How Common are Cryptocurrency Scams?

Introduction

The cryptocurrency market has been soaring in recent years, and it's now estimated to be worth more than two trillion dollars. As the popularity of cryptocurrencies has grown, so has the number of scams. This article will look at some common types of cryptocurrency scams. What they are, and how you can spot them.

Cryptocurrency popularity

Cryptocurrency scams have been on the rise in recent years as cryptocurrencies have become more popular. Cryptocurrencies are a good investment option because they are a good store of value, among other things, but that’s not true for all alt currencies. Cryptocurrencies are assets that can be bought and sold (much like other assets), but they have certain characteristics that make them valuable to their users. They're decentralized, fast, secure and resistant to counterfeiting.

Scammers in the cryptocurrency space often pose as ICOs (Initial Coin Offerings)

ICOs are a popular way to raise funds for new cryptocurrencies. Most ICOs have nothing to do with cryptocurrency scams. Still, scammers use this method to trick people into thinking they’re investing in an ICO when they’re being duped into sending funds to the wrong address.

Scammers often use fake websites or email addresses that resemble those used by legitimate ICOs, or they may try to get you to send money using an ERC20 token instead of Bitcoin. Keep your eyes open for these tell-tale signs of a scammer:

- If someone asks you for your password or private keys, don't give them!
- If someone offers high returns on investments that sound too good to be true, they probably are not true!

People with FOMO turn out to be easy prey.

It's true that there are many people and businesses falling for a scam pretending to be a legitimate exchange and getting their money stolen. Instead of asking for your credit card information or bank account details right off the bat, they will often make an offer that sounds too good to be true.

If you're interested in trading cryptocurrency, make sure you do your research first before trusting any platform with your money. Don't take anything at face value. Do some digging on Google, check out reviews from other users and experts who have been using the service in question. Find out if they have any complaints filed against them by customers on sites like Trustpilot or Resellerratings.com, etc.

Scammers are becoming harder to spot

You've probably seen the headlines about hackers stealing millions of dollars worth of cryptocurrency, sometimes even stealing entire exchanges. In these cases, users are often left with nothing but an email address and a few broken promises.

There are many reasons why scammers are able to get away with their fraudulent schemes so easily. However, one major contributing factor is that most people don't know how to spot a scammer in the first place. They might look legitimate enough at first glance—but once you start digging deeper, it becomes clear that something isn't right.

Staying vigilant is the key

There are many ways to spot a fake cryptocurrency exchange or ICO. Here are some tips:

- Check the website address. While it might sound obvious, this is a simple and quick way to know whether you're on the right site. If you see an unfamiliar URL, you should be wary and check elsewhere for more information about the company.
- Check the security certificate that appears at the bottom of your browser when visiting a secure website (this will look like HTTPS:// instead of HTTP://). If it looks different than usual, or if there isn't one at all, then there's something wrong with how this website was built and should not be trusted as legitimate.
- Read through all of their terms and conditions thoroughly before proceeding with any financial transactions on their platform. If they try to rush you into signing up without having read all terms carefully first, then walk away immediately! This could mean that they're trying to avoid legal liability by making sure people sign away their rights under duress rather than having done so knowingly after reading everything carefully beforehand.

Do your research

- Research the company you are investing in. If a company has been in business for a while, check out its website, social media accounts, and other online resources to see if they look legitimate and trustworthy. If the company is just starting up or new on the scene, do your best to research them as much as possible before making an investment decision.
- Make sure you are investing in a legitimate company. Be wary of any new ICOs whose websites don't include information about who owns them or where they're located; this could be an indication that there's something shady going on with them.
- Do not invest more than you can afford to lose! This may sound like common sense advice, but it's still important to reiterate: Don't put all of your money into one cryptocurrency when there are so many scam-proof options out there.

Conclusion

If you want to avoid scams, there are some steps that you can take. First of all, be careful about the people and companies you are dealing with. Research them thoroughly before giving them any money or personal information. This can help prevent a lot of problems later on.

Secondly, use social media to find out more about the people and companies that you're dealing with. You can even ask your friends and family if they know anything about them! Finally, don't forget about a simple Google Search. It has lots of great information available online for free.