding on balance sheet and banks were effectively prohibited from custodying it for clients. Today all those barriers are gone.

- The ETFs have flown off the shelves. As of May 2025, Bitcoin exchange-traded funds (ETFs) have experienced remarkable growth, with total assets under management (AUM) reaching approximately \$129 billion, surpassing gold ETFs, which hold around \$128 billion.<sup>2</sup> Leading this surge is BlackRock's iShares Bitcoin Trust (IBIT), which has become the fastest-growing ETF in history. Launched in January 2024, IBIT amassed over \$50 billion in assets within just 11 months, a pace five times quicker than BlackRock's previous record-holder. As Bloomberg analyst Eric Balchunas noted, IBIT's unprecedented growth has made it "the greatest launch in ETF history".<sup>3</sup>
- Companies are loading up on bitcoin. More companies have been adding bitcoin to their balance sheets. 108 public companies globally now have 796,000 bitcoin on their balance sheets, an increase of 2.5 times the amount two years ago.<sup>4</sup>

US mainstream banks are the next domino to fall. They now have the green light to provide bitcoin services and are already in the process of internal set-up to offer bitcoin products and services. Even the famously anti-bitcoin Jamie Dimon has confirmed that JP Morgan will offer bitcoin products. "I don't think you should smoke, but I defend your right to smoke," Dimon said. "I defend your right to buy bitcoin."

The other key signal is the establishment of the Strategic Bitcoin Reserve. Whilst there has been no news about the government actively buying more bitcoin the clear definition of bitcoin, rather than any other cryptocurrencies is a big signal to the market and makes it more likely that Bitcoin will establish itself as a mainstream asset class. It also ripples through the world; other governments have seen the signal and have to consider their response.

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<sup>2</sup> [Bitcoin ETFs surpass gold ETFs in AUM](#)

<sup>3</sup> [BlackRock IBIT Attracts Twice as Much Capital as Gold ETF This Year : r/CryptoCurrency](#)

<sup>4</sup> [Bitcoin Treasuries - 202 Public Companies, Private Businesses and Other Entities](#)



## What about the UK?

The UK is some distance behind the US but it could just be about to get interesting.

The UK election was somewhat of a procession for Labour, who seemed to win by tapping into the ‘anything but the Tories’ vote. In other words, unlike Trump, Labour didn’t need bitcoin in 2024. The Overton Window—the range of policies considered acceptable in public discourse—shifted in the US in 2024 but it was not a voting topic in the UK.

There seems to be no sign of the current UK government and regulator changing tack any time soon. Emma Reynolds the HM Treasury’s Economic Secretary confirmed on 13 May 2025 that ‘HM Treasury currently has no plans to establish a bitcoin reserve fund... Bitcoin... has been historically volatile relative to stable fiat currencies like the US dollar and commodities, such as gold. This volatility makes Bitcoin less suitable as a reserve asset for the UK.’

There are no bitcoin ETFs available to the general public in the UK and the FCA still makes it difficult for UK customers to buy bitcoin, under the guise of protecting them. Side note: Can holding bitcoin, an asset that at worse can go to zero, be more risky than buying single stock equities or betting on the 2:30 at Ascot?

The thing is, Labour didn’t need bitcoin in 2024 and, since a general election is some way off, they have lacked an incentive to change course. But could that be about to change?

On 29 May 2025, Nigel Farage announced Reform UK’s policy on bitcoin, including making the UK a ‘Crypto powerhouse’ and creating a ‘bitcoin digital reserve in the Bank of England’. If Reform UK remain high in the polls then Labour may have no choice but to develop their own policy response.

Whilst we can speculate on how the politics may play out (how might the Conservatives react?), the point really isn’t about which political party wins, it’s that bitcoin policies can only go one way in the UK. It can either stay the same or become constructive and politicians (as we’ve seen in the US) have a lot more to gain from taking a pro-bitcoin stance. So the upside option looks valuable to me.

Why do I think that? Well, firstly, because politicians want policies that are vote winners. As of August 2024, 12% of UK adults—around 7 million people—owned crypto assets, up from 4% in 2021.<sup>5</sup>

This is enough to move the dial already and is a number that will likely swell over time.

But also, because bitcoin offers up a potential solution to our financial constraints. If the UK debt pile is too much, bitcoin offers an escape valve, a positive solution to the problem.

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<sup>5</sup> [New cryptoasset rules to drive growth and protect consumers - GOV.UK](#)



## Investment implications

Most people still don't have a good understanding of bitcoin but the political and regulatory changes will lead more people (especially Americans) to learn about it and the list of bitcoin advocates will grow.

As Matt Hougan, Bitwise CIO points out '95% of the largest investors in the world have zero exposure to bitcoin, but 95% of all bitcoin is already owned'. In other words, if more investors allocate then the price has some distance to rise, particularly when the supply cannot change.

The whole set-up feels like a stellar investment opportunity with huge upside and many of the downside risks have now been removed.

However, this isn't only a 'number go up' opportunity. If bitcoin establishes itself as a digital gold and store of value, investors will be switching out of other assets (gold, fiat currencies, property, bonds).

So, beware, a surge in bitcoin adoption could be bad news for some of your previously thought of 'safe havens'.

**Please reach out to your Cartwright investment contact if you wish to discuss an appropriate approach to managing this risk for your portfolio.**

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