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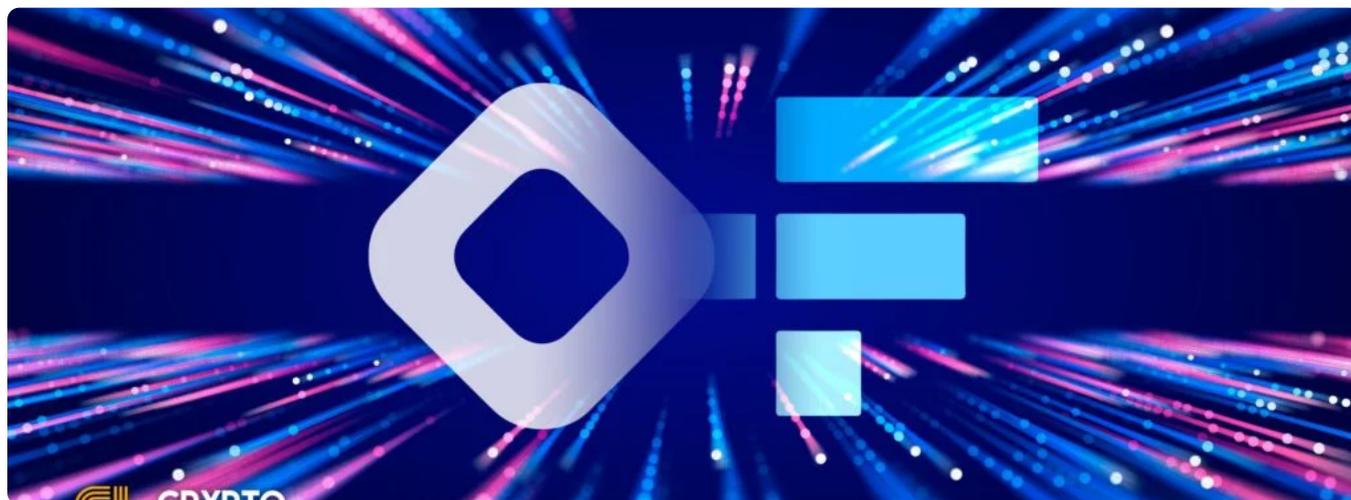
News

# BlockFi Halts Withdrawals Due to FTX Collapse

by [Mike Dalton](#)

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The popular lending company is restricting user access to funds.



*Shutterstock cover by amiak (edited by Mariia Kozyr)*

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## Key Takeaways

- BlockFi has announced that it will halt withdrawals following uncertainty around FTX's financial standing.
- The company said that it will post updates on the situation, but that these updates will be infrequent.
- FTX and its various international counterparts have also limited user access to funds in recent days.

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Crypto lending service BlockFi has announced that it will suspend services due to FTX's ongoing collapse.

## BlockFi Pauses Withdrawals

BlockFi is pausing its services.

The evening of November 10, the company [posted an update](#) to its Twitter

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The company said that it will restrict platform activity and pause client withdrawals. It also asked users not to deposit funds into their wallet or Interest Accounts, but did not explicitly say that deposits will be disabled.

“We are shocked and dismayed at the news regarding FTX and Alameda,” BlockFi wrote. “We, like the rest of the world, found out about this situation through Twitter.”

Over the past several days, a substantial portion of Alameda Research’s holdings were revealed to be tied to FTX’s FTT token rather than traditional assets. That controversy led to a bank run on FTX. To gain funding and protect against further losses, FTX tried to arrange an acquisition with Binance that [ultimately fell through](#).

Fallout from the failed deal continued today as CEO Sam Bankman-Fried posted an [admission of failure](#).

BlockFi obliquely referred to these events as the reason for its service suspension. “Given the lack of clarity of the status of FTX.com, FTX US, and Alameda [Research], we are not able to operate business as usual,” it wrote. The company said that, though it will provide updates on the situation, those updates will be “less frequent than what our clients and other stakeholders are used to.”

BlockFi did not explicitly state whether it had financial exposure to FTX or its related companies. Earlier [this week](#), BlockFi COO and co-founder Flori Marquez said that the company had a \$400 million loan from FTX US rather than FTX. It is unclear whether BlockFi had other exposure.

Incidentally, the competing crypto lending firm Nexo said on Tuesday that it had [narrowly avoided](#) losses from FTX’s collapse. Nexo withdrew certain balances just prior to FTX’s collapse and is still operating as usual.

FTX and its international counterparts are also [limiting activity](#) and preventing some withdrawals. This is due to regulatory issues as well as apparent financial shortages.

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