

Crypto money gains traction in adult industry amid OnlyFans drama

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There is growing interest in bitcoin and other cryptocurrencies for adult content, but some say these systems remain cumbersome.

Porn stars, sex workers and others in adult entertainment were taking a closer look at cryptocurrency payments in the wake of a series of

troubles with the mainstream financial system, potentially propelling digital currencies into wider use.

The latest problem came earlier this month when OnlyFans announced it would ban sexually explicit content on the sex-friendly creator site, only to reverse course days later following a backlash.

Nonetheless, the drama could accelerate a move to cryptocurrency to allow anonymous payments to performers outside the banking system.

With stricter rules from payment processors and the recent issues with OnlyFans, "it's obvious crypto will be the solution," said British performer Adreena Winters, who is also a brand ambassador for an upcoming crypto-friendly adult content marketplace.

"Porn has frequently been the factor for new concepts taking off, be it VHS, online credit card payments and even the internet, so I don't think it's surprising that porn will be what eventually get crypto to become mainstream."

Jeff Dillon, chief development officer at Nafty, a cryptocurrency platform launched this year specifically for the adult industry, said the OnlyFans saga "has done more than any marketing we could ever paid for."

Sex leads tech

Dillon said the sex industry has paved the way for other innovations online, such as online credit card payments and instant verification, and that it may do the same for cryptocurrency if payment processors make it more difficult.

"This is going to catapult momentum for crypto and alternative payment

solutions," he said.

Dominic Ford, founder of JustFor.Fans, an OnlyFans rival which accepts bitcoin, said crypto represents just a small fraction of transactions on his platform because it is more cumbersome, but suggested this could ramp up quickly if popular money transfer tools adapt.

"A cryptocurrency that works online and transcends borders seems an obvious evolution like email was the evolution of mail," said Ford.

CumRocket, a startup which created a digital coin called Cum mies for adult content, announced in recent days it was accelerating work on its own content platform.

"Sex workers should have the opportunity to join a platform that won't be subject to any payment processing restrictions, something that the other OnlyFans alternatives that use fiat may be subject to in the upcoming months/year."

While bitcoin and other digital currencies have seen extreme volatility, adult operators say they can avoid those issues by using them for immediate payments without storing them.

US law and liability

OnlyFans was not the only online service to struggle with acceptance of mature content.

PornHub has been accepting cryptocurrency for its premium service "to keep current with our community's privacy and payment preferences."

Visa and Mastercard temporarily banned payments last year to sites owned by porn giant MindGeek, which owns PornHub and other sites,

over reports that it was hosting non-consensual "revenge porn".

And this month, US lawmakers demanded an investigation into alleged child pornography on OnlyFans.

Ford said congressional passage of the FOSTA-SESTA law in 2018 created pressure on the adult content industry by holding online services liable for illegal content such as child exploitation or sex trafficking.

Shortly after passage of the law, the social network Tumblr banned explicit content, resulting in a precipitous drop in usage.

Crypto may be a mixed blessing, said US-based adult content creator Deon Glows, helping circumvent some of the restrictions in the banking system but also bringing in customers "seeking anonymity for unethical reasons."

"There is skepticism (on crypto) because sex workers want to make the barriers to entry as minimal as possible," she said.

"I'd like to see banking institutions and payment processors get with the times and be more liberal about the kind of businesses they allow."

Some adult operators say crypto is promising but not ready for the majority of users.

"We will be looking to implement crypto and other alternative payment mechanisms as a backup and a option to support crypto enthusiasts but certainly not as a primary source for accepting or sending funds," said a spokesperson for the British-based adult social media platform Unlockd.

Lou Kerner, a cryptocurrency investor and analyst with Quantum Economics, said the adult industry could help bring crypto to more users.

"It's hard for people who work in the industry to get bank accounts. So they've been discriminated against for many years," Kerner said.

"As the technology becomes easier to use, more in the porn industry will adopt it... Crypto is undoubtedly on its way to mainstream adoption, and the more industries that are ill served by traditional finance, the faster it will get there."

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