Cryptocurrency is like digital money. It usually uses a distributed ledger (blockchain) to store balances and transactions. Bitcoin was the first one invented in 2007, followed by others like Ethereum, Ripple, Litecoin, and Zcash.

Users must create a digital wallet, which requires technical knowledge. Online wallet companies can be vulnerable to cybersecurity threats and hackers, risking the loss or theft of the user’s deposits or cryptocurrency.

Cryptocurrency Risks
- No inherent or underlying value, and the value is volatile
- Difficult to use; need to be tech savvy
- Not endorsed or regulated by a central authority, vulnerable to money laundering
- Deposits not insured like those in a bank
- Most of the trading is speculative and not made up of real (commercial) transactions
- Exchanges usually operate offshore
- Highly speculative
- Difficult to withdraw money
- No or little regulation means no recourse
- Traders may offer bonus money to motivate you to create an account

Cryptocurrency exchanges are websites that buy, sell and exchange cryptocurrencies for a fee.

If you are solicited to buy or trade cryptocurrency, here are some steps you should take:
1. Report the details to your provincial securities regulator.
2. Don't use your credit card to buy cryptocurrency, and never send money out of Canada.
3. Don't provide personal information.
4. If you don't understand the technology, stay away!

To learn more about cryptocurrency, visit FCNB.ca