Before we dive into the real depths of this course, let me give you a brief introduction to this term that you more than likely, know as just “Cryptocurrency” right now.

So Cryptocurrencies, are often referred to as a form of Digital Currency. However, more recently, the likes of Bitcoin, being cited as Digital Gold. It’s created, and held digitally, and on top of that, not one single person, organisation, or group controls the entire network of Cryptocurrencies collectively.

If the term - “Cryptocurrency”, isn’t one you’ve come across before. Let me just say there are thousands of Cryptocurrencies out there today, the majority of them have little or no value along with purpose, at this moment in time Bitcoin, is the most valuable Cryptocurrency out there by far. It actually started the Cryptocurrency movement we see today, with the plethora of Cryptocurrencies.

Let me break that term Cryptocurrency down for you while you’re here, and focus on the term Currency. Many cryptocurrencies such as Bitcoin can be used as a currency, to go and buy things at digital and physical retailers, just as you would do with the currency in your pocket, whether it’s the Great British Pound, or US Dollar. Bitcoin is the same as other currencies in the sense that it can be exchanged for goods.

But one of the key differentiating characteristics of cryptocurrencies are, is that they are decentralised, they don’t have a centralised structure. Not one single person, organisation, or group controls the entire network of Cryptocurrencies.

As you should be aware, banks control the flow of money. But not with cryptocurrencies, these are often what we call Community Based Currencies. The fact of the matter is that banks produce more money to cover the national debt, but in-turn that devalues the currency in question. So printing more money, and putting it into circulation does hurt the purchasing power of the currency in question.

Cryptocurrencies aren’t like that though, they aren’t created behind closed doors by bankers. They’re open source, so anybody can get involved with the process, and theoretically anyone can start creating a chosen Cryptocurrency, through a process known as mining. As long as they have the resources at hand, of course, which would be the mining hardware.

As you’ll start to grasp by now, Cryptocurrencies are very unique in their nature. So let me share three characteristics of Cryptocurrencies with you, which make them so irresistible to those getting involved.

The first characteristic which we touched upon earlier in this lecture, is that Cryptocurrencies are Decentralised. The Cryptocurrency network isn’t controlled by one single person, organisation, or group. So no one single party can cause a meltdown of the network.

The second characteristic of Cryptocurrencies is that’s easy to get started with them, as you’ll find out later in the course. Think about all the plethora of information banks require from you just to setup an account, setting up a Cryptocurrency Wallet is far simpler.

The third characteristic of Cryptocurrencies, is that they are as anonymous as you want them to be. Every single transaction is shown in the cryptocurrency in question, Blockchain, but those transactions don’t link to your name, or any other sort of identifiable information at all.

So that’s everything for the initial lecture in this course. We’ve laid the fundamental groundwork now, so let us now commence with diving further into Cryptocurrencies, helping to grasp it and the wider ecosystem, fully, ensuring you become a proficient user! See you over in the next lecture where we’ll be going over how cryptocurrencies came to be.