Estimated Reading Time: 2 mins

Risk Summary

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment 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 threats 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) does not protect this type of investment because it is 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.
   - Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. 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 commingling 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.

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. Learn more here.

Our product offerings and their key risks:

Tokenised Metals Risks: The value of tokenised metal assets can fall, and trading prices may differ from the value of the underlying metal due to market conditions or limited liquidity.

Redemption Risks: Some tokens may be redeemable for cash or physical metal, but redemption may be subject to eligibility criteria, minimum thresholds, fees and operational delays.

Stablecoin and FX Risks: Tokens are purchased using USDC, so users may be exposed to stablecoin risks and to exchange-rate movements between USD and their local currency.

Smart Contract Risks: These tokens rely on blockchain networks and smart contracts, which may be affected by coding errors, exploits or transaction failures.

Third-Party Issuer and Custody Risks: Some tokens depend on third-party issuers, custodians, vault operators or other service providers, and failures or disruptions involving those parties may affect value, transferability or redemption.

Protocol / DEX Risks: Metals.io provides access to on-chain trading infrastructure. Users may face smart contract, liquidity, pricing and transaction-execution risks when interacting with decentralised protocols.

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

Please read our Risks page here for further information about the risks associated with tokens available through Metals.io.