Chapter 1: Introduction

In November 2021, Manchester City announced that a new commercial partner had come on-board. The company was called 3Key and it was said to be offering tools to 'help educate customers and simplify their understanding of the DeFi space and market.' 'DeFi' is short for 'decentralised finance.' In other words, cryptocurrency.

Just a week later, City suspended the partnership when it became clear that nothing about 3Key seemed to be true, even the fact that the company existed at all. It had no verifiable company registration, no address or telephone number and the named senior executives on 3Key's press release turned out not to exist. It was a total ghost ship operation.

Despite this, City had signed a contract with the company and begun promoting 3Key to their fans globally. Were you a junior estate agent who had rented a flat to someone on this basis, you would get fired. If City had actually accepted money from 3Key without having verified its identity, that might be a breach of money laundering regulations.

City refused to make any public comment on how the deal with 3Key had come about and, a few months later, quietly terminated the partnership.

After one of the best-run clubs in the game got caught out this badly, you might think it would have acted as a wake-up call to the rest of English football. But you'd be wrong. The dash for crypto cash continued and, within a month or two, almost every Premier League club could boast their own crypto partner. Further down the divisions, the only clubs without a crypto deal were those who had chosen not to sign one. No club wanted for offers. There was talk of five- or six-figure deals for single game sponsorships. Larger clubs were said to be making tens of millions a year.

Players got in on the act too, accepting money to endorse schemes they rarely understood and encouraging their fans to join them in buying bizarre coins, fan tokens and non-fungible tokens (NFTs), all of which they assured us were the future of, well, everything. Crypto was going to change the world and those who got in on the ground floor were going to be rich.

With very little due diligence, football embraced a technology that was being sold by criminals, conmen, hucksters, greedy entrepreneurs and crazed ideologues. Even those crypto businesses that weren't outright scams or greater-fool investments generally engaged in misleading marketing and had business models that were extraordinarily vulnerable to collapse.

And collapse they did, wiping out billions of pounds of investments made in largely unregulated businesses. These unfortunate investors – 'bagholders' in the parlance – had no recourse either to compensation or, in the vast majority of cases, the criminal justice system. Football, meanwhile, simply shrugged its shoulders and turned its attention to other sources of income.

No apology, no explanation, no promise to do better in future.

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I first encountered crypto in 2014. Back then it was part of what people were calling 'digital currency.' Then, as now, the one with the biggest profile was Bitcoin. I was working as an editor on a trade publication and a client had asked me to commission a piece about what these digital currencies were and what they might mean for the future of their industry.

Not knowing much about crypto, I decided the best way to learn was to experiment with it. So I went to a crypto exchange, punched in an order for $100 worth of Bitcoin and entered my card details. As I was about to hit 'confirm,' my phone rang and I was called into a planning meeting. The purchase timed out and, by the time I returned, I'd received an email saying the client had changed their mind and didn't want the article writing after all.

Had I completed the transaction and held onto the Bitcoin until its peak in November 2021, that $100 investment would've been worth $15,789. It's the most expensive meeting I've ever been to.

Crazy as a nearly 16,000% return on investment might sound, back then it seemed quite possible, at least according to what Bitcoin's evangelists were saying. We weren't that far removed from the huge stock market listings that made the founders of Google and Facebook billionaires, and here was a technology that we were being told would inevitably transform banking, finance, retail, logistics, data storage; in fact virtually any industry you could name. The explicitly political wing of Bitcoin even dreamed the technology might herald the end of taxation and government control of economies.

I didn't think much about crypto for the next few years. Like everyone, I'd see occasional newspaper pieces about crazy price spikes and hard-luck stories of people who'd accidentally binned a thumb drive and lost Bitcoin worth millions. But if cryptocurrency wasn't yet changing the world, it was acquiring a creeping momentum. By 2018, one Bitcoin was worth nearly $20,000 – up from $437 on the day of my failed purchase – and its seeming ability to create wealth out of thin air was beginning to turn heads.

And then, in mid-2019, West Ham put out a press release announcing a tie-up with Socios, a company offering 'fan tokens.' They would, the club said, allow people to buy influence in the team and become 'more than a fan.' I had just been working on a story about OwnaFC – a collapsed company that promised people the chance to buy and run a football club via an app – and so I wondered if this was a similar set-up.

