Blockchain.com: Outlasting the Crypto Chaos

February 2025
Tom Slater and Peter Smith

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Tom Slater (TS): You said by 2030 the Internet will have the world's largest GDP, crypto will be its financial system, and we would like to be its bank. That's a pretty tantalising proposition.

PS: It really is. It's a whole new world, a whole new market, with the Trump administration opening up the market.

TS: What I say about Peter is he's a builder. He wants to create something, so he's not a speculator, he wasn't looking to get rich quick, he wanted to create a lasting institution.

PS: One of the things that I think excites me most about being in crypto over the next ten years is that I feel like we've kind of proven to the market that we can be trusted. And I think that's probably one of the most valuable assets you can own at this point.

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Claire Shaw (CS): Hello, and welcome to season three of Invest in Progress, brought to you by the Scottish Mortgage team. I'm Claire Shaw, Portfolio Director. In this podcast, we take you behind the scenes to hear the conversations that take place between the Scottish Mortgage managers and the leaders of some of the world's most exceptional growth companies.

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Founded in 2011, Blockchain.com is the world's oldest, most trusted and most widely-used platform for transacting in cryptocurrencies. The company now has 37 million users across 200 countries, with approximately one-third of all bitcoin network transactions going through the Blockchain.com platform.

The company originally began as a small outfit in York, England, as Blockchain.info, which was initially a website for tracking bitcoin transactions. But in 2014, Peter Smith stepped into the role of CEO, transforming the company into one of the world's largest cryptocurrency platforms. He has been running Blockchain.com for over ten years, which makes him one of the longest-standing CEOs in the crypto industry.

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Navigating extreme volatility, and despite some setbacks, Blockchain.com has maintained its position as a leading cryptocurrency platform in both the retail and institutional domain. Peter has been a steady hand at the wheel, continuing to drive innovation and adoption in the crypto space. He is passionate about crypto's ability to provide access to financial freedom, and with a long-term mindset, he believes crypto represents a multi-decade paradigm shift in how the world uses money.

So today, I am absolutely delighted that we have Peter Smith here in Edinburgh on the podcast to talk to Scottish Mortgage manager Tom Slater. Afterwards, Tom and I will discuss the investment case of Blockchain.com as a holding in the portfolio, but until then, I'll hand over to Tom and Peter.

TS: Peter, thank you very much for joining us today.

PS: Pleasure.

TS: So, we normally ask all our guests the same opening question, which is what the problem that your company is trying to solve, but I think it's worthwhile taking a step back for our listeners, and set the scene by asking the question slightly differently. So, what problem is crypto trying to solve?

PS: Well, that's a big question. I think that the question that I like to think about, and remind myself of, is what's the problem that I'm interested in solving with crypto. Because there are a lot of different problems people are trying to solve with crypto. Crypto at this point, in digital assets are really a set of technologies. And you can use technologies to solve any manner of problems.

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And so the question that I'd reframe is what problem am I interested in, what problem am I working on? And that one is really simple. It's economic freedom and choice. So, what got me into crypto early on, and why I'm still really passionate about it, is this idea that you could use these technologies to build systems that gave people more economic freedom and more economic choice in their daily lives.

And what do I mean by that? It's really two simple things. The first is the ability to transact with anyone anywhere in the world, so just like WhatsApp gave us the ability to message someone anywhere in the world, basically for free as long as we had data, crypto allows us to transact with anyone anywhere in the world, basically for free. It doesn't matter if I'm in Kenya and you're in South Korea, or we're sitting right next to each other, we can economically interact. And I think that that's net good for humans, and it's net good for the world.

The second thing is economic choice. And when I think about economic choice, I think about the assets that people own. So we're sitting Scotland today, which is part of the UK, I'm American, we're both very privileged that we have access to the dollar, the pound, which are relatively stable currencies. Even though we can talk about inflation over the next ten years, it's relatively stable currencies and stable financial systems.

