



## Crypto Scams & What You Can Do About Them

Sam Roberts, Partner & Litigator, Cooke, Young & Keidan

Wednesday, 16 March 2022, 16:00 GMT



## A Word From Today's Chairman

**Professor Michael Mainelli**  
Executive Chairman  
Z/Yen Group





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# Today's Agenda

- 16:00 – 16:05 Chairman's Introduction
- 16:05 – 16:25 Keynote Presentation – Sam Roberts
- 16:25 – 16:45 Question & Answer



## Today's Speaker

**Sam Roberts**  
Partner & Litigator  
Cooke, Young & Keidan



COOKE, YOUNG & KEIDAN

# Crypto scams – and what you can do about them

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Sam Roberts  
16 March 2020

# Omg, I've been scammed



Non-existent  
blockchain /  
fake token



APP frauds /  
wallet thefts



Ransomware  
attacks



Exchange  
hacks

# 1. Fake tokens / non-existence blockchains

- Not really a crypto scam at all – McGuffin
- **Option 1:** Follow your money to the payee
  - Injunctions and cross-border litigation
  - Group together with other victims?
- **Option 2:** What about your bank?
  - ‘Quincecare’ duty

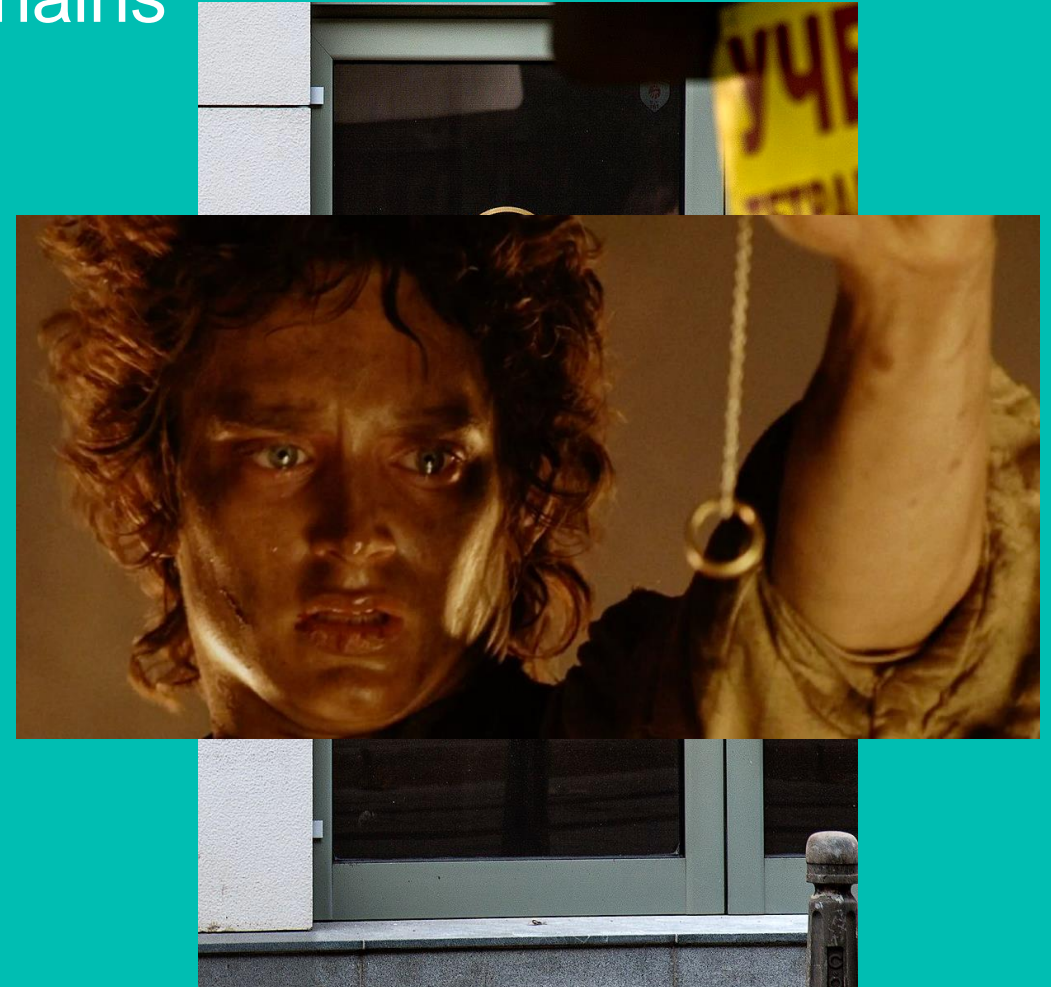
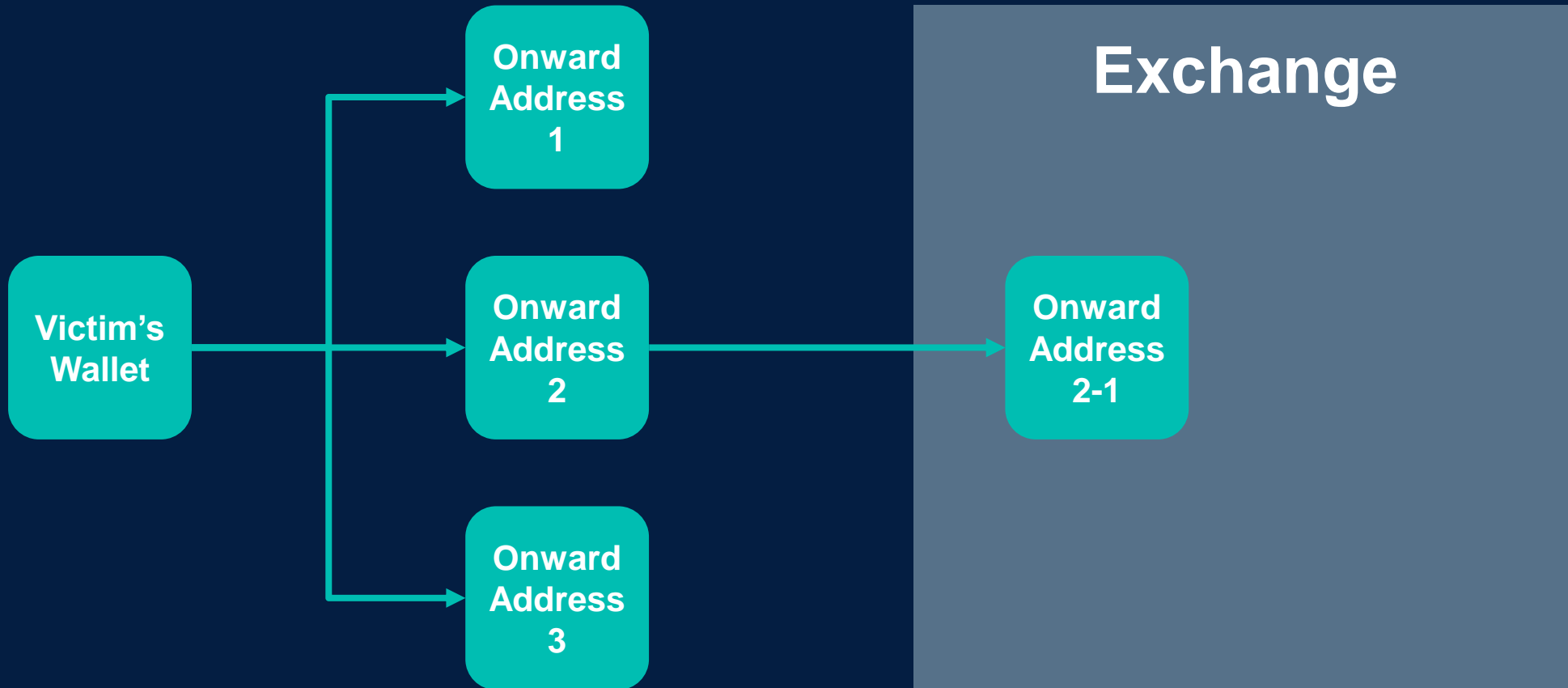


