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Stock Market Investing Tips, Techniques, and Resources



Crypto Versus VISA

By: www.ProfitableInvestingTips.com

A recent article from *Bloomberg* raised a pertinent question. [What good is crypto](#), they ask, if the numbers are not going up? In the article the writer compares using a VISA card while traveling to using cryptocurrencies. What this brings to mind are really two questions about cryptocurrencies. One is why anyone would want to invest in crypto when the mystique of constantly rising value has evaporated with crypto winter. The other challenges the rationale for creating cryptocurrencies. If VISA works so well, why do we bother with cryptocurrencies as a means of sending and receiving money?

Comparing VISA to Crypto

The question posed by the author of the Bloomberg article is this. If you could use a crypto protocol that did not cost you money to use it, gave you rewards for its use, and was blazingly fast at 24,000 transactions every second, wouldn't you use that one and skip all of the rest? What if the crypto protocol also refunded your money if someone hacked you or scammed you? Wouldn't that be a great change from worrying about the next blockchain hack?

The author goes on to note that he is describing how a VISA card (or MasterCard, etc.) works with a minimal "spread" for converting currencies and no fee for converting from dollars to other currencies. The card in question could be used at retailers virtually everywhere on the planet.

Why Is Crypto Better Than VISA?

The crypto argument against a credit card starts with the fact that people often need to pay an annual fee to use it. Merchants commonly pay fees of 2%, 3% or more to use credit cards to process payments. The clincher for crypto lovers is that a bank or other centralized institution is keeping track of everything that you are paying for. To counter the argument that crypto values fluctuate so much, crypto lovers note that the top stablecoins, Tether (USDT) and USD Coin (USDC) fluctuate in value less than the dollar does against other currencies.

Who Gets to See Your VISA Versus Your Crypto Transactions?

If you do not want some big bank keeping track of what you are spending, where you are going, and who you are doing business with, you probably would like to use cryptocurrencies. Here you do not have a large bank keeping track of things as all of your transactions are dispersed over the blockchain. However, anyone with the wherewithal can track movements of all of your transactions via [crypto tracing](#). All that is required is that you cash out a few tokens from time to time for authorities to identify you and lay all of your otherwise-private transactions bare.

How Safe Are Crypto and VISA?

As we have frequently noted, there is no Crypto Deposit Insurance Corporation. While your deposits in any US bank are insured up to \$250,000 per account there is no one to replace your losses in a crypto hack or the sort of sloppy business practices and fraud that FTX was involved in. The argument for crypto a couple of years ago could have been that crypto was going up so fast that all “sins” or the hacking and poor business practice sort could be forgiven. That is no longer the case and crypto needs to compete in terms of its usefulness.

VISA Does Not Handle Million Dollar Business Transactions

Decentralized finance is, we believe, the future of crypto. People can do business with others anywhere on earth without worrying about exchange rates. They don't need a centralized financial institution because they have crypto and smart contracts. They need to be using one of the top cryptocurrencies that will retain its value. Ideally they give up the idea of combining international business with currency speculation and use a solid stablecoin like Tether. While VISA and other credit cards currently are more efficient for daily transactions, nobody finances a million dollar business deal with their VISA card.

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