

CRYPTOCURRENCY WALLETS

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18.11.2019

INTRODUCTION

In 2009 was brought to life currency named Bitcoin. Person who created is unknown, but its purpose was sure. It should be currency that is not related to any state, any bank or it is not lead by one man or corporation. The way how to do that was simple people cares about transaction and get paid for that. The prize of Bitcoin is affected by people's interest. Higher interest is more expensive Bitcoin gets. On December 2017 the prize of one bitcoin was close to 20 000 USD. That is a lot of money. If you want to keep them safe you should use some safe wallet. The simplest way is some online wallet, but it is easier to hack.

DANGERS

Most common and easier to use is online wallet as Blockchain, Coinbase or Trezor. But the online wallets are easiest to hack. When you create online wallet, you get your login code for signing into app. The login code is 20 numbers and letters that you can remember or save somewhere else. This number and your password are only wall between you and hacker. If he gets to your data, he can easily transfer all your money to his account. You can do some things to make your account a bit safer. In any case you can not share your login code with anybody. You should not even save this code in your PC. Just write it on a paper and place it in some safe place (not in your wallet).

Second most common way how to store your coins is on your hard drive. It is almost similar as the previous method, but your data are not on some server. They are saved on your local disk. If you are connected to the internet your account can be hacked as well. But if you disconnect from net, you are totally safe. If you want to use this method, you just download app from your online wallet. Transfer your coins in it and unplug your PC from net.

Third method is for people who want to use their PC on daily basis and don't want to risk with online wallet. The method is called hardware wallet. Ledger Nano is best choice. You can save in it hundreds of cryptocurrencies as Bitcoin, Ether, Litecoin etc. In this case you download program to your PC or mobile device, connect your hardware wallet and download your coins from the internet. Big plus of these devices is that you must interact with it in real life. It means if you are being hacked and your device is connected to PC hacker cannot transfer your money if you don't confirm it.

Last, but not least, method is paper wallet. This method is totally unhacked able. After you buy your currency you print it on paper card. That is only access point to your coins. This method is very reliable, but you must have your cards on safe spot. In this case only thing you risk in hardware damage your cards.

SUMMARY AND MY OPINION

I would always recommend storing your coins at least in PC and not letting it in online wallet. If you want to invest more money in it and want it always accessible. Paper wallets are in my opinion too much work.

On the other hand, you can not never expect everything. Back in 2013 English man threw out his hard drive with 7500 bitcoins on it. He claimed that he was distracted by his family while moving. Today one bitcoin costs 8400 USD, so he threw away 63 million dollars.

SOURCES

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