Photo Credit [Ronny Martin Junnilainen](#)



## 2 & 3. APP frauds, wallet thefts and ransomware attacks





# Transaction

Success

## Theft in *Robertson v Persons Unknown*

<b>Hash ID</b>	c32d1223565972271700bd8a71102b30b7e3ee1420bc8f261b96ca43e2520a06		
<b>Amount Transacted</b>	99.9999815 BTC (\$1,180,268.39)	<b>Fees</b>	0.0000185 BTC (\$0.22)
<b>Block Height</b>	583846	<b>Confirmations</b>	143652
<b>Time Received</b>	2019-07-04 20:25:48	<b>Size</b>	223

c32d1223565972271700bd8a71102b30b7e3ee1420bc8f261b96ca43e2520a06	2019-07-04 20:25:48
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<b>From</b>		<b>To</b>	
1AsV4XEozff1a2jeDf2LU69kYBUsv5uWE	100 BTC (\$1,180,268.61)	3NuZMuuQwqwAStsqcWHxFA834iehq2i5H8	80 BTC (\$944,214.88)
		187CHHy37K74n3S2oTLaX2yapVEVf45BkV	19.9999815 BTC (\$236,053.50)
		Fee	0.0000185 BTC (\$0.22)

**Total 100 BTC (\$1,180,268.61)**



# Transaction

Success

## 2011 Mt Gox Hack

<b>Hash ID</b>	e67a0550848b7932d7796aeea16ab0e48a5cfe81c4e8cca2c5b03e0416850114		
<b>Amount Transacted</b>	79956.55 BTC	<b>Fees</b>	0 BTC
<b>Block Height</b>	111194	<b>Confirmations</b>	616292
<b>Time Received</b>	2011-03-01 10:26:19	<b>Size</b>	4936

