

Square's Cash App Moves into the World of Bitcoin

By Hannah Rawdin, J.D. Candidate 2020 | November 20, 2017

Square, Inc., the San Francisco-based merchant services and mobile payments company co-founded by Twitter CEO Jack Dorsey, recently expanded its [Cash](#) app to allow users to purchase and sell Bitcoin.

Square Cash is a popular payment app that lets customers instantly send and receive funds between users without connecting to a bank account. Square, the company's original credit card processing platform, has allowed its merchant customers to accept Bitcoin as a form of payment since 2014. However, its Cash app has [recently expanded](#) into cryptocurrency by allowing a small number of users to buy and sell Bitcoin directly through the platform. While the new function is only in a beta testing stage, a Square spokesperson stated that it was introduced in response to customers' interest in using the Cash app to buy Bitcoin, and that the company is looking forward to learning more about the exciting cryptocurrency.

Square CEO Dorsey has previously expressed his growing interest in the benefits of Bitcoin and the blockchain network. At an event at the Computer History Museum in August 2017, Dorsey described blockchain as [the "next big unlock,"](#) which he believes can be used to solve many of the world's financial problems. Dorsey also revealed that he personally has invested in Bitcoin. While Dorsey's fascination with Bitcoin is nothing new—he [tweeted](#) late last year that he "would love to see a digital currency thrive"—he had made no mention of Square working to integrate Bitcoin into their Cash app prior to the feature's release in November 2017.

An anonymous creator going by the name of Satoshi Nakamoto released Bitcoin globally in 2009. Unlike traditional payment networks, the [Bitcoin system](#) is run by a decentralized network of approximately 9,500 computers around the world that monitor all Bitcoin transactions. The major cryptocurrency was designed to allow people to easily and securely transfer funds over the Internet without going through a third-party processor, thus greatly reducing fees and removing barriers from international transactions. Today, the value of one Bitcoin is equivalent to approximately \$8,039 U.S. Dollars, and is [predicted to continue rising](#) past \$10,000 by 2018.

Thus far, it appears that the Cash app's new Bitcoin capability is sparking positive reactions, causing Square's stock to jump after news of its release spread. The recent jump is illustrative of the company's performance this year: Square's shares have [nearly tripled](#) in 2017, as it has continued to beat earnings expectations and even outperform Twitter in market value for the first time. Consumers, analysts and fintech enthusiasts alike are eagerly anticipating how Bitcoin may continue to impact the global financial system, and particularly the role that Square Cash will play in increasing individuals' accessibility to Bitcoin.