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I spent a lot of my younger life in places with much less stable systems, like Uganda, where most banks go bankrupt in a 15-year period, where the Ugandan shilling basically inflates away everyone's net worth. And the reality is in most of the world people live in countries like that, not in countries with stable finances.

And so to me, one of the biggest things about crypto that was interesting, and one of the problems I wanted to solve, was giving everyone everywhere in the world the ability to have the same kind of financial access and financial choices that so many of us in the West to be born with.

TS: Could you break down the four different parts of the Blockchain.com business?

PS: Sure. The first business we have, and the one we're most known for, is our consumer business, and that's really you can think of your bank account for crypto, where we offer you a custodial and a non-custodial Web3 wallet.

So, between those two, you can do almost anything you want as a person in the crypto market. We pair that with a brokerage, and that retail brokerage lets you take your pounds and converts them into any crypto you want in minutes, or your dollars, or your Nigerian currency, or your so on and so forth, about 100 FX pairs around the world.

Our next business is an institutional prime brokerage, and that's really about OTC trading, so whether you want to trade spot, you want to trade derivative products, we also offer custody, and we also offer staking. And so it's really a full range of services that an institution might need.

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The third thing we do is liquidity provision. Liquidity provision can be thought of as helping new tokens and projects launch. I can also be other crypto apps or crypto companies offer trading products and services.

And then the last thing that we do is asset management. And just like any other place, including Baillie Gifford, we take clients' funds and we manage them according to a specific mandate.

TS: I'm going to life out a line from one of our first meetings back in 2011. You said by 2030 the Internet will have the world's largest GDP, crypto will be its financial system, and we would like to be its bank. That's a pretty tantalising proposition.

So, you founded the business back in 2011, when most people had never heard the words blockchain or bitcoin, so tell us a bit about that process, you've touched a little bit on the inspiration for it, and then explain what role the company plays in that cryptocurrency ecosystem.

PS: Yes, one of the things of doing this for a long time, like a decade in as the CEO now, and longer than that working on the project, is that you make a lot of predictions which seem very crazy at the time, and some of them become more real as time goes on. I think 2030 is still a little way out, thank goodness.

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One of the other big, bold predictions I made was in 2014. I said that within ten years bitcoin would reach 125,000 a coin, which I'm running out of time to be right. I've got…

TS: Not far off.

PS: Not far off, I've got maybe one or two weeks left for bitcoin to hit 125,0000. But that was a big prediction that I made in 21, it was like the Internet GDP, and that was shamelessly borrowed from a McKinsey report. The crypto being at the centre of it, probably a bit less consensus at the time.

Now, what's happened since then has been really interesting. Crypto went through its near-death experience, which we were both part of and was an interesting time. A lot of lessons learned. But it's come back, and it's come back in a way that's stronger, that's more resilient, that's a more orderly market and, frankly, a more useful set of products.

So my confidence that the Internet would be the world's largest GDP is unchanged, and I'm even more confident that crypto will be at the centre of that as a financial system. Our company, what we do, is really simple, and has been simple since 2011. We try to build products and tools that make it easy for people to be part of the crypto financial system.

Now, the reality of that mission is that it's gotten a lot more complicated over the last ten years. When we first started out, we just built a search engine to display bitcoin transactions. Then, we built a wallet for people to help manage and store their bitcoin. Then, we built a trading brokerage, then we continue and continue, until today we really do look like a Morgan Stanley for crypto, in the sense that we have a consumer brokerage, we have an institutional brokerage, we have a custody business, we have an asset management business, and we also have a systematic business.

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And so we're really in the business of making it possible for people to be part of the crypto ecosystem, and that's a challenge and a privilege that we take really seriously.

TS: And over the last decade, it's clear that retail investors have been the dominant force in crypto trading volumes, but as the mainstream appeal grew, you've started to see institutional adoption creep in. If you look at BlackRock, which is the world's largest asset manager, their bitcoin ETF reached $40 billion in assets in just over 200 days. That was only launched on 1st May 2024. It's now larger than all ETFs launched in the last decade.