e67a0550848b7932d7796aeea16ab0e48a5cfe81c4e8cca2c5b03e0416850114

2011-03-01 10:26:19

### From

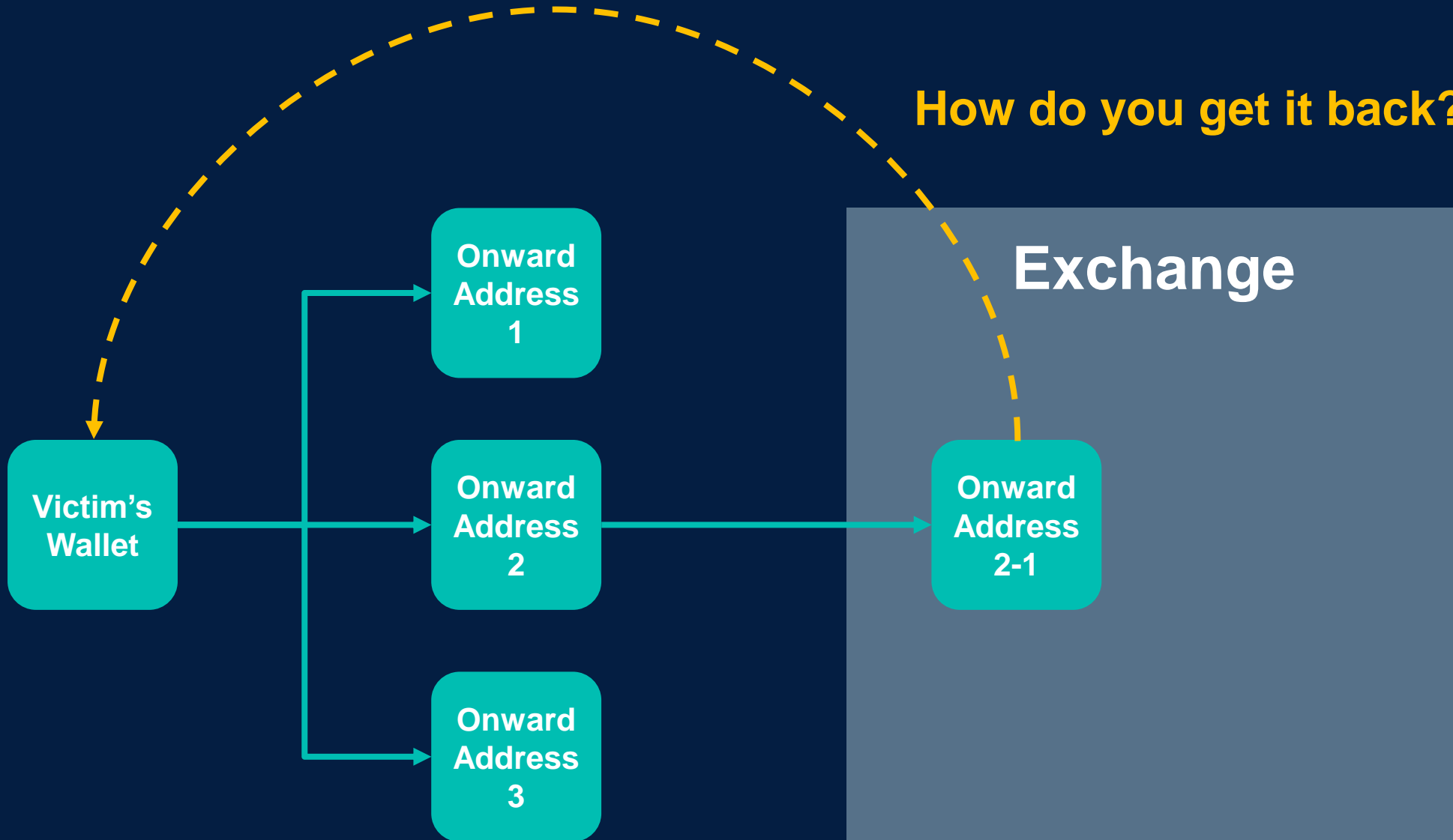
1HGBF5vta4mfgmej8ZB4iTPx6yFsb6zvKy	5000 BTC
184BCyFbhZBEGX9vvko9gbYaQt4Wj2HPNr	20.05 BTC
1J8ENxKSec9ghFvhfTrVjrBTvETEZNhgyF	10 BTC
1JcHoTwTa81HMYunR6uG4tB6zX3LpfaQti	2303.26 BTC
1KWGJEJmSCu2hRA3vwTHKFE8173uRFQ6A8	109.32 BTC
1GcLjWwpAECpqZRghT1XEWuE6CS5FBLrmR	40 BTC
15uDPXE75Ed52qRJgsW7NwQ6ngDCJb5TDn	1.09 BTC
1FQtCEEEiLuFTvhbx4Z5fda3GXV5xXzmfN	7542.05 BTC
1GPuT4JD1yKTEGnw2csTCqSAtS3DRiTD69	5 BTC
1FwnhahzYerpristjzo2iCSdFQUk9fGa1X	49 BTC
1H8infCTIqMRgnNRTQarSda2BXmzw94SMC	416.9 BTC



### To

1FeexV6bAHb8ybZjqQMjJrcCrHGW9sb6uF	79956 BTC
1GPuT4JD1yKTEGnw2csTCqSAtS3DRiTD69	0.55 BTC
Fee	0 BTC

How do you get it back?



12 June 2020

Our Ref: WRI2.17

Dear Sirs,

**Notice Regarding Ownership of BTC**

We act for Tulip Trading Limited (“**Tulip**”); we also act for Dr Craig Wright, the individual behind the pseudonym ‘*Satoshi Nakamoto*’ the creator of Bitcoin.

Tulip owns the unsplit Bitcoin in the following addresses:

- 1FeexV6bAHb8ybZjqQMjJrcCrHGW9sb6uF (“**1Feex Address**”); and
- 12ib7dApVFvg82TXKycWBNpN8kFyiAN1dr (“**12ib7 Address**”).

