



CBDC Skepticism Is Strong in Canada and England, Too

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The possibility of a U.S. central bank digital currency (CBDC) has become a hot-button political issue in the U.S., but it appears that concern over such a monetary instrument is also shared by America's neighbors to the north in Canada as well as among its forbearers across the pond in the UK.

Two surveys published last week—one by hardware wallet manufacturer Trezor and the other by financial news site WealthRocket—examined public attitudes toward CBDCs in the UK and Canada, respectively. Each one posed distinct questions, yet reached similar conclusions.

People in Canada and the UK have clear reservations about the tech that central banks and governments across the globe are exploring as an alternative to cash. A majority of Brits said they were concerned about UK authorities having control over people's funds, while 39% of Canadians said a loss of control over their finances was a concern.

“There is a distrust of government in so many countries around the world,” Steven Lubka, head of private clients and family offices at Swan Bitcoin, told *Decrypt* in an interview. “They don't want to just hand over unilateral control over their money to their states.”

CBDCs are digital tokens, similar to stablecoins. But CBDCs are maintained by their respective governments or central banks as opposed to being issued by private companies on public networks like Circle's USDC or Tether's USDT stablecoins.

Both surveys come as CBDC public comment periods come to a close in Canada and the UK. Responses to a Consultation Paper on CBDCs crafted by the Bank of England were due by Friday's end. Canada's consultation came to a close on June 19.

The studies follow research done by the Cato Institute, a libertarian think tank, that found only 16% of Americans support the adoption of a CBDC, with greater pushback among Republicans than Democrats.

Canada's Concerns

In America, presidential candidate Robert F. Kennedy, Jr. has pointed to Canada as a reason to support Bitcoin. He said he was inspired to support Bitcoin after the Canadian government tried to quell protests against COVID-19 restrictions in the region by freezing protestors' bank accounts.

Still, 59% of the 1,500 Canadians surveyed by *WealthRocket* said they were willing to use CBDC for payments. 25% said they were not willing at all.

Canada's central bank, the Bank of Canada, has no plans to issue a CBDC anytime soon but is exploring the technology in case Canadian Parliament asks for one in the future, according to its website.

Canadian Conservative Pierre Poilievre last April said CBDC is a no-go if he's ever elected prime minister, per Reuters. It's a position similar to Republican presidential nominee and Florida Governor Ron DeSantis, who vowed to stop a CBDC from being issued in the United States if he is elected president.

It's not surprising that conservative-leaning politicians are more likely to express criticism of CBDC, said Lubka, describing it as a "paranoia wet dream" for people suspect of the government's intentions.

Even though he's sympathetic to some concerns, Lubka thinks the likelihood of CBDCs in America and countries with other developed economies is somewhat overblown, pointing to financial middlemen like banks and fintech companies that would be hurt.

"It is just the quintessential embodiment of everything that has galvanized and mobilized conservative concerns for the last few decades," he said. "The only thing they're wrong about is their probability of happening."

Among the most common concerns of Canadians surveyed about a CBDC were the potential for fraud, the risk of cyber attacks, and the potential for cash to be phased out. But, rest assured, the Bank of Canada says that paper bills are going nowhere.

Notably, the least common concern among Canadians was a digital dollar rivaling cryptocurrencies and "challenging the rise" of digital assets. So, it appears Canadians either have some confidence in their digital wallets' contents or couldn't care less about what happens to crypto.

In terms of the potential benefits, safety and convenience were chief among Canadians. The BoC has signaled that a CBDC could help protect the Canadian economy's stability from widespread use of cryptocurrency or CBDCs issued by other countries.

England's Unease

While UK Prime Minister Rishi Sunak suggested that the Bank of England's CBDC project be dubbed "Britcoin" when he was Chancellor in 2021, the endeavor should not be confused with Satoshi Nakamoto's namesake.

A consensus has not been reached on whether the Bank of England will ultimately pursue a CBDC—or whether it would even use blockchain technology—but the UK central bank and HM Treasury has explored the possibility since 2021.

The digital pound, explored in a recent Consultation Paper, is sometimes referred to as “digital sterling,” the bank says. Yet, Trezor’s survey of found that among 1,000 Brits, 55% of had heard of the digital pound.

This contrasts with widespread awareness of CBDCs that has circulated in crypto corners for years. Bitcoin OGs like Erik Vorhees have described CBDC an “Orwellian spy surveillance nightmare,” while American whistleblower Edward Snowden has dubbed them “cryptofascist currencies.”

“The knowledge gap is an order of magnitude more” among the general public than within crypto when it comes to CBDCs, said Lubka. “I’ve been paying attention for years. This discussion has been ongoing on for years.”

The Trezor survey found that people, while they may not be familiar with CBDC, are wary of the potential features one might have.

When it comes to giving authorities control of their funds, 73% said it would be concerning. Additionally, 67% of Brits were troubled by the idea that CBDCs could expire, with funds going away if they’re not spent.

Echoing the CBDC skepticism of DeSantis, who said that a CBDC could be used to curtail purchases of firearms, 62% of Brits expressed concern about control over which goods and services could be paid for using the tech.

Trezor Bitcoin Analyst Josef Tětek said in a statement there’s a substantial mismatch between people’s knowledge of Bitcoin and how it could possibly impact people in the UK.

“It’s clear that the vast majority of people are not comfortable with financial authorities having the kind of powers that a CBDC could grant them,” he said. “Before the UK [...] goes too far down the path to roll-out, we need a comprehensive, society-wide debate with ordinary people.”