

The Art Market

Top auction houses courted the crypto crew — is it enough to save them?

Not everyone is celebrating the art world's pursuit of the crypto nouveau riche



Refik Anadol's generative AI data painting 'Machine Hallucinations – Space | Chapter II: Mars' (2021), included in the Sotheby's 'Origins' sale © Refik Anadol/Sotheby's

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“The crypto bros have gone. When the music stopped, they ran for the hills.” So said the art adviser Wendy Goldsmith in the stately surrounds of the Grand Palais during October’s [Art Basel Paris](#) fair. Now, as Bitcoin reaches new heights and Ether edges towards its 2021 peak, will the art industry’s previous courting of the crypto crowd begin to pay off?

Early signs would suggest so. Cryptocurrencies began their latest gains in the weeks after the re-election of US President Donald Trump, now strongly in favour of the decentralised digital assets. During this time, [Justin Sun](#), founder of the crypto platform Tron, hit the headlines by buying Maurizio Cattelan’s “Comedian” (2019) — literally a banana duct-taped to a wall — for \$6.2mn at a Sotheby’s auction in New York. He paid for it in cryptocurrency.

Next month, the auction house will accept Ether or Bitcoin in its inaugural sale in Saudi Arabia, the first time that an entire live auction of physical works has been open to cryptocurrencies. The decision, in a region where there is plenty of activity around digital art and crypto, offers the auction house an additional pool of buyers, Sotheby’s says. The varied offering of 119 lots include western and Saudi Modern and contemporary art, luxury items and jerseys worn by footballer Cristiano Ronaldo, as well as a generative “AI data painting” by leading practitioner Refik Anadol. His vast “Machine Hallucinations — Space | Chapter II: Mars” (2021) uses data from a space telescope to create surreal, organic landscapes and is estimated between \$800,000 and \$1.2mn.

Prior to the Covid-19 pandemic, the tech crowd had proved hard to entice to the art market. It was the rise of non-fungible tokens (NFTs), unique digital assets that link art to the blockchain and which lend themselves to geometric abstractions and cartoonish caricatures, which brought in some of the newly minted crypto millionaires and billionaires.



Cristiano Ronaldo's 2024 UEFA European Championships quarter-final match jersey, included in Sotheby's 'Origins' auction in Saudi Arabia © Sotheby's

Christie's and Sotheby's began accepting cryptocurrency for selected physical works of art in 2021, after Christie's watershed sale of [Beeple's](#) "Everydays: the First 5000 Days", an NFT that stitches together 5,000 digital images, many of a satirical bent (including a giant naked Trump seated astride the Capitol). Its buyer was Vignesh Sundaresan, aka Metakovan, founder of the crypto investment fund Metapurse, who paid a staggering \$69mn.

Physical works that have since qualified have tended towards techy taste and include a 1984 bright yellow painting by Keith Haring of a crowd in thrall to a computer, which sold at Christie's for £4.3mn, though the auction house would not confirm if the offer to pay in cryptocurrency was taken up. Christie's accepts alternative currencies on condition that the seller is comfortable to receive crypto, while bidding remains in the local fiat currency, as do the auction house's fees; Sotheby's also doesn't hold crypto itself. Each now has a dedicated NFT and digital art platform, Sotheby's Metaverse and Christie's 3.0, for which the seller and buyer can use cryptocurrencies.

For the art market, the hope was that NFTs and their associated alternative currencies could be a gateway for new buyers into the generally pricier realms of fine art. Sun had himself made this journey — and spent much more than \$6.2mn along the way. In early 2021, he bought screensaver-like “Cube” NFT works by the digital artist Murat Pak, which sold through Sotheby's on the specialist Nifty Gateway platform, priced at \$1,500 each. A couple of months later, Sun then, according to his own social media posts, bought “Untitled (Kimpsons)”, 2001, a painting by the in-demand KAWS, complete with the artist's cartoon characters with X-ed out eyes and sealed in blister packaging, for HK\$2.5mn (about \$300,000). Just five months later, Sun moved into heavyweight Modern art, buying Alberto Giacometti's “Le Nez”, a whittled sculpture, cast in 1965, of a long-nosed head in a cage, for \$78mn.

Today, not everyone in the art market wants the crypto crew back. Goldsmith's assessment of the mood during the Paris fair characterised a steady, thoughtful atmosphere, relieved from the turbulence of the crypto speculators. The profile of these previous buyers — mainly young men — had also not sat well with a market grappling with its own lack of diversity. There's also the enduring truth that new entrants to the largely conservative and closed art market are often viewed with suspicion.



'Comedian' (2019) by Maurizio Cattelan © Maurizio Cattelan

Such concerns are a convenient spin in a tricky market, but many run wider than the nature of crypto buyers. Art's appeal — in a secretive market that can turn volatile, on-paper profits into transportable, tangible assets — makes it already attractive to money launderers, with NFTs as a potential new playground.

In China, cryptocurrencies are prohibited, “based on numerous anti-money laundering cases,” writes Angell Xi, a partner at the Chinese law firm Jingtian & Gongcheng, in the 2024 *Art Basel & UBS Art Market Report*. In the EU, the latest anti-money laundering and terrorist financing rules have tightened for all businesses that offer services related to cryptoassets, including a ban on anonymous payments.

The auction houses have their compliance teams at the ready and have approached crypto relatively carefully. Outside of their dedicated NFT platforms, only a handful of auctioned works have been eligible, until Sotheby's Saudi sale on February 8, while Christie's says its NFT sales to date amount to \$150mn, including the Beeple and their fees.

NFTs have lost most of their heat but could be gently coming back into favour. According to ArtTactic's *Global Art Market Outlook*, published this week, 12 per cent of experts are positive on the likely performance of NFTs this year, still well below the previous high of 73 per cent in 2023, but double the percentage last year.

Meanwhile, Christie's says that the average age of its NFT buyers is 42, compared to 54 across all sales. This fits with the drive to position its business for younger generations and a strategy underlined last week as its incoming chief executive, Bonnie Brennan, said that her plan is to "preserve heritage while focusing on innovation . . . engaging new audiences, geographies and technology".

The truth is that the art market, which has been in a distinct downturn for the past two years, needs all the help it can get. Total auction sales at Sotheby's, Christie's and Phillips were down 26 per cent in 2024, having fallen 19 per cent in 2023, according to ArtTactic. Against this backdrop, every little helps. So, as the cryptocurrency music starts up again, the auction houses are poised to join the dance.

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