What’s changed over the last year and why bitcoin might be worth another look?

A year ago, when it came to bitcoin, many institutional investors were watching and waiting. Since then, structural barriers around the asset class have lifted. In this article, we take a high-level look at five of these barriers and how new developments mean they have changed over time.

In short, bitcoin is maturing as an institutional asset and early adopters and innovators should take another look.

1. Increasingly seen as a safe haven asset, and for good reasons

Explicit UK government debt continues to grow and now exceeds £2.7 trillion, almost 110% of GDP. Similar high debt situations exist across the world and are getting worse. Further monetisation of the debts and a wider monetary system reset are increasingly likely. Bitcoin’s fixed 21 million ultimate supply is a scarce alternative store of value (and physical gold is also attractive).

In April 2025, the bitcoin price rose as equity prices fell sharply, signalling growing appeal as a safe-haven diversifier, which is not directly correlated to risk assets.

2. Secure and compliant access

What was once operationally complex is now relatively straightforward. Trustees can gain bitcoin exposure via FCA-compliant routes. Direct custody solutions offer insurance, segregation, and institutional-grade custody.

3. Recognition as an ESG-friendly asset

Despite plenty of historical critical press headlines, most of the recent academic research shows that these were misplaced and in fact, bitcoin has a strong net-positive environmental and social impact. For example, over 54% of bitcoin mining now uses renewables or wasted energy (compared to 40% for the typical electrical grid) and bitcoin can provide access to a savings and payment mechanism for the 1.4 billion unbanked people across the world.

Bitcoin has strong governance credentials, as it is a decentralised open protocol with no central issuer of bitcoins, so it is transparent and resilient.

4. Fast becoming mainstream in the US

Hundreds of US institutions now hold bitcoin, and since 2024 it can be accounted for at fair market value on their balance sheets. Spot ETFs in the US have accumulated circa £100 billion since their launch in early 2024. Banks are now offering bitcoin products and services, including using bitcoin as collateral for loans.

Helpfully, the US Administration has clearly distinguished between bitcoin and “crypto” in the Strategic Bitcoin Reserve Executive Order in March 2025, which shows a strong understanding that bitcoin is money to be held strategically like gold, and that “crypto” is not.

5. Pent up demand in the UK but the FCA is slow to protect consumers

There is fast-growing pent-up demand from individuals that want to access bitcoin through their pensions and ISAs, but direct investment vehicles were banned by the FCA in 2021. Despite this, 12% of people in the UK (or 7 million people) own cryptoassets according to the FCA, up from 10% a year before, although they will often have weak custodial arrangements and have to buy offshore. Another current trend is for individuals to buy listed companies through their pensions and ISAs that are building a substantial bitcoin treasury on their balance sheet – however, this brings with it company risk and extra volatility.

HM Treasury’s April 2025 draft regulation will make cryptoasset activity an FCA regulated activity. The FCA is consulting on rules for custody and stablecoins, setting the regulatory framework for wider participation.

Importantly, institutions can already invest directly in bitcoin and so are able to front-run wider adoption, whilst also providing safer access and custodianship for their members/stakeholders.

If you’d like to discuss any of these issues further, please get it touch with your usual contact at Cartwright.

June 2025

250 Fowler Avenue
Farnborough Business Park
Farnborough GU14 7JP

Marlborough House
Victoria Road South
Chelmsford CM1 1LN

T: 01252 894883
E: enquiries@cartwright.co.uk
W: pensiontrusts.cartwright.co.uk