And that explosive growth, I think, illustrates the type of demand for bitcoin, and BlackRock is just example of an institution adopting bitcoin, but all the other major banks are now offering products to their clients. You've been offering crypto services to institutions like BlackRock since 2019, so how does your platform cater to both retail and institutional clients, and where are you seeing the fastest growth in that?

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PS: So, this year was the first year that we've seen institutional demand really drive the market. We actually haven't seen a widespread resurgence in consumer trading activity. We've seen a return of activity, but so far that activity level has not surpassed prior levels where in the institutional space it's dramatically surpassed prior levels.

I do think that bitcoin ETF is kind of a funny example though, mostly because my theory on the bitcoin ETF being so successful at launch is actually that it was launched way later than it should have been. The success of that is just evidence that there was pent-up demand that had been ignored for too long. Why had it been ignored for too long? Frankly, because nobody could get an ETF approved.

We had a four-year period where the administration in DC would not approve new crypto products. And so I think that that's a really sad thing, a lot of investors missed out on a lot of gains, missed out on a lot of choices that they could have made, because we, essentially, had an administration in DC stonewalling the crypto industry.

And so, yes, there's a lot of demand for bitcoin, yes, the ETF product is really cool, but I think the very rapid success of it is mostly just evidence that it should have been approved a lot earlier.

TS: And do you see that institutional part of the market being the most significant driver, going forward? Or do we just not know at this point?

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PS: I think we don't know. But if I had to guess, I would say that actually consumer continues to drive it more than institutions. Because ultimately, at the end of the day, institutions are just collectives of consumers. All of the money eventually comes back to people somewhere, somehow. However long and winding that pathway back to the people is, it always comes back to people.

TS: Last week, there was an interesting article that stated that bitcoin had been declared dead more than 415 times in the past 14 year by various media and analysts, yet at the time of recording, it's just passed this symbolic milestone of $100,000 per bitcoin. Blockchain.com, as a business, has not been immune from the ferocious volatility that has characterised, almost been synonymous with, cryptocurrency for the last decade, and many of your competitors have not survived that volatility.

The most recent crypto winter, that period through 2022 into 2023, where you saw falling prices and reduced investor interest in the asset class, has seen the industry consolidate. So how has Blockchain.com, as a business, weathered that storm? You've come out of the other side of that crypto winter in a good position. Why do you think you've emerged as one of the surviving, and indeed thriving, entities, when so many others have gone under?

PS: Yes, I'd expand the statement. It's not even that many of them failed, I'd say most. So, when we look at it statistically, it's seven out of ten. And I think that we have managed to survive three of these crypto winters, or downturns, really for a few reasons.

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The first is that we're very committed to long term, and so we don't make a lot of short-term decisions. I think that there are decisions that we get wrong, and the decision we learn from, and things that we have to change, cycle to cycle, but we've never been in the business of short-term gains.

A lot of the companies you see go bankrupt are really doing short-term things, trying to get rich quickly, trying to grow to fast. We are very long-term oriented. I think that that's helped us. And frankly, that's something we share a lot in common with Baillie Gifford.

I think the second thing is that we were very fortunate to have great people around us, in terms of the board, really experienced folks, know a lot about risk management, so we were probably a lot less exposed than a lot of our competitors, because of that.

The third thing is that we have seen this before. And so I feel like a lot of times the reaction from the folks that failed was far too slow. They were too slow to cut costs, they were too slow to cut risk, and a lot of them could have survived if they had moved much faster.

We had the benefit of having lived through these before, and so we knew as soon as things looked darker than expected that we needed to be incredibly aggressive about responding to it.

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In terms of how we came back thriving and stronger than before, there were a couple of things that we focused on. The first was eliminating any businesses that didn't make sense from a risk-to-reward trade-off. The second was really focusing on scaling our systems for operational leverage, so that when an activity resumed, we wouldn't have to just scale expenses with activity. Activity could scale and expenses would remain somewhat fixed.

