**Hot Wallets vs Cold Wallets**

The security of cryptocurrency assets has been a major issue since the emergence of the world’s leading digital asset in 2009. With the prices of digital assets surging to unprecedented levels, malicious actors have become rampant in the crypto community intending to acquire people's assets through illegal means. This development has prompted many exchange platforms to set up insurance policies to protect against such attacks.

However, the policies put in place by exchanges can only do so much as many crypto investors unaware of how to properly store their digital assets and how to reduce potential threats from hackers. This is where hot and cold wallets come in. Both wallets have their pros and cons –and when applied properly they can keep you safe from hackers.

**What are Hot Wallets?**

Hot wallets are cryptocurrency wallets that are connected to the internet. They are easy to set up, access, and operate. These wallets are accessible via mobile phones, laptops, tablets, and personal computers. Hot wallets are ideal for storing small amounts of digital assets but they can accept a wide range of cryptocurrencies.

However, assets stored in hot wallets are more susceptible to digital attacks, potential regulation, and other technical vulnerabilities.

**What are Cold Wallets**

Cold wallets are contrary to hot wallets. They refer to wallets that are not connected to the internet. Generally, cold wallets are more secure and ideal for storing large amounts of digital assets. Unlike hot wallets, cold wallets are not accessible across several devices. Cold wallet devices include Trezor, Ledger wallets, Coldcard, and so on.

**Hot Wallet vs Cold Wallet: Pros and Cons**

**Hot Wallet Pros & Cons**

Pros

* Ease of use
* Free
* Easily accessible across various devices
* User-friendly interface
* Accepts a wide range of cryptocurrencies

Cons

* Hot wallets are susceptible to malicious attacks, potential regulations, and technical vulnerabilities because they are connected to the internet.

**Cold Wallet Pros & Cons**

Pros

* Cold wallets are not connected to the internet and that makes it a more secure option
* Better suited for storing large amounts of cryptocurrencies.

Cons

* Expensive to purchase
* Accepts a smaller range of cryptocurrencies
* Not ideal for quick transactions
* Not easy to use and access

**Should I Buy a Crypto Wallet?**

Purchasing a crypto wallet is not necessary for everyone, only if you're willing to own more than say $100 worth of a digital asset. If you're willing to store large amounts of assets in a wallet, it is advisable to purchase a cold storage wallet to ensure the security of your assets.

Generally, you should only keep as much money on your hot wallet as you'd leave in your pocket, so in case you lose it, you won't be losing a huge amount of money. In short, a hot wallet should be considered a pocket wallet while a cold wallet should be thought of like a bank vault.

**Final Words**

The kind of wallet to choose from depends on the volume of digital assets you wish to keep. To guarantee security, a cold wallet is advisable for large volumes of crypto. Exchanges offer hot storage wallets for investors interested in trading. Make additional earnings by playing fantasy games in our Blockchain-based platform- [Fanspel](https://www.fanspel.com/)- where you can compete with fantasy managers across the globe and win amazing rewards.