

Financial services regulator warns of risks of partnerships between football clubs and unregulated digital asset companies

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The Financial Conduct Authority ("**FCA**") has issued a [letter](#) to Premier League ("**PL**") clubs, warning of the significant legal, operational, and reputational risks associated with sponsorship arrangements involving unauthorised cryptocurrency exchanges and trading platforms. While football clubs themselves are not regulated by the FCA, the regulator's intervention is the latest indication of a heightened focus on the intersection between football and financial services, particularly where clubs may inadvertently facilitate unlawful activity or expose themselves to criminal liability. As we noted in our previous briefing (available [here](#)), the FCA's warning follows closely after it agreed formal cooperation and information sharing arrangements with the Independent Football Regulator ("**IFR**").

Key takeaways

- 1 The FCA is actively monitoring football clubs' sponsorship arrangements and is willing to intervene where there is risk to consumers or the integrity of the financial system.
- 2 Clubs could face criminal liability for facilitating unauthorised financial promotions under FSMA or handling unlawful funds under POCA.
- 3 The FCA expects clubs to carry out thorough due diligence and ongoing monitoring of digital asset sponsors.
- 4 Failure to act could result in criminal investigation, enforcement action, and reputational harm.
- 5 Ongoing cooperation between the FCA and the IFR means that high-risk sponsorships could also affect clubs' governance assessments and licensing.

The FCA's Position

The regulatory landscape for cryptoassets in the UK is evolving rapidly. Following previous draft legislation published by HM Treasury in April 2025, [The Financial Services and Markets Act 2000 \(Cryptoassets\) Regulations 2026](#) were passed in February 2026, bringing a broader range of cryptoasset activities within the FCA's remit. These regulations will require FCA authorisation for any entity dealing, arranging, operating a trading platform, safeguarding, issuing, or staking cryptoassets by way of business, including overseas firms engaging with UK customers. The new regime is expected to come into force on 25 October 2027.

Against this backdrop, the regulator has observed an increase in partnerships between clubs and unauthorised digital asset firms, with 70 per cent of PL clubs currently holding at least one crypto or trading partnership. The FCA has indicated that its concerns are twofold:

- **Legitimacy and Consumer Harm:** Sponsorship by a football club can confer legitimacy on an unauthorised firm, providing it with a platform to promote its services to UK consumers. These risks exposing fans and the wider public to unregulated - and potentially harmful - financial products.
- **Legal and Criminal Exposure:** Clubs may facilitate or even themselves commit criminal offences under the Financial Services and Markets Act 2000 ("**FSMA**") and the Proceeds of Crime Act 2002 ("**POCA**") by entering into such arrangements.

The FCA's proactive approach mirrors previous interventions by other regulators (such as the Gambling Commission's warnings prior to the voluntary PL front-of-shirt gambling sponsorship ban).

Recent high-profile litigation in the United States demonstrates the real-world risks in this area. Several high profile athletes who had FTX endorsements have faced lawsuits from FTX creditors, alleging that their promotional partnerships with the now-collapsed crypto exchange amounted to aiding and abetting fraud and promoting unregistered securities. These cases underscore the risk of being drawn into costly and reputationally damaging litigation, even where there is no suggestion of actual knowledge of or intent to facilitate wrongdoing.

Key legal risks for football clubs

Football clubs are typically not FCA-regulated firms. Therefore, the FCA generally cannot, for instance, apply supervisory controls or fines a club for poor controls as it may for banks or other financial services firms. Instead, the FCA's leverage lies in criminal and quasi-criminal enforcement powers and its ability to coordinate with other agencies. For example, two identified areas of risk for clubs are:

- **Section 21 FSMA – Unauthorised Financial Promotions:** Clubs that assist unauthorised firms in promoting financial services or products to UK consumers may be in breach of section 21 of FSMA. This is a criminal offence. Clubs should be particularly cautious about their own communications (e.g., social media, matchday programmes, or website content) which may constitute financial promotions. If a club is found to have communicated or approved an unlawful financial promotion from a sponsor (for example, by disseminating advertising

that amounts to an invitation to invest in the sponsor's products), the FCA could seek to prosecute individuals or (less likely) clubs or associated companies. It has successfully [pursued](#) prosecutions of prominent social media personalities in multiple cases in recent years where it has decided that their large followings and/or the inherent riskiness of the products they have merited action for public protection and deterrence.

- **Money Laundering:** If a sponsor's revenue paid to clubs comes from criminal conduct (which may include providing regulated financial services without authorisation) receipt or use of those funds by clubs could lead to the FCA or other authorities seeking either to pursue prosecutions or to use other mechanisms in POCA to freeze and recover funds (including from clubs and associated companies). Whether sponsorship fees may fall within the definition of "criminal property" for the purposes of POCA will be a highly nuanced assessment to be made on a case-by-case basis. It does not follow that if a sponsor is acting in breach of the general prohibition that all sponsorship fees will represent the proceeds of crime. However, the FCA's intervention is clearly directed towards encouraging clubs to put suitable processes in place to assess and monitor the money laundering risks associated with their sponsorship relationships.

Although football clubs are not directly subject to FCA regulation, the FCA's letter is a clear warning shot to the sector. As highlighted in our previous [briefing](#), the FCA and IFR have established frameworks for cooperation and information sharing. While the IFR might not directly police financial promotions law, it could view recurring high-risk deals as symptomatic of poor governance or disregard for integrity. That, in turn, might influence the IFR's licensing decisions or the "fit and proper" standing of individuals running the club. For more detail on the IFR's suitability assessments, see our previous investor briefing on the IFR [here](#).

Additionally, senior individuals at clubs - many of whom may have interests in FCA-regulated businesses - should be aware that information about sponsorship arrangements may be shared between regulators. This could have implications for their own regulatory status and for the club's reputation and governance assessments.

Key considerations going forward

The FCA's letter marks a significant escalation in regulatory scrutiny of clubs' commercial partnerships with financial services providers it deems to pose a high risk to consumers. Clubs should treat this as an opportunity to review and strengthen their compliance processes, both to protect themselves from legal and reputational harm and to demonstrate leadership in responsible commercial practice.

Given the FCA's clear statement of intent, it is essential that clubs act now to ensure their sponsorship arrangements are robust, defensible, and fully compliant with the evolving regulatory landscape. The reputational stakes are high, and the consequences of inaction could be severe.

For further advice on specific arrangements or to discuss the implications of the FCA's letter in more detail, please contact your usual Clifford Chance team.



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