And then the third thing is with a lot less competition, it's easier to succeed in a market. Now, whether that's from a client-onboarding perspective or that's from a gross margin on different activities, a market with two-thirds or three-quarters of the competition no longer there is just going to be a lot more interesting.

TS: And how have you dealt with some of the fallout from what's happened to your competitors? You've had the high-profile collapse of FDX, and the subsequent criminal charges brough against its founder. Trust is of paramount importance in this field, so how do you ensure Blockchain.com has the reputation for being the trusted platform?

PS: I was just saying that trust is easily lost, but built over a long period of time. You can quickly lose trust, but you can't quickly build it. And that's never been more true than in the crypto space. And one of the things that I'm most proud of, in my ten-plus years as CEO, is that we've never broken a trade. We've never not honoured a withdrawal request. We've always been there, we've always been on time, and we've always done right by our customers.

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That's the kind of track record that builds trust with your customers. In fact, in the depths of the crisis, we had a lot of customers who were emailing us saying, okay, do you have all of our money, what happens if we withdraw it? And we actually sent a customer-wide email and said, look, you can trust us with your money, but you don't need to. There's a Web3 side of the wallet, you click this one button and all your money goes from our custody to your custody, no more trusting us.

And I really thought, when we did that, that we'd get a mass exodus of funds. And we didn't, actually. About 10% of customers hit that button. We got even more money deposited back into the platform as people saw that they withdraw all the money, trivially.

And so to come back to your question, on a more pointed answer, trust is just built slowly by doing the right thing day after day, year after year. And one of the things that I think excites me most about being in crypto over the next ten years is that I feel like we've kind of proven to the market that we can be trusted. And I think that's probably one of the most valuable assets you can own at this point.

TS: For many people, the decentralised nature of bitcoin is one of its key advantages. The fact that it's free from the control of any single government, central bank or authority appeals to investors looking for an asset class outside of the traditional financial system. What do you see as the biggest threat to the widespread adoption of bitcoin?

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PS: I don't know that there are a lot of threats left. And I think it's reached a large enough size and a wide-enough distribution that it'd be very hard to shut down, particular now that the big tradfi companies are involved. I think from a technical perspective, we're unlikely to find out anything that we haven't found out by now.

I do think that the thing that will slow adoption down is access. What I mean by access is localised software has to be built to enable different markets from a fiat banking perspective. Now that there are less companies to do it, I think maybe that process slows down a little. But I think you're just talking about a delta of a couple of years. I think a lot of other cryptos face real threats, but in the case of bitcoin, it's really reached a critical mass where we're here to stay on the bitcoin front.

TS: And you talked earlier about countries where it's really important to actually have assets like bitcoin, and you can look at countries like Venezuela which have some of the highest bitcoin adoption in the world. Can you ever envisage a situation where governments think they can use bitcoin to address national debt, if countries can't finance their debt with economic growth, could they do so with bitcoin? Is that a feasible scenario?

PS: I think a very small country could. If I was running a small country today, and I could issue debt and buy bitcoin, I'd probably issue as much as I could and buy bitcoin. But that also only works out if the political leadership is stable. Because the magic of bitcoin, and crypto generally, is that you need to hold on to a position for five or six years to make money.

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So in most democracies, there's not enough time to hold onto that position to make money. And my fear would be your political opponent would sell the position at a loss just to make you look bad.

TS: It makes the challenges of running Blockchain.com more trivial when you think about it in terms of running a country to do this, but the recent re-election of Trump in the US has undoubtedly been a positive for the industry. He's claiming to make America the crypto capital of the planet, the greatest strategic reserve of bitcoin even, maybe. So talk us through how profound and significant it is having the biggest economy in the world endorsing the use of bitcoin.

PS: I think it's huge. And what's really been the thing holding the crypto market back for the last four years is the resistance from the US. Now, we've gone from not just an absence of resistance but sort of a full-throated support for bitcoin and the crypto industry.

