

# The Weiss Guide to Crypto Wallets

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# The Weiss Ratings Guide to Crypto Wallets

Thank you for joining the Weiss Crypto family! The information in this guide has been compiled and reviewed by all our crypto experts to create the foundation of your crypto toolbox. With these tools at your disposal, you'll be able to hit the ground running in any and all of our crypto services and in your broader crypto investing journey!

If there's one thing that 2022 taught us is this: **Not your keys, not your crypto.**

What does that mean?

It speaks to the truest ideals of cryptocurrency. If you don't have sole custody of your assets, then they aren't truly yours. And that means they're not safe.

So, while you CAN hold your crypto on a centralized exchange, we don't recommend it. Why? Because it means you don't truly have custody of your own crypto!

We saw THREE black swan events hit the centralized crypto community hard in 2022. Traders who held their assets on those platforms could no longer access their funds. Some lost them entirely.

Crypto wallets allow you to avoid this risk by ensuring that you — and ONLY you — have custody of your assets.

By storing your crypto in a wallet only you control, you can reduce your risk of falling victim to the weakness of centralized finance.

## A Quick Overview of Crypto Wallets

Like we said previously, we DO NOT recommend keeping your crypto on Coinbase ... or any CEX. The value of crypto is in having full control over your own money. Crypto ownership and control boils down to three major components:

**1. A public address.** This is akin to a checking account number and refers to the place where the crypto resides on the blockchain.

**2. A public key.** This is essentially your proof of ownership over the public address and takes the form of a unique series of letters and numbers. This is tied to a private key but doesn't contain any information about the identity of the owner.

**3. A private key.** This is the most important piece. It's like a password to an online banking account ... giving the holder complete control over the crypto in question.

A wallet is simply where the keys are stored, and CEXes often have various wallets of their own.

Just as your stockbroker will hold shares for you in so-called street name, most crypto exchanges will also hold your cryptos for you in a digital wallet that comes with your account and lives on their website.

The upside is supreme convenience as this makes trading crypto as easy as hitting a button or two.

**The trouble is ... the exchange is holding the keys to your crypto!**

This may be fine for extremely short-term trading purposes. However, it also exposes you to the type of situation we saw play out with FTX ... where customer assets get locked up or disappear entirely.

Therefore, the only way to have complete say over your crypto always is through a wallet you — and ONLY you — control.

To illustrate the difference, let's say you buy some **Bitcoin ([BTC](#), Tech/Adoption Grade “A-”)** through Coinbase.

You can leave that Bitcoin in a Coinbase wallet on the platform itself ... meaning you're also leaving the keys that control it. This is known as a custodial wallet because another organization is providing security for the keys and making future transactions on your behalf.

Alternatively, you can take the BTC you just bought and move the keys off Coinbase's platform and into a wallet of your own.

Then that Bitcoin is entirely yours and Coinbase is no longer able to manipulate your funds. This is called self-custody.

Ready to go further?

Well, there are two major types of wallets available to you: hot wallets and cold wallets.

Let's evaluate the advantages and disadvantages of each type in greater detail and run through how they work so you can determine which one is best for you.

In addition, we will explore a good option for each wallet type and provide easy-to-follow instructions on how to set them up.

## Soft Wallet Rundown

The term soft wallet — short for software wallet — applies to a crypto storage solution that remains connected to the internet.

Soft wallets may also be referred to as **hot wallets**.

The basic idea is your private keys are residing inside of an encrypted computer program running in one of three ways:

1. On a cloud-based program you access remotely, known as an online wallet.
2. On a physical computer you own, called a desktop wallet.
3. Or through an app running on a device like a smartphone, typically called a mobile wallet.

Online wallets may be the most convenient option as you can access them the same way you access an online bank account — by logging in from any device of your choosing.

However, they're not as secure as desktop or mobile wallets. So, if safety is a primary concern, then you're better off sticking to digital wallets that reside on your computer or mobile device.

There are many advantages to these types of soft wallets. For starters, most are free to download. They're available for PCs and laptops, as well as Android and Apple phones. Plus, they're easy to install and use.

But again, they aren't 100% secure because they're still connected to the internet. More important, they're only as safe as the device they live on.

So, if you use a hot wallet, be sure to use strong passwords or passphrases on your device ...

Protect your computer or smartphone from viruses and malware ...

Guard it against theft ...

And remember to back up your system regularly.

Bottom line? **In our view, desktop or mobile wallets like this are the best short-term option if you're frequently trading cryptos or using your crypto to make purchases.**

There are many different soft wallets to choose from. Often the main difference between them is which blockchain they're built on. For example, MetaMask is one of the most popular wallets for ERC20 tokens — i.e., tokens built on the **Ethereum ([ETH](#), Tech/Adoption Grade “B”)** blockchain.