It wasn't. It was something far stranger. Seemingly you had to download an app and then use real money – pounds or euros – to buy the company's digital money, called Chiliz, which you could then use to buy 'fan tokens,' which would then enable you to vote on your club's business. You could also sell the tokens, presumably at a profit. All of this sat on something called a blockchain, which would ensure the security and sanctity of the ballot. No cheeky logging into the player-of-the-year poll of your biggest rival and voting for the hapless centre-half who'd conceded a crucial own goal in the derby.

It took me a few minutes to grasp what I was reading. Cryptocurrency, it seemed, had arrived in the Premier League, and it wasn't just Bitcoin now. There were hundreds of new cryptocurrencies, some claiming they were going to change football forever, and all, to some degree, promising that they could make you a tonne of money.

This book is about what happened next. How English football made a killing on crypto, enriching some terrible people and allowing its global profile to be used to sell investments that, in most cases, ended up being completely worthless.

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Working from home, remote learning, Zoom meetings, four-day weeks, moving out of cities, dog ownership, food delivery, the end of cash, universal basic income pilots. Covid accelerated a whole range of trends and technologies, challenging us to think about a future where we spend less time in offices and more time at home. Crypto was no different.

By the time Bitcoin hit $20,000 in 2018, its momentum had carried it beyond the world of tech and finance and made it a growing part of the culture. Back then you'd likely already heard of cryptocurrency, but probably only Bitcoin. Chances are you didn't know what a blockchain was and if you'd ever actually bought a cryptoasset, you were in a small (but growing and vocal) minority.

Fast-forward another two years to early 2020 and crypto was fully mainstream. A prolonged period of low interest rates meant that any idea for a tech business, no matter how bizarre, could attract idle venture capital in search of a return. Crypto, which was a technology that could be used to create, at very low cost, a new class of speculative assets promising huge returns, sucked in money both for the purchase of cryptoassets and the creation of businesses built on and around that tech. And right at that moment, when investors were getting heavily into crypto and the newspapers were filled with stories about NFTs – charmless digital cartoons of apes which, against all reason, were now mysteriously worth a fortune – lockdown happened.

It set a match to the combustible mix of a fast-growing industry and a general public who had a lot of time on their hands and who had come to understand that crypto was a money-printing machine.

From March 2020, Bitcoin – the bellwether of crypto prices – rose, slowly at first, then rapidly, from $5,500 to a peak of over $63,000 in April 2021. For the first time, ordinary consumers, many of whom found that furlough had cut their outgoings but preserved much of their income, began buying crypto. Tens of billions of dollars of Bitcoin were traded daily and competing new cryptocurrencies and crypto businesses launched, producing huge paper profits for their founders.

In a couple of years, a brand-new and almost entirely unregulated subset of the financial services industry had sprung into being, and it needed new customers. Football clubs, meanwhile, were nursing huge losses from Covid, caused by playing games in empty stadiums. One report suggested that the pandemic cost English football £1bn, with £800m of that hitting Premier League clubs and £120m affecting Championship clubs.

It was a perfect storm. Football needed money desperately, while crypto had it by the bucketload and was eager to use sport to legitimise itself and attract new customers. For the first time in years, it wasn't gambling companies that were making sponsorship waves.

In the pre-Premier League days of English football, shirt sponsors were a diverse group, often having long-standing partnerships with clubs. For Manchester United, it was Sharp. For Arsenal, JVC. For Liverpool, Crown Paints. But the globalisation of English football had ended that. Gambling sponsors had taken a stranglehold on front-of-shirt sponsorships. At first it was names you might recognise in the UK, but increasingly so-called 'Asian-facing' bookies had proliferated. These were opaque companies, which would partner with Isle of Man- or UK-based companies to obtain a gambling licence – despite, in some cases, having no UK website – and then use football shirts to advertise their wares into markets in South-East Asia where gambling was illegal. Those that study these companies, like investigative journalist Philippe Auclair, believe that many of these companies are straightforwardly fronts for organised crime.

Still, the money they offered was huge – far more than companies from other sectors could manage – and so sponsoring a football club became less of a brand endorsement and more a way to circumvent gambling restrictions.

