

South Africans are clued up on cryptocurrency

Consumers from South Africa, Indonesia and Malaysia are more familiar with cryptocurrency and its ownership than their European counterparts.



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In South Africa 69% of respondents in a survey indicated that they were familiar with cryptocurrencies, while almost a third (29%) said that they owned a cryptocurrency. More than half of South African respondents indicated that they are interested in buying a cryptocurrency.

To gain a better understanding of the potential benefits and risks associated with cryptocurrencies worldwide, Luno commissioned Kantar TNS in October 2018 to conduct a survey across 10 countries. The findings from the South Africa survey have been highlighted in a report titled, [*Why do people buy cryptocurrencies? A South African perspective*](#).

"The world is currently undergoing a major shift in the evolution of money, The existing financial system was built for a non-digital age but the world now has access to new technologies like decentralised cryptocurrencies. This is enabling us to reimagine the financial system and to upgrade the world to something better," says Marius Reitz, country manager for South Africa, Luno.

"Upgrading to this new financial system will empower a multitude of people by ultimately lowering their cost of living, providing them with more and better economic opportunities, increasing the value retention of their wealth, and giving them with more financial freedom."

Investment class

The research findings suggest, South African consumers are adapting to meet this new financial system head-on. More than 80% of respondents recognise cryptocurrencies as an investment class and are prepared to hold it over the long term. However, a robust proportion of early adopters (23%) use cryptocurrencies for commercial transactions as more and more South African and online retailers recognise it as a payment method.

Although there has been a significant rise in adoption across the globe, there is still far to go before cryptocurrency becomes a mainstream payments method. Trust and security remain significant barriers in the way of the critical mass adoption.

The survey indicates that 48% of South Africans are concerned about losing money when using cryptocurrencies due to phishing scams, transaction errors or other security concerns. In close second place, 47% of respondents indicated that the possibility of buying a cryptocurrency from a trusted supplier, would influence them to buy cryptocurrencies more than they do now.

Greater stability in the price of cryptocurrency was only the third-highest factor (39%) which influenced confidence in the new technology among South African respondents.

Bitcoin is still the most well-known cryptocurrency worldwide, including South Africa, followed by Ethereum, despite the rapid rise of new alternative coins such as Ripple and Dash.

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