

Beginner's Wallet Safety Flowchart

A visual guide to understanding crypto wallets, keys, and safe handling.

This is not financial advice. It's a safety roadmap for beginners.

YOUR FIRST DECISION

Do you want the platform to hold your private key for you?

YES Custodial Wallet Path

NO Self-Custody Path



Custodial Wallet

(Exchange Holds Your Key)

Key points

- Your private key is stored by the platform (e.g., Coinbase, Kraken).
- You log in with email + password + 2FA.
- Simplest option for beginners.
- You rely on the company's security.
- If the company is hacked or freezes withdrawals, your access is limited.

SAFETY NOTES

- Enable 2FA (authenticator app preferred).
- Use a strong email password.
- Beware phishing emails pretending to be support.
- Never share login credentials or screenshots.

Best for: Beginners who want convenience, short-term holding, learning the basics without managing keys.



Self-Custody Wallet

(You Hold the Key)

You hold the key

You control your private key directly. This gives you more control — and more responsibility.

Software Wallets

App-based (e.g., Exodus, MetaMask).

Good for beginners with small amounts.

Convenient but more exposed: device security matters.

- Keep device free of malware.
- Download only from official sources.
- Enable app-level security if available.

Hardware Wallets

Physical device (e.g., Ledger, Trezor).

Highest security for long-term holding.

Private key stored offline.

- Buy direct from manufacturer only.
- Never use pre-written seed phrases.
- Keep device firmware updated.



Your Recovery Phrase (The Master Key)

A 12–24 word phrase that controls your wallet. Anyone who has it can access your crypto. Lost phrase = irreversible loss. Never store it digitally.

DOS

- Write it down on paper.
- Store in two safe places.
- Keep offline and private.

DON'TS

- Do NOT screenshot.
- Do NOT store in cloud.
- Do NOT email it.
- Do NOT share it with support or anyone.

Wallet Safety Summary (At a Glance)

- Custodial = convenience; Self-custody = control.
- Your private key = your ownership.
- Recovery phrase = the master key — protect it offline.
- Always verify URLs and official apps.
- Never share your recovery phrase with anyone, ever.
- If unsure, stop and verify before clicking.

Safe habits make crypto simple.