

Cryptocurrency



What is cryptocurrency?

Cryptocurrencies are digital assets, which may be a medium of exchange. They are not issued by a central bank so there is no central authority that manages or upholds their value.

While cryptocurrency may open the door to more inclusive and easier ways to manage, share, and lend money, the U.S. Federal government is still in the process of examining their risks and benefits for consumers.



Cryptocurrencies are:

Not federally insured

If the crypto company that holds your funds goes out of business, your money may be lost and never recovered.

Not federally regulated

There are no legal standards for consumer protection issues such as privacy and security.

Risky

Some consumers use cryptocurrencies to pay for things, but most use it as an investment strategy. Cryptocurrency is considered a high-risk investment, so only buy what you can afford to lose.



According to the FTC, investment scams are one of the top ways scammers trick you into buying cryptocurrency.



Examples of common cryptocurrency scams:

- Investment Scam
- Blackmail or Family Scams
- Impersonator Scams
- Romance Scams



Protect yourself by remembering that no government agency or legitimate business will reach out to you via social media or text. Additionally, it is never safe to send money to anyone you have never met or only know through the internet. Stay vigilant. Do your research. And remember, if something sounds too good to be true, it probably is.

To report crypto-related scams, contact the FTC at [ReportFraud.ftc.gov](https://www.ftc.gov/report-fraud).



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