**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 |