

Banks Start to Crawl While the Crypto Industry Keeps Running

SYDNEY, AUSTRALIA, November 4, 2021 /EINPresswire.com/ -- Commonwealth Bank recently announced that it would be the first major Australian bank to provide cryptocurrency services to retail clients, taking a step into the future but still remaining far behind the crypto industry's rapid growth.

Commonwealth's services will allow customers to buy, sell, and hold 10 different cryptocurrencies including bitcoin in what is being considered a pilot program. While this is a major step for the banking industry, cryptocurrency firms still remain years ahead in terms of providing the financial benefits of crypto directly to consumers. Buying and holding crypto assets can be a valuable strategy but the crypto industry, especially decentralized finance (DeFi), currently offers millions of users across the globe access to an array of wealth generating services in addition to buying and holding.

"DeFi users are regularly earning between 5-15% annual interest in a safe and stable way on their digital dollars," says Rossco Paddison, CEO of SyncDAO, a decentralized finance organization. "Compare that to banks with average rates at around 0.05% to 0.5% depending on the product."

Paddison is referring to DeFi services such as "staking" and "yield farming" both of which allow consumers to deposit their crypto into a DeFi protocol to earn interest rates far greater than any bank offers. These DeFi services do come with risks but many consumers are gravitating to their value, taking the time to learn how to manage crypto assets, putting their money to work rather than leaving it in a bank savings account to lose value when accounting for inflation.

In 2021, global cryptocurrency owners have grown from around 106 million to 221 million people, [according to Crypto.com](#). Additionally, in DeFi, the total value of deposits in projects globally has [grown from around \\$20 billion to around \\$255 billion](#) since the beginning of the year.

Forward looking banks are searching for ways to tap into this demand from consumers but when compared side-by-side to crypto firms such as the well-known DeFi firm Aave or the centralized firm Coinbase, the banks just don't offer the same product lineups and don't appear to be considering them in the near future.

"It's great to see banks step into this space, helping to expand the use of cryptocurrency," Paddison explains, "but if consumers want to get the full value they need to bypass banks and look deeper into DeFi. Doing so is becoming easier and easier to do with as little as an internet connection and a phone."

Commonwealth Bank's chief executive, Matt Comyn, is [on record stating](#) that cryptocurrency is divisive among banks with some planning to offer products to clients and other banks hoping regulators regulate it out of existence. That seems highly unlikely, with DeFi being decentralized in nature making it difficult to fully regulate paired with an obvious demand from consumers across the globe. Banks may be better off fast-tracking their crypto product roadmaps or risk completely missing out on the growth of the crypto industry.

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