I don't think you can overestimate how important that is. It really is a whole new world, a whole new market, with the Trump administration opening up the market. Also, they're going to get out a regulatory framework that works. My guess is a national charter. It's probably the most significant thing to happen in the crypto market in the last six, seven years.

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TS: What do you think it might mean in practical terms, in contrast to the past four years with what you might to expect to change over the next four?

PS: I think that you'll be able to get banking. I think you'll be able to go public. I think that you'll be able to serve more customers. I think that you'll be able to get away from the patchwork of licenses you have today to be a crypto company in the US, and towards a federal charter. My guess is that, more or less, it changes almost everything about how the crypto market looks today.

TS: And do you think that other countries will follow the US?

PS: I hope so. We'll see. I think a lot of countries have already come up with their framework and their rules, I think it's just a question of how good they are.

TS: So, another data point regarding the validation of bitcoin and other cryptocurrencies, Ferrari recently introduced the acceptance of crypto, and Tesla reversed the decision to accept bitcoin, due to increasing concerns about the environmental impact of bitcoin mining.

We see lots of stats in the press about bitcoins usage relative to other countries. I remember there was an article on the BBC which got a lot of airtime a few years ago, saying that bitcoin consumed more electricity than Argentina. So can you explain, at a high level, why bitcoin is so energy-intensive? And then, maybe as a follow-up, can Blockchain.com help to address the challenge of making blockchain infrastructure more energy-efficient?

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PS: Bitcoin does consume a lot of energy via mining. Mining is how the network's secured. It's really complicated, but a way of thinking about it is all these computers around the world are looking for the answer to a puzzle. Whoever finds the answer to the puzzle gets to release the block and earns a reward. And it does burn a lot of electricity.

However, it's also incredibly competitive, and because of that people only mine bitcoins where energy is incredibly cheap. Ergo, most of the electricity being used to mine bitcoin is unused or excess electricity. You don't really find a lot of bitcoin mining equipment in places where there's not excess electricity, purely because it means the price of electricity is too high to compete with the people who are in the zero-to-low-cost energy zones.

Now, in terms of what we can do to help with this, actually we work with mining companies to help them manage, liquidate and hedge their positions, including their energy costs, but we're not directly a miner. But we basically choose to help mostly by helping them manage their energy cost curve. But the really simple and good news is bitcoin makes no sense anywhere where the power is not basically free and excess.

TS: So it's a market mechanism that really addresses that environmental concern?

PS: Yes.

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TS: I wondered if we could get to the end of this conversation without mentioning the Dallas Cowboys, but I think we need to talk about it. In 2022, you made history by becoming the first-ever cryptocurrency firm to partner with an NFL team. You had a phenomenal endorsement from the owner and president of the Cowboys, Jerry Jones, and he said Blockchain.com is one of the oldest and most trusted digital asset platforms in the world, and we're proud to venture into this innovative business with them.

And the recent Netflix hit series, America's Sweethearts, which focused on the Dallas Cowboys' cheerleading squad, was great from a brand-building point of view, given they're one of the most trusted brands in professional sports, so seeing the Blockchain.com logo. I believe if, for you customers, if you sign up on the platform, you get the chance to win tickets to see the Cowboys and win merch, is that right?

PS: Yes, that's right. That's actually been a really popular feature. People enter into this lottery to win tickets to the Cowboys game, either there's a Blockchain.com rented area or in the suite. So there's always a lot of events and hosting and marketing stuff happening in Dallas.

TS: It is a pretty powerful endorsement though, from one of the biggest sports brands in the US.

PS: It is. And it's the biggest team in the US by fans and by stadium and by value. And the NFL had to approve companies to become sponsors of teams, and we're the only NFL sponsor from the crypto industry. And I think half a dozen companies tried And so it's a huge deal to be the only company to make it through that bidding process.

