

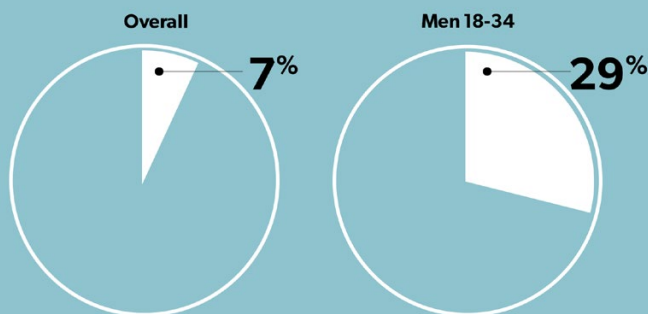
ONTARIANS AND CRYPTOCURRENCIES: A FIRST LOOK

December 11, 2017

Over the past several months, interest in cryptocurrencies has increased significantly. The Investor Office commissioned a small online survey of Ontarians age 18 and over, carried out in November 2017, as a first step towards learning more about which segments of the Ontario public are purchasing cryptocurrencies, how Ontarians perceive the risks of cryptocurrencies, and some of the reasons why Ontarians either are or are not purchasing cryptocurrencies.

Ontarians who report owning a cryptocurrency

Men age 18–34 are much more likely to report owning a cryptocurrency than Ontarians overall.

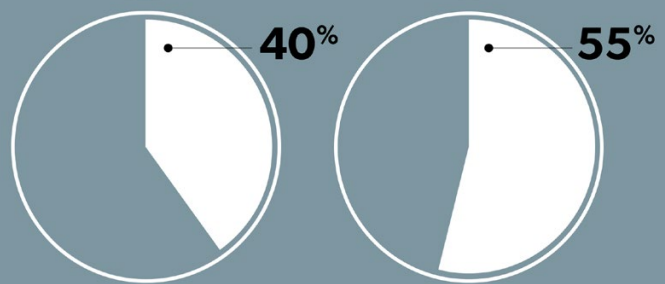


Includes 5% who own Bitcoin or Ether and 2% who own other cryptocurrencies (either alone or in addition to owning Bitcoin or Ether).

Includes 28% who own Bitcoin or Ether and 9% who own other cryptocurrencies (either alone or in addition to owning Bitcoin or Ether).

How Ontarians perceive cryptocurrencies' riskiness

Younger Ontarians tend to see cryptocurrencies as less risky than do Ontarians generally.



say cryptocurrencies are riskier than most investments

35% see cryptocurrencies as less risky or just as risky compared to most investments; 25% don't know.

of 18–34 year olds say they are just as risky or less risky

29% see cryptocurrencies as riskier than most investments; 16% don't know.

Reasons Ontarians gave for buying cryptocurrencies included:


"High risk, high reward."
"Mostly just for interest – to watch what happens."
"To make a purchase."
"Easy to use."

Reasons Ontarians gave for not buying cryptocurrencies included:

"Don't really understand what they are or how they work."
"Too high risk."
"Don't trust it."
"So far I think it is way too volatile."

Our research indicates that Ontarians are acquiring cryptocurrencies for a variety of reasons, including as a way of paying for products and services, out of curiosity, and as an investment.

New financial products can help foster the dynamism of our capital markets, but investors should always do their due diligence before purchasing a cryptocurrency or cryptocurrency-related product—[fraudsters](#) have tried to capitalize on market interest in cryptocurrencies by creating fake initial coin and token offerings, promising high returns and then walking away with any funds raised.



It's also important for investors to think about their individual investments in the context of their portfolio as a whole: large, [undiversified](#) investments in any single financial product can be [risky](#), especially when, as can be the case with cryptocurrencies, prices are [volatile](#) and [liquidity](#) is limited. Depending on their characteristics, certain cryptocurrency-related products may be subject to securities regulation. Unlike traditional currencies, cryptocurrencies are also not issued or backed by any government entity.

We encourage those interested in purchasing cryptocurrencies as an investment to first check out our many resources on investing at [GetSmarterAboutMoney.ca](#). The [OSC Inquiries and Contact Centre](#) is also available to answer your questions about investing, or any concerns or complaints you have about investments, at 1-877-785-1555 or inquiries@osc.gov.on.ca.

About the Survey: The OSC Investor Office engaged Innovative Research Group Inc. (Innovative) to conduct a survey to better understand Ontarians' investment practices as they relate to cryptocurrencies. The survey questions were included as part of an omnibus survey that Innovative regularly conducts. The survey was conducted online among a representative sample of 1,017 Ontarians, 18 years of age or older, between November 9 and 16, 2017. The sample has been weighted down to n=1,000 by age, gender and region using the latest Statistics Canada census data to reflect the actual demographic composition of the adult population 18 years of age or older residing in Ontario. Since the online survey was not a random probability based sample, a margin of error cannot be calculated. The Marketing Research and Intelligence Association prohibits statements about margins of sampling error or population estimates with regard to most online panels.

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