

# The Global Crypto Problem

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**As crypto-currencies proliferate around the World, the frequency of scams and frauds are rising exponentially.**

([Newswire.net](#) -- May 14, 2019) -- The world has a problem, and the name of the problem is cryptocurrencies. And I am not saying this because I think cryptocurrency is a bad thing for the world in general, or because it does not have the potential to change the world for the better. I am saying this because the world has recently seen more than a few attacks

on its well being through cryptocurrency. In 2018 and 2019, cryptocurrencies have become one of the prime examples of how to take the resources from innocent people who are only trying to utilize cryptocurrency to be better of. With frequent Binance hacks, the slew of scams that took place in Australia, and a number of other issues that have been bothering the world with their frequency and their severity, one cannot help but consider cryptocurrency a problem, on the rise. A problem that is not easy to solve, at least not in the shape and way that it is present in the modern world. The world is hesitating to accept cryptocurrencies as part of the new world, seeing it as either a part of the criminal world or as something that is only a fad, and nothing else. As a result, most of the regulation related to cryptocurrency is either extremely vague or inefficient, permitting the kind of relationships and actions with cryptocurrency that only harm the general populace and cryptocurrency in general.

The result is that the stigma associated with cryptocurrency is becoming heavier and darker, and the governments are further shying away from this valuable resource. But, judging by the potential of the resource, it would be wise to find a way to utilize it and to make it part of the everyday life of the world. So how do we go about it? Well, before we start posting theories, we need to learn how cryptocurrencies are misused, and how they can be prevented from doing so.

## The crypto scams, hacks and problems

One of the prime examples of crypto scams that are currently presenting a big problem to the world would be easily seen if you looked at the [2018 ACCC](#) stats regarding scams. In the year 2018 Australia lost around 4 million US dollars to crypto scams. While this might not seem like a significant amount of money, Australia, one of the countries in the world that is most accepting of cryptocurrencies, had never seen a number so large before. The increase in the number of scams was equal to almost 200% and was one of the fastest and most drastic increases in the rates of scamming in the history of Australia. Most of these scams were the result of scammers posing as [Australian online casinos](#) and allowing users to deposit with cryptocurrencies. They would, after the deposit, take their money, without giving the people who were scammed any way of getting in touch with them. As a result, Australians lost millions of dollars to cryptocurrency scams.

Beyond just scams, there are also other issues associated with cryptocurrency crimes. One of the most well-known crimes would be hacking of trading platforms, where hackers end up taking millions of dollars worth of cryptocurrency from the average user. Binance, the most popular cryptocurrency trading platform in the world, has encountered this issue many times before. Just in the past month and a half,

[Binance was hacked two times](#). The resulting losses amount to more than 40 million US dollars, all of the damage being done to the users registered with the trading platform. And these types of crimes have been increasing in number over the years, seemingly causing the industry to become more and more dangerous. With the increase in frequency, one cannot help but wonder, what can be done in order to solve this issue. Is there anything at all that can be done by anyone by the companies themselves, that would allow the cryptocurrency industry to stem the seemingly dangerously fast increase in crime rates within it?

## How do we solve the problem

The question seems to be bothering everyone currently. Especially those who are just wanting to enter the industry. To be more specific, the industry has recently become more attractive to large scale investors and institutional investors. These kinds of investors have become more and more active ever since the 2017 cryptocurrency boom. They have

seemingly gotten closer and closer to purchasing cryptocurrencies over the past few months, but ever since their level of interest has increased, so has the crypto related crime. And as the increase happens, the large scale and institutional investors are becoming more and more uninterested in investing, since the dangers of losing capital to crimes and scams seemingly become too big. These kinds of investors are also seeing the issue of the crime as making cryptocurrencies as less attractive for retail trade. And as that happens and fewer people trade cryptocurrencies, the cryptocurrencies start losing their value, which further pushes institutional investors away from the industry.

As a result, institutional investors, in order to secure the markets, are requesting that new regulation be introduced into the industry by the governments around the world. They believe that such regulation, introduced by governments, would allow cryptocurrencies to be easier to regulate, lower the crime rates for and produce a safer, more reliable market for trade. The regulation, they believe, is not coming fast enough to the industry, so they are trying to bring the industry to the regulation by allowing the categorization of cryptocurrencies as financial assets specific to markets. And while they are getting closer to their goal with every try, it seems the regulators and the governments are doing their best to resist this categorization. Investors might feel this might not be a good idea, and feel like this is slowing their advance into the field, but this might also be a blessing for the industry in general. After all, the markets have been known to be performing as deregulated over the past few years and many fear that a change might bring the collapse of the markets as they are currently known and loved.

### **Is regulation reliable**

The thing with regulation is that it might be highly disruptive to the markets. The reason cryptos are currently so popular for trading is that they are highly volatile. Just by being what they are, they allow traders to make a lot of money over short periods of time, just thanks to their volatility. There are many who fear, justly so, that bringing regulation to the market might cause the markets to become less volatile and less reliably volatile. This would result in the markets becoming not as rife for making money. But there is more reason to worry about market disruption by regulation than the volatility of cryptocurrencies.

Regulation might cause the cryptocurrency market to become less popular overnight. The reason for this is that the markets are already unregulated. The current lack of regulation is an attractive point for many people who trade on the market. They believe that by investing in cryptocurrency they are investing in an alternate economy, one that is not related to the general economy of the planet and thus they are independent of it. This kind of attitude makes the cryptos popular and keeps them deregulated. But the moment regulation is introduced, many people would feel like cryptocurrencies are losing their initial purpose and are thus becoming not attractive to them anymore. This could cause the loss of a large percentage of market participants overnight and even if the institutional investors enter the market, it would result in undeniable and irreversible damage to the markets. So it might be a good idea to consider alternative ways of introducing safety to the market, that which is beyond simple regulation.

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