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And there's something really special, I'm not from Texas, I lived most of my adult life outside the US, but am American, and there's something really special about walking into that stadium, America's team, and seeing the company's logo. It's almost oppressive how many places that logo is inside the stadium.

TS: And it's back to the topic we were talking about earlier, about trust.

PS: Yes. It's about trust and brand. And really I think these are going to be the key differentiators, or the key things that matter, in a crypto company going forward.

TS: So, we always like to finish the podcast with the same question. What does the world look like if Blockchain.com succeeds in its mission?

PS: So, if we succeed in our mission, I think that it means that, number one, the digital asset financial system is at the centre of that internet GDP, and that we've made it easy enough for any person in the world, and any company in the world, to be part of that financial system. And in so doing, we've massively increased human economic freedom and freedom of choice and financial access around the world. I think that's going to take some time, but maybe another five, ten years and we'll start to be there.

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TS: Peter, that's been fascinating, so thank you so much for joining us today.

PS: Thank you for having me.

CS: So, Tom, I think it's safe to say that was always going to be one of those episodes that was going to pique people's interest, given the subject matter. We, initially, bought Blockchain.com for Scottish Mortgage in April 21, and at that time this was an industry that was definitely gaining some traction, despite the volatility, but it was an emotive decision at the time for some of our shareholders.

I actually looked back at what we'd written to help explain our thinking, and what we'd said was, the philosophy of Scottish Mortgage is that our investments much have the ability to produce extreme returns and, on that basis, we should be interested in bitcoin and cryptocurrencies, because the upside potential is there for the next decade and more.

The company we're investing in could be building the financial infrastructure of the future. We're no stranger to controversial investments, and it would be wrong to write-off an area where there is so much talent and focus from venture capitalists and entrepreneurs.

So I feel, nearly four years on, that still pretty much holds true. So I guess, Tom, going back to early 2021, and given the relative nascency of the industry at that time, how did you initially come across the company, and what was it that drew you to Blockchain.com specifically?

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TS: Well, I think the whole area was interesting. There was a lot of noise around it, you were seeing huge valuations, market capitalisations attributed to these new tokens. And so the process was can you find partners that you can trust that will help you to learn about this new area?

And Peter actually approached us because he'd heard about us as a long-term owner of businesses. I hope it will have come across that he is a founder who thinks really long-term about his business. And so I think one of the big challenges in this area has been avoiding players who maybe sail a bit closer to the wind. And so I think that trust is a really important part of it.

CS: And I touched on this in the intro, Peter is one of the longest-serving CEOs in the crypto industry. And, Tom, we had lunch with Peter before we did the podcast, and he said something really interesting about not being this bitcoin idealist. He doesn't have strong feelings towards individual cryptos, he's pretty agnostic actually towards the stable coins. What he really cares about is that economic freedom, and he alluded to that in your conversations. So, I guess, do you think that's where he has succeeded where others have failed, having that kind of more pragmatic view towards cryptocurrencies more generally?

TS: I think that's part of it. I think business models, you have to be adaptable in your business model in an evolving, new industry, and therefore being too much of an idealogue is potentially a hurdle. But I think also what I'd say about Peter is he's a builder. He wants to create something, building something, so he's not a speculator. He wasn't drawn to it by the financial speculation, which has undone some of the other companies. He wasn't look to get rich quick. He wanted to create a lasting institution.

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CS: And I think there's a pretty powerful line in there from Peter, that certainly stuck with me, when he was talking about the competitive landscape. And he said that it wasn't the case that many failed, it was that most have failed. I thought that was pretty striking. And you, maybe, have had a different lens to Peter, because you're obviously one step removed from the day-to-day running of the business, but in your opinion, what is the company's competitive edge, how has it evolved? And what have they done differently, in your opinion?

TS: Well, I think building out the business in the right way. If you look at what they've done, it's about obtaining the necessary licences to operate in different areas. They've built that breadth in the business by doing that, country by country. They haven't been serving the US in a regulatorily ambiguous way. So I do think that that cautious way of building out a financial services organisation is really important, that you don't cut corners.

