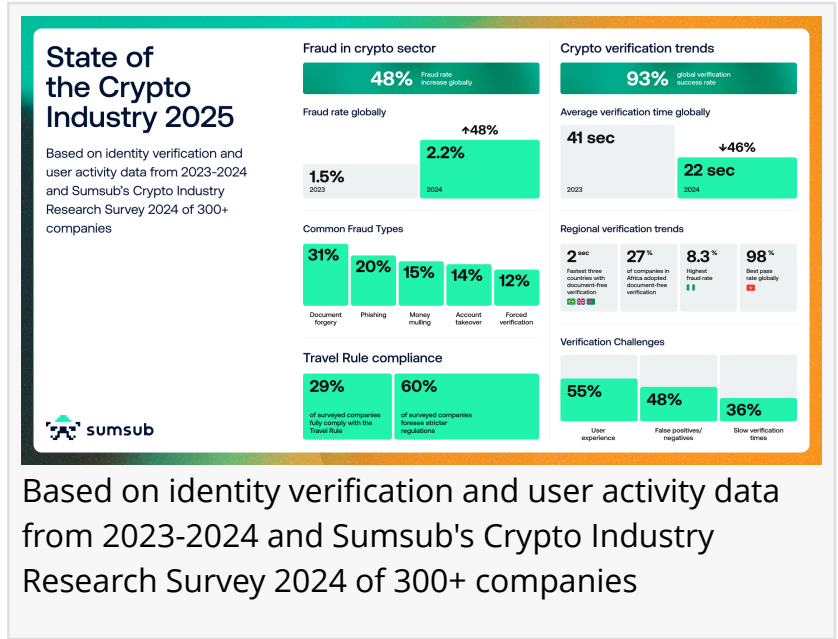


Sumsub State of the Crypto Industry 2025 Report Predicts Rising Demand & Stricter Compliance for Africa

Sumsub State of the Crypto Industry 2025 report offers exclusive data & insights into the major trends, challenges & innovations shaping the crypto landscape

JOHANNESBURG, GAUTENG, SOUTH AFRICA, February 11, 2025
[/EINPresswire.com/](https://EINPresswire.com/) -- Key highlights:

In Africa, Nigeria recorded the highest rate of fraud across the crypto sector at 8.3% , and showed a 75% average pass rate; the lowest amongst its regional African peers.



Based on identity verification and user activity data from 2023-2024 and Sumsub's Crypto Industry Research Survey 2024 of 300+ companies

Ghana, Namibia, Kenya, Algeria, Morocco, Uganda, South Africa and Tunisia all showed pass rates above 90% with Tanzania and Nigeria dipping lower.

South Africa, Algeria, Ghana and Morocco were among the Top-10 African countries in terms of speed of verification with times of 20-seconds or less. Kenya trailed with times of 29 seconds, but showed increased verification speed for document-free verification at 4-seconds only, surpassed only by Nigeria with 3-seconds.

Fraud in the crypto industry has soared by 48%, with document forgery constituting 31% of all detected fraud cases.

Globally 60% of crypto companies foresee stricter regulations, while only 29% fully comply with the Travel Rule.

As the industry navigates a pivotal period of growth and regulation, the report identifies three critical challenges that crypto providers faced in 2024 and should address in 2025 in order to succeed: security threats, technology capabilities, and regulation.

Security challenge: Fraud rising in the crypto sector

Sumsu's data reveals that fraud in the crypto industry has gone up by 48%, now making up 2.2% of all verification attempts across global crypto platforms. This surge highlights the need for companies to adopt AI-powered detection, biometrics, and continuous monitoring to enhance security.

Nigeria recorded the highest rate of fraud across the crypto sector, with 8.3% of verification attempts flagged as fraudulent. Uganda, Kenya and Tanzania all have fraud rates of 4.8%, with Cameroon (4.5%), Ethiopia (3.7%), Ghana (3.5%), Algeria (2.6%), Benin (2.6%) and Morocco (2.1%) recording significant rates.

The most popular fraud types are document forgery (affecting 31% of surveyed companies), phishing (20%) and money mulling (15%), followed by account takeover (14%) and forced verification (12%).

Tech challenge: traffic spikes to crypto platforms

Innovations like biometric checks, AI-backed automation and document-free verification have boosted crypto platform users' onboarding success rates to 93.39% and reduced verification time by 46%, overall improving customer onboarding while reducing drop-off cases.

The report highlights notable innovations like document-free verification, which has enhanced verification times in every country where it was implemented, with an average improvement of 3.6%.

In Africa, non-document verification has significantly improved onboarding speed. Nigeria leads the way with the fastest non-doc verification time at just 3 seconds, despite having the slowest document-based verification at 27 seconds. Similarly, Kenya processes non-doc verifications in 4 seconds but lags with document-based verification at 29 seconds. South Africa, with an overall verification time of 20 seconds, shows room for improvement in document-free verification, which currently takes 11 seconds – significantly slower than its regional counterparts, yet much faster than document-based onboarding.

Document-free identity verification has already gained adoption by 19% of surveyed companies worldwide, with Africa leading the way at 27%, showcasing the region's openness to innovative solutions.

The key user onboarding issues that crypto providers aim to mitigate include: slow verification times, which impact 36% of surveyed companies, as well as false positives/negatives (48%). Furthermore, over half (55%) of companies reported dissatisfaction with overall user experience.

Regulatory challenge: understanding Travel Rule compliance requirements

In South Africa we can expect to see some tightening of crypto regulations as the country looks to table its Anti-Money Laundering and Combating Terrorism Financing Amendment Bill 2024. Also, the country recently confirmed the enactment of the Travel Rule for crypto asset service providers (CASPs) starting from April 2025.

The study also highlights Sumsub's global analysis of the leading crypto-friendly hubs in 2024 with well-defined regulations, strong infrastructure, and innovation-driven environments.

"Africa's growing adoption of crypto provides its own challenges, but we foresee increasing demand and growing user expectations across the continent", adds Hannes Bezuidenhout, VP of Business Development - Africa at Sumsub. "So it's crucial for VASPs operating in the region to implement secure verification systems and stay vigilant to fraud, while keeping an eye on evolving and new regulations concerning the crypto sector to avoid fines".

To explore the State of the Crypto Industry 2025 report please visit <https://sumsub.com/crypto-industry-report/>

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