



Why Voyager Stock Dropped 11% Yesterday

Description

Cryptocurrency asset brokerage firm **Voyager Digital** ([TSX:VOYG](#)) saw shares drop as much as 10.8% on Tuesday. This came after a report came forward stating the company misled customers, with hidden fees adding up.

What happened?

Shares of Voyager fell sharply, ending the day down by 9% on Jan. 4 when the news hit. Investors already skeptical about cryptocurrency dumped it like a fire ball. Yet it comes after a string of [successes](#) for the company, including strong acquisitions and its own token.

Chief communications officer of Voyager Michael Legg responded to the allegations, stating they were without merit. The company offers 100% commission-free transactions, yet it may be able to hide it by showing a bid-ask spread. This is where it shows how much the transaction *could* cost depending on when you buy shares.

Therefore, it hides the fee within the transaction, seeming to simply be the share price you purchased. Voyager is known for a wide bid-ask spread, which led to the original suspicions.

So what?

The news could seriously hurt Voyager. The lawsuit means not only could it lose [customers](#) should the allegations be true. It would also deter future customers from seeking out Voyager, knowing there are now fees involved.

Instead, Voyager may be seen as just another broker rather than an exchange. And frankly, there are likely better options out there to consider — especially if Voyager has fees involved.

But it gets worse. The lawsuit could result in over \$1 billion in compensation for Voyager — money that the company seriously cannot afford.

Now what?

Voyager is a volatile stock in a volatile market. [Cryptocurrency](#) has already become shaky over the last few months. But what's worse, the company was already not the top broker or exchange. Sure, it has some solid business moves. However, there seems to be better options.

Therefore, it's definitely a time that I would step back from the crypto stock to at least see how the lawsuit shakes out. Should the allegations prove true, Voyager may crash and burn in the very near future.

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alegatewolf

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