

What are crypto wallets and what types are there?

In order to store, receive and send your cryptocurrencies, you need a virtual wallet. This is called a “wallet” in crypto language.

There are different types of wallets. In this video we focus on the two main types:

Hot and cold wallets

Hot wallets (online, desktop or mobile wallets e.g.)

- Easy to use
- Is currently the most common type of wallet
- You only need your internet connection and you can start
- are vulnerable to hacker attacks
- Your private key is generated online (seedphrase)

Cold wallet (hardware or paper wallet)

- You have your key on a stick
- The seed phrase is then only created offline and you write it down
- usually very secure - when connecting to the stick, we never accessed the stick's security memory, which is why it is safer from hacker attacks.
- not beginner friendly. It takes a little practice to work with a cold wallet
- You need the stick for every transaction.

Now we compare hot and cold wallets again

	Hot-Wallet	Cold-Wallet
Online / Offline	Online Wallet	Offline (physical wallet)
Risk	very vulnerable to hackers as it is directly connected to the internet	Greater security as your cryptocurrencies and NFTS are stored on an external stick and are therefore better protected against hackers and scams
Daily usage	simple and easy	a bit cumbersome because the stick always has to be with you
Usecase	For smaller amounts and daily needs / payment transactions	Large amounts of cryptocurrencies and valuable NFTs