

System Where Soft Deletes Are Required

Banking / Financial Transaction System

Why soft deletes are necessary:

- Financial records (transactions, accounts, audit logs) are **legally required** to be retained for years.
- Deleting a transaction permanently could violate **regulatory compliance** (RBI, IRS, audit laws).
- Users may request account closure, but past data must still exist for audits and dispute resolution.

How it works in practice:

- Records are not removed from the database.
- A flag like `is_deleted = true` or `status = inactive` is used.
- Data is hidden from normal users but remains accessible to auditors and admins.

System Where Hard Deletes Are Preferred

Real-Time Chat / Messaging Application

Why hard deletes are better:

- Messages often contain **personal or sensitive data**.
- Users expect messages to be **completely removed** when deleted.
- Retaining deleted messages increases storage costs and privacy risks.

How it works in practice:

- Messages are permanently removed from the database.
- No recovery after deletion.