Before Covid, however, some of the shine had been starting to come off gambling money. A government consultation on stronger regulation was under way and the voice of anti-gambling campaigners was beginning to be heard in football.

Into this situation crypto arrived: bright, shiny and exciting, turbocharged with fresh cash and not tarnished by the growing feeling that gambling was out of control. Never mind that gambling, unlike crypto, was actually regulated, however imperfectly. The cash was splashed.

It wasn't just football – or just the UK. In September 2021, just as crypto prices were peaking, DigitalBits, a blockchain company, agreed an €85m deal with Inter to be first their sleeve sponsor and then, for season 2022/23, to take over as main shirt sponsor, replacing fan token provider Socios (about whom more later). In November 2021, Crypto.com, a crypto exchange, inked a 20-year, $700m deal to rename the Staples Center, home to LA's two NBA teams, as well as a number of other sports franchises. The climax of this orgy of spending came in June 2022, when FTX, another crypto exchange, signed a deal worth $135m for the naming rights to the venue where the Miami Heat played basketball. Crypto.com and FTX had also been two of the biggest-spending advertisers during Super Bowl LVI. This game, held in mid-February 2022, featured so many crypto ads that it became known as the Crypto Bowl.

It was pretty much all downhill from there. FTX went up in flames in November 2022, when the crypto equivalent of a bank run brought to light billions of dollars of losses resulting from the fraudulent actions of company founder Sam Bankman-Fried. Numerous other crypto companies found their tokens crashing when their exposure to FTX losses emerged. Tom Brady, FTX's most high-profile spokesperson, was reported to have held, with his ex-wife, shares in FTX that had a peak value of over $150m. They were now close to worthless and Brady was named in a lawsuit by aggrieved investors, who claimed they had been misled.

Crypto.com, which had already been slashing its workforce, saw its tokens half in value that month, leaving them at barely 10% of the price they'd been the same time the previous year. Back then, brand spokesperson Matt Damon had advised the public that 'fortune favours the bold.' One can only hope that the two stadium owners had disregarded his advice and demanded substantial down payments when the naming rights contracts were agreed. If Inter's experience is anything to go by, however, we shouldn't hold our breath. In February 2023, it was reported that, despite carrying DigitalBits shirt branding for nearly 18 months, the club had not received a single cent of the promised €85m.

This wasn't even the first time that crypto schemes had seen massive collapses. In 2017, OneCoin – whose story was brilliantly told by Jamie Bartlett in his book and podcast on 'The Missing Cryptoqueen' – was exposed as a fraud that may have cost investors over $4bn. Within a year, the wheels also came off Bitconnect, which was a similar if slightly more sophisticated fraud than OneCoin, leaving investors at least $2bn worse off. The founders of both schemes vanished and remain wanted by authorities today.

But no one knew about that; that was crypto's prehistory. To the world at large, crypto had grown up. Crypto was here, it was transformative, it was unstoppable. And, above all, crypto had shitloads of cash.

And so football took the money, no questions asked. After that, everything that happened was inevitable.

This book looks at the myriad ways that English football failed by embracing cryptocurrency. It's divided into five main sections – how football involved itself in misleading marketing, in grotesque failures of due diligence, in unethically monetising fan relations and in failing to take responsibility for the damage crypto partners did. The final section looks at what we could and should do to avoid a repeat.

Along the way, we'll meet a cast of reprobates that run from global organised crime down to two-bit local chancers who, if born 30 years earlier, would probably have spent their time passing bad cheques and stealing from charity raffles.

I believe that what happened during those giddy days of the crypto bull market represents a massive scandal. Many football clubs abused their positions and, in some cases, turned a blind eye to the unsuitable nature of the people and products they were endorsing, with the result that investors lost billions of pounds. The best you can say about many clubs is they were careless. In some cases, it went far beyond that.

Don’t worry if you aren’t hugely familiar with the terminology of cryptocurrency – I’ll explain what you need to know as we go along.[i] If at any point you find yourself thinking, ‘That can’t be right, no one would believe that,’ don’t worry, you’ve not missed anything. Some people just lost their minds.

[i] Always read the footnotes. That’s where all the best stuff is. You don’t want to miss the Battle of the Revenant Caves.