I think another part of it is being an integral part of the crypto ecosystem, so they don't just serve people who dip in an out, whose business is predominately in fiat currencies who occasionally want to speculate on bitcoin or some other cryptocurrency. Instead, it's serving the financial services participants in that new ecosystem.

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And what's important about that is those people are always there, they're not trading in and out. They're not there just because the price of a coin has gone up, only to walk away for the next two or three years. And I think that gives a certain sustainability to the revenues of the business.

CS: And then, maybe just pivoting slightly to thinking about the risks of this business, and I think it's been fascinating to witness, certainly in the latter part of this year, how that imminent change of government that we're about to see has had such a profound impact on the sentiment towards an industry. As Peter said, the last four years, you've had this government wanting to drive crypto out of America, and now you have an incoming government who want to make America the crypto capital of the world.

Now, obviously, Peter can't control who's in the White House, that is outwith the control of the company, so if you consider the potential threats, what do you think is most significant, and why do you think the company is now well-placed to overcome any threats and risks?

TS: Well, one of the things that's interesting to me, let's talk about bitcoin in the abstract first, is that you've had the materialisation of a number of what I would suggest, would have suggested, would be the big threats. You've had steep decline in prices, you've had regulators try to regulate cryptocurrencies out of existence, shutting down the banks of the companies that operate in the crypto space. You've had massive fraud from companies like FTX.

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And yet, the bitcoin price has remained resilient. It fell quite a lot, but if you look at the capitalisation of bitcoin at the trough, it was still massive. So I think that you've seen there is really substance to some of these cryptocurrencies to come through the extraordinary stresses of recent years, which says to me there's something more to it than a fad or a temporary craze.

So, I think if you can get through that, you can get through most things. I think actually it will come down to much more basic aspects of running a business. Do you control risk? Do you have the correct regulatory frameworks in place? Do you do the necessary work on knowing your customers? Do you create a good customer experience? Do your customers like you? I think actually getting those things right and accepting that you are just going to be in for a volatile ride is really important.

CS: And, Tom, just as a final question, I have notes from a client meeting we did in the summer of 21, and when you were talking about the long-term investment case of bitcoin and Blockchain.com, you said to one of our shareholders, with Blockchain.com you need to focus less on the bitcoin price and more on the softer notion of its growing interest, adoption and normalisation.

And if you look on Blockchain.com's website, they say that a third of all bitcoin transactions are via the Blockchain.com platform now, which is over $1 trillion flowing through their business. So I'm interested, just as a final question, thinking about the scale of the opportunity here, can you talk us through the economics of the business model of Blockchain.com, how that increased adoption and normalisation feeds through to volumes, how that can be so potentially lucrative? How do you quantify the scale of the opportunity for Blockchain.com from here?

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TS: I think there are a number of angles to that, and you can make it arbitrarily complicated but if you think of it in a really simple way, how much economic activity is going to flow through digital assets? And we've seen that level rising, albeit in a highly cyclical environment.

And so, if you operate in that backdrop of generally more activity taking place, then, if you run an agency business model, you're facilitating transactions, you're facilitating activity, you're taking fees on that, then as that whole level of activity increases, then your opportunity increases with it. And if you're doing things for your customers that they find valuable, then your opportunity to win a return is there.

And so, this should be a business that doesn't need a great deal of extra cost as it grows. Its margins should, therefore, be able to expand as its revenue grows, and it really then just comes down to how central do you think cryptocurrency becomes in the functioning of the financial system.

CS: Perfect. Well, Tom, I really enjoyed that conversation between Peter and yourself, and I think are listeners will as well. So, as always, thank you very much for your time.

TS: Thank you.

CS: This season promises to bring to life our mantra of investing in progress. You can subscribe, so you're first to hear when new episodes are released, and you can learn more about Scottish Mortgage by visiting our website, ScottishMortgage.com. You've been listening to Invest in Progress, thank you for joining us.

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