

NC Wallet Explains: Difference Between Custodial and Non-custodial Wallet

HONG KONG, November 21, 2023 /EINPresswire.com/ -- Few things in the crypto world spark more debate than deciding between a custodial and a non-custodial wallet. In this article, [NC Wallet](#) explains the key difference.

What is a crypto wallet, indeed? Before we dive into the types of wallets, let's clarify how a crypto wallet works in general. Contrary to popular belief, it doesn't keep the coins, which are stored directly in the blockchain. In fact, the main role of every wallet is to be a secure "private key keeper". These keys are an integral part of a blockchain. They are used to confirm transactions and prove ownership of a blockchain asset. So, as we'll see the two types of wallets mostly vary in the way they deal with the user's private keys.



Non-custodial Wallet

In non-custodial wallets (also called self-custody wallets) the control, as well as responsibility, over holding private keys (or mnemonic phrase) is concentrated solely in the hands of the user. The tricky thing is that this advantage could simply turn out to be the main drawback, as storing and using private keys requires a certain level of caution. If the keys are lost, there is no way to recover the digital.

Custodial Wallet

In custodial wallets, a so-called "custodian" helps customers to manage the keys. Firstly, the custodial wallet users don't have to worry about storing and remembering the long and unfriendly keys, as they are kept encrypted by a wallet or exchange. Customers access the wallet and make transactions with the help of biometrics or other familiar authorization methods (password, PIN code), which is far more convenient. Secondly, these services could help restore access if a user, for example, loses or forgets the credentials. But the main challenge here lies in

finding a reliable service to trust keys and funds to.

Choosing the right type of wallet can be tough. Knowing the pros and cons might help in making a reasonable decision.

About NC Wallet

NC Wallet is a secure cryptocurrency wallet with hundreds of thousands of users all over the world. The wallet provides a friendly interface and the ability to make transactions without paying extra fees. The app supports all the most in-demand networks and coins. Available on all popular platforms:

[App Store](#)

[Google Play](#)

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