The 1Feex Address contains 79,957.20350967 BTC, with a sterling equivalent value of approximately GBP 609 million. The 12ib7 Address contains 31,000.06906135 BTC, with a sterling equivalent of approximately GBP 236 million.

On or around 5 February 2020, access to and control over those Addresses was stolen during a hack on Dr Wright’s computer network. The private keys to those Addresses were stored in an encrypted file on that network, as was part of the information required to open that file. Both the encrypted file and related information were stolen during the hack and deleted from the network.

Tulip and Dr Wright believe that, as those responsible for the “*Bitcoin*” Core blockchain (BTC), you have duties in relation to transactions on that blockchain in circumstances where you have notice of the interests involved, including in particular avoiding illegitimate transactions being entered on the blockchain where you have notice of the same. As a result, we hereby put you on notice that:

1. As stated above, Tulip is the legal owner of the “*Bitcoin*” Core in the 1Feex and 12ib7 Addresses;
2. Tulip intends to recover control over the Addresses and the “*Bitcoin*” Core contained therein;

0550848b7932d7796aeea16ab0e48a5cfe81c4e8cca2c5b03e0416850114

0 BTC

irmations

616292

4936

2011-03-01 10:26:19

To

1FeexV6bAHb8ybZjqQMjJrcCrHGW9sb6uF

79956 BTC

1GPuT4JD1yKTEGnw2csTCqSAtS3DRITD69

0.55 BTC

Fee

0 BTC

## 4. Exchange hacks

*If you have a digital wallet, have you ever  
looked at the terms & conditions?*



**5.18 Digital Currency Title.** All Digital Currencies held in your Digital Currency Wallet are assets held by the Coinbase Group for your benefit on a custodial basis. Among other things, this means:

(A) Title to Digital Currency shall at all times remain with you and shall not transfer to any company in the Coinbase Group. As the owner of Digital Currency in your Digital Currency Wallet, you shall bear all risk of loss of such Digital Currency. No company within the Coinbase Group shall have any liability for fluctuations in the fiat currency value of Digital Currency held in your Digital Currency Wallet.

# Revolut

## How we hold cryptocurrency as your nominee

You will own the rights to the financial value of any cryptocurrency we buy for you.

We will hold your cryptocurrencies on your behalf and you will have a right (called a 'beneficial right') to them. This means you can tell us when to sell or transfer it (within the limits of these terms and conditions). You have complete control of your cryptocurrencies, and we will only act upon instructions you give us. You will not be able to carry out transactions yourself.

The cryptocurrency we buy for you is held in a 'virtual account' that also holds cryptocurrencies for other Revolut customers. You will not have a separate cryptocurrency account. You can use the Revolut app to see the amount of cryptocurrency we're holding for you.



# The customer's position may depend on the exchange's T&Cs

**Pooled Tokens**

**No Trust**

- Pari passu ranking with other customers?

**Pooled Tokens**

**Trust**

- Proprietary claim over stolen tokens
- Breach of trust claim against exchange
- Revolut?

**Segregated Tokens**

- Different outcome for different customers
- Coinbase?



# Sam Roberts

Sam Roberts is a Partner & Solicitor Advocate at Cooke, Young & Keidan. Sam specialises in:

- Civil fraud
- Banking and finance
- Technology and Fintech

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# Comments, Questions & Answers





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# Thank You For Listening

## Forthcoming Events

- Thu, 17 Mar (10:00-10:45) A Shining Light On A Naughtie World
- Tue, 22 Mar (10:00-10:45) Difficult Questions: Saving Management Consultancy From Itself
- Thu, 24 Mar (09:00-10:00) Launch Of The Global Financial Centres Index 31
- Mon, 28 Mar (15:00-15:45) UK & Swiss Stock Listings – Advantages & Disadvantages Versus EU Listings

Visit <https://fsclub.zyen.com/events/forthcoming-events/>

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