



## Buying Cryptocurrencies? 5 Tips to Keep Your Investment Safe

### Description

With all the hype around cryptocurrencies lately, and the massive potential they've clearly been proving to have, it's natural to want to get invested in the space.

As many know or have probably heard, though, getting started in the cryptocurrency industry can be confusing, to say the least. Plus, if you're not careful, a simple mistake can lead you to send your money to the wrong place or have your account compromised.

This isn't to turn you off from investing in cryptocurrencies. They are some of the highest-potential assets you can own in this day and age. Instead, it's to warn and remind investors that you have to be very careful when investing in the space.

So, here are five important tips to keep in mind if you're going to [invest in crypto](#).

### Not your keys, not your coins

"Not your keys, not your coins," is one of the most popular phrases in the industry and is said to remind investors to know when they have control of the cryptocurrencies and when they don't.

If you create an account on an exchange, fund it with Canadian dollars and then buy some **Bitcoin**, for example, your account will say it has X amount of Bitcoin.

However, while it sits in your account on the exchange, it's not your Bitcoin. It's the exchange's asset. This is crucial to understand, because it's why it's so important to get a wallet. And unless you're planning to trade that cryptocurrency you own soon, it's best to store it in a wallet.

You might not want to transfer funds when gas fees are high. But if you don't move your assets to a wallet, they are not in your control. And throughout the years, there have been numerous examples of investors losing all their money when exchanges shut down or employees go rogue.

## Seed phrases are golden

Getting a wallet leads us to our second crucial tip to remember. The seed phrase for your wallet is extremely important to keep safe.

There is no “I forgot my password” button with cryptocurrencies. If you lose your seed phrase, you’re locked out of your account. It’s the only way to get in. So, while you don’t want to lose it, you also have to guard it.

For this reason, many cryptocurrency investors are advised not to store it anywhere on a computer and also not even to copy and paste it.

There are various ways hackers and bad actors can gain access to your seed phrase if it’s stored on a computer. So, it’s best to write it on a piece of paper and store it somewhere safe.

## Be careful where you connect your wallet

When you start investing in cryptocurrencies, thanks to all the developments going on, you’ll find there are several platforms and websites you’ll want to use.

And just like when signing up for a website, you can quickly do it these days by going through your Google account, in the same way, you can quickly connect your wallet to sites instead of always having to make an account.

However, investors need to be careful where they connect their wallet. One site acting as another or a company that goes rogue can get into your wallet and drain it of all its assets. So, makes sure you are only connecting to reputable sites and projects.

## Keep gas fees in mind

Every cryptocurrency costs a different amount of money to send from wallet to wallet or to make a [decentralized finance](#) transaction, for example.

So, it’s important to know how gas works and watch for opportunities when gas prices are lower. It’s also crucial to keep in mind how much it might be. There are plenty of stories of investors spending a few hundred dollars on gas fees to transfer funds worth much less than the actual gas.

## Don’t speculate

Lastly, if you want to keep your capital safe, it’s crucial not to speculate on high-risk assets. There are plenty of high-quality opportunities in the space that are worth a long-term investment.

So, although it can be tempting to buy speculative assets, especially as they are rallying rapidly, if you want to keep your capital safe, focus on finding projects with true long-term potential.

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