Usually, no. If someone says you must send Bitcoin, another cryptocurrency or money to a crypto wallet before they will approve or release a loan, treat it as a serious warning sign. It may be a crypto payment scam or loan-fee fraud: you pay a supposed fee, tax or deposit, then the lender disappears or demands more money.. Exactly.

A genuine lender may charge interest or a properly disclosed fee, but asking you to pay it in cryptocurrency to unlock a loan is not a normal way to arrange UK consumer credit. Do not send money to “prove you can repay”, secure an offer, pay insurance or release funds. Pause, verify the firm independently and get advice if you are unsure.

This guide explains the walk away signs, what to check before borrowing, and how to compare the real cost of a loan. It also covers alternatives that may help you avoid borrowing altogether.

Why a crypto payment request is a major warning sign

Cryptocurrency payments can be difficult or impossible to reverse. If you send funds to a wallet controlled by a scammer, your bank or crypto platform may not be able to recover them. Scammers can also use convincing websites, fake approval letters, copied logos and names that resemble real lenders.

A common pattern is an offer that sounds unusually easy: guaranteed acceptance, no credit checks, a large loan despite poor credit, or money available immediately. The supposed lender then asks for a payment before releasing the loan. The reason may change from an “admin charge” to “insurance”, “tax”, “verification” or a final “unlocking fee”. Paying once does not necessarily end the requests.

Some legitimate lenders and brokers may charge fees, depending on the product and agreement. The key point is that a fee should be clearly explained, documented and verifiable. A demand to transfer cryptocurrency to a personal wallet or an unfamiliar address is not a safe way to pay a loan fee.

Walk away signs to look out for

Stop communicating and do not pay if you notice one or more of these **walk away signs**:



- **You must pay in crypto before receiving the loan.** This includes a request to buy cryptocurrency first or send it to a wallet address.
- **The lender promises guaranteed approval.** A responsible lender assesses whether the credit is suitable and affordable; no genuine firm can promise every applicant acceptance in every circumstance.
- **You are pressured to act immediately.** Claims that the offer will disappear within minutes, or that you will lose money unless you pay now, are designed to stop you checking.
- **The firm is hard to verify.** Its name, address, phone number or website details may not match official records. A professional-looking website is not proof that a lender is genuine.
- **You are asked to pay a changing series of charges.** “One last fee” can be followed by another demand once you have already sent money.
- **Payment goes to an individual or unrelated business.** Be especially cautious if the account name or wallet owner does not match the lender or the written agreement.
- **You are asked for passwords, security codes or remote access.** A lender should not ask you to share your banking password, one-time passcode or crypto wallet recovery phrase.
- **The offer arrives unexpectedly through social media or messaging apps.** Be wary of unsolicited messages, celebrity endorsements and “loan agents” who insist on continuing only through a private chat.

Want to know something interesting? a request for an upfront payment is not, by itself, proof of fraud in every possible situation. Some legitimate credit products have fees. But if a fee is demanded in cryptocurrency, is not in the documents, or must be paid urgently to release funds, do not proceed until you have independently checked the firm and the terms.

How to check a lender before sharing information

1. **Find the firm independently.** Search for the lender’s legal name in the Financial Conduct Authority (FCA) Register. Do not rely on a link, phone number or screenshot sent by the person offering the loan.
2. **Compare the details carefully.** Check the website address, phone number and contact details against the register and the firm’s own verified information. Scammers sometimes copy the identity of a real business, so a matching name alone is not enough.
3. **Read the agreement before paying or signing.** It should explain the amount borrowed, interest rate, repayment schedule, fees and what happens if you miss a payment. Do not accept vague promises in place of written terms.
4. **Contact the firm using independently sourced details.** Ask whether the offer and the person contacting you are genuine. Do not use contact details supplied only in a suspicious message.
5. **Take time to think.** A genuine provider should not need you to rush into a transfer. If you are being pressured, stop the conversation.

Even if you find a real firm with a similar name, that does not prove the person contacting you works for it. Report a suspected scam to the relevant authorities and your bank or crypto platform. If you have already sent money, contact your bank and crypto provider immediately, keep messages and receipts, and report what happened to Action Fraud in England, Wales and Northern Ireland, or Police Scotland. Recovery is not guaranteed, but acting quickly may help.

Compare the full cost, not just the APR

APR is useful for comparing many loans, but it is not the only number that matters. Before agreeing to credit, look at the **monthly payment**, the **total repayable**, the length of the loan, and whether the rate or payment can change.

What to check Why it matters Question to ask APR Shows the annualised cost of credit, including certain charges, and can help compare similar products. Is this the rate I will actually receive, or a representative rate? Monthly payment Shows the regular amount you must fit into your budget. Can I afford this every month after essential bills and other debts? Total repayable Shows how much you will pay back altogether over the agreed term. How much more will I repay than I borrow? Rate type and term A variable rate can rise, and a longer term can increase the total interest paid. Could the payment increase, and what happens if rates change?

For example, borrowing **£1,000** over 12 months at a fixed 20% annual interest rate, with no extra fees, would mean payments of roughly **£92 a month** and about **£1,100 in total**. This is an illustration, not a quote: real loan calculations depend on the lender's method, APR and fees. A longer term could lower the monthly payment but leave you paying more overall.

Ask for a personalised illustration showing the exact amount you will receive and repay. If the lender will not explain the figures clearly, or the numbers in the advert do not match the agreement, do not sign until it is resolved.

Fees, charges and variable rates: the costs people forget

When checking whether a loan is affordable, include more than the advertised monthly payment. Keep a running list of possible costs and confirm which apply to your agreement:

- **Arrangement or administration fees:** Check whether they are paid upfront, added to the balance or taken from the money you receive.
- **Broker fees:** If a broker charges you, understand the amount, when it is due and what service it covers. Do not assume a broker is the lender.
- **Late-payment or missed-payment charges:** Find out what happens if you pay late and whether interest continues to build.
- **Early-repayment charges:** Check whether paying off the loan early could trigger a fee or change the interest you owe.
- **Variable-rate increases:** If the rate can rise, ask how often it can change and how a rise might affect your monthly payment and total repayable.
- **Payment protection or add-on products:** Make sure optional insurance or other extras have not been included without your clear agreement.

Never pay an unexplained charge just because someone calls it a tax, insurance premium or release fee. Ask for the charge in writing, check it against the loan agreement and verify the firm using contact details you found yourself. A crypto transfer should not be used to bypass those checks.

Borrow only what you need

If you do decide to borrow, work out the actual shortfall first. Do not take extra "just in case" because a lender offers more. Borrowing more means paying interest on money you may not need, and it can make monthly budgeting harder.

Write down the bill or purchase you need to cover, the amount you can contribute from savings or income, and the remaining gap. Then compare the loan's monthly payment with your budget. Include rent or mortgage, council tax, utilities, food, travel, existing debt repayments and a realistic allowance for irregular costs.

If the payment only works when nothing goes wrong, it may not be affordable. Consider what would happen if your income fell, your hours changed or an unexpected bill arrived. A lender's approval does not mean the loan is right for your circumstances.

Alternatives to credit

Depending on what the money is for, there may be options that cost less or avoid borrowing:

- **Ask the bill provider for help.** A supplier, landlord or service provider may agree to a payment plan or a different due date. Contact them early rather than waiting until you miss a payment.
- **Check benefits and support you may be entitled to.** A benefits calculator or a free advice service can help you explore what is available.
- **Ask about an employer advance or credit union loan.** Check eligibility, charges and the total repayable before agreeing. These options are not automatically right for everyone.
- **See whether a purchase can be delayed or reduced.** If it is not essential, waiting and saving may cost less than paying interest.
- **Speak to a free debt-advice charity.** If you are borrowing to keep up with existing debts or essential bills, get independent advice before taking on more credit.

Be cautious with alternatives that simply move debt around or add fees. A "buy now, pay later" option, overdraft or credit card is still credit and can become costly if repayments are missed or balances remain unpaid.

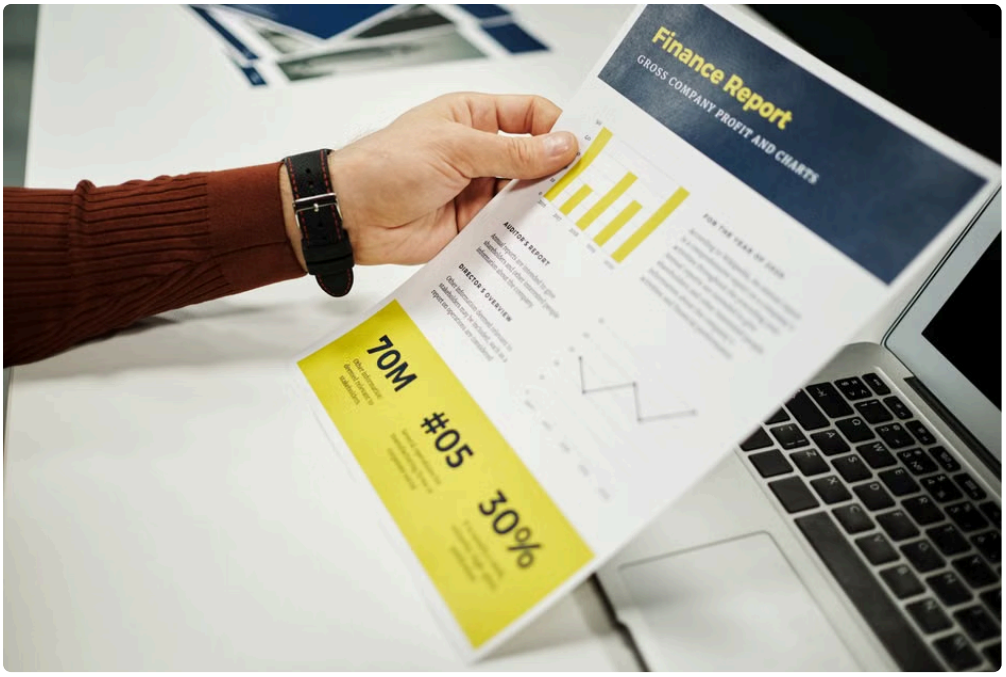
What to do if you have already paid

Do not send any more money, even https://www.supanet.com/before-you-apply-for-credit-online-seven-checks-that-protect-your-budget-a32200 if you are told it is needed to get your first payment back. Save the messages, emails, website details, wallet address, transaction IDs and any agreement or receipts. Contact the bank or crypto platform you used as soon as possible and explain that you suspect fraud. Change passwords if you shared them, and never share a wallet recovery phrase or security code.

If you have given personal or financial information, contact your bank and follow its advice on protecting your accounts. Be alert to follow-up messages from people claiming they can recover your crypto for a fee; recovery scams often target people who have already lost money.

The bottom line

A loan offer that requires cryptocurrency payment before releasing funds is a major warning sign. Do not pay an urgent fee or send crypto to a wallet on the promise of a loan. Verify the firm independently, read the written terms and compare the APR with the monthly payment and total repayable. If the offer is genuine, it should stand up to careful checking.



If you borrow, take only the amount you need and make sure the repayments remain affordable month after month, including if a variable rate rises or an unexpected expense comes along.