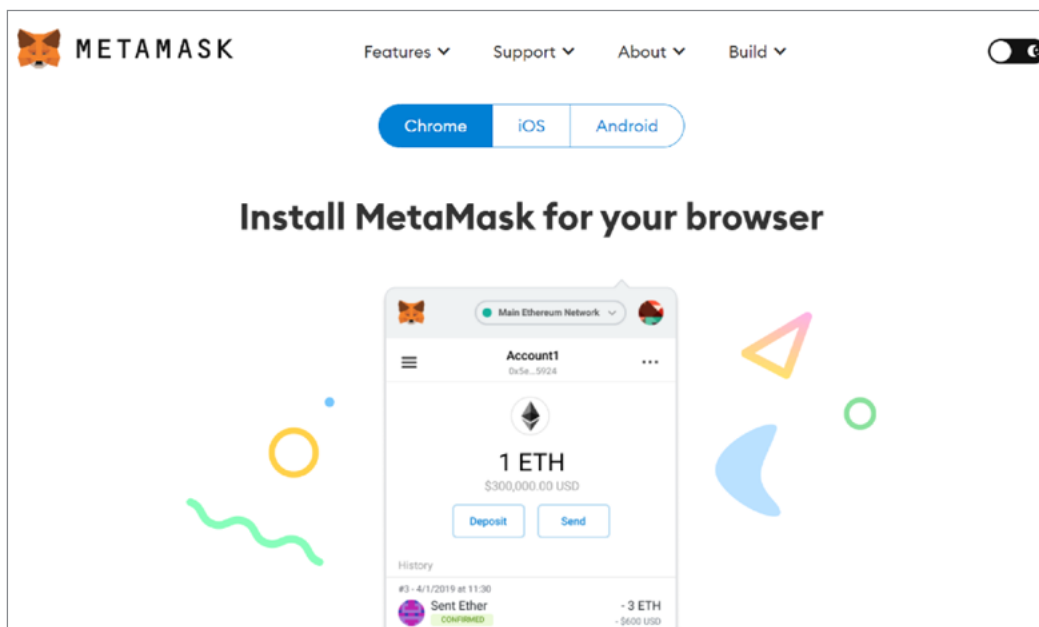
Other well-known choices in this category include Trust Wallet and Exodus.

Often, investors and traders will need to have several wallets to hold their various tokens as no one wallet supports all native tokens. In this guide, we'll show you how to set up and transfer tokens to a MetaMask wallet, as ERC20 tokens are fairly popular.

That said, the setup process for most wallets will follow a similar procedure. Here's a quick breakdown of how you can start using it if you aren't already.

## Get Started with MetaMask in 3 Simple Steps

### Step 1. Download MetaMask for Free



MetaMask can run as an extension on the following web browsers: Google Chrome, Firefox, Brave, Microsoft Edge and Opera. You can also download the app on an Android or Apple smartphone.

All you need to do is visit the Google Play store, Apple's app store, or the [MetaMask website](#).

## Step 2. Create Your Personal MetaMask Wallet

Click on **Create a Wallet**.

On the following screen, you will be asked to create a new login password.

After entering your password, you'll be given a 12-word seed phrase. These 12 random words are unique to your account and serve as a backup fail-safe. Keep a copy of this seed phrase — with the exact order and correct spelling of every word — because it allows you to retrieve your MetaMask wallet from anywhere in the world, even if you forget your password.

However, **avoid storing your seed phrase on anything that has access to the internet**. This includes screenshots and password saving apps. If anyone steals your seed phrase, that person will be able to access your MetaMask wallet and all the crypto stored on it.

We recommend you write your seed phrase down on a piece of paper and lock it away in a safe place. Also note that no one should ever ask you for your seed phrase. If someone does, it's likely a phishing scam.

## Step 3. Confirm Your Seed Phrase

On the following screen, you'll be asked to reenter the phrase you wrote down to confirm you have the words in the right order.

Once you've entered your seed phrase correctly, click **Confirm**.

That's it! You've now completed the one-time steps for setting up a MetaMask wallet.

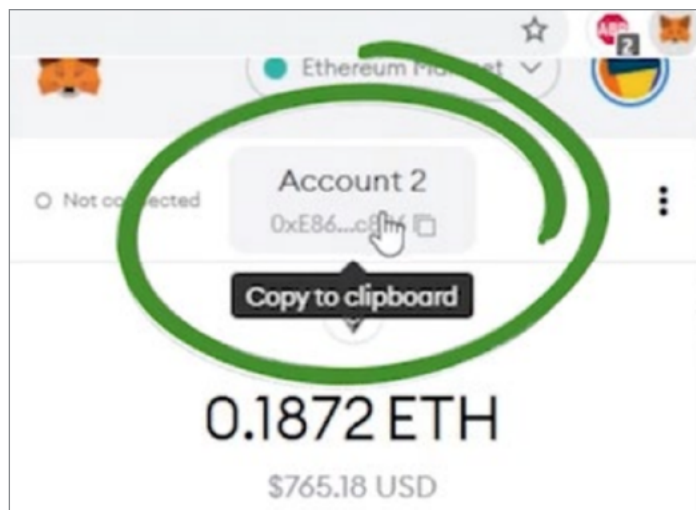
From here, you can begin transferring ETH-based assets. And while the specifics might vary a bit with other types of hot wallets, the overall process should be similar.

In fact, we'll walk you through the process of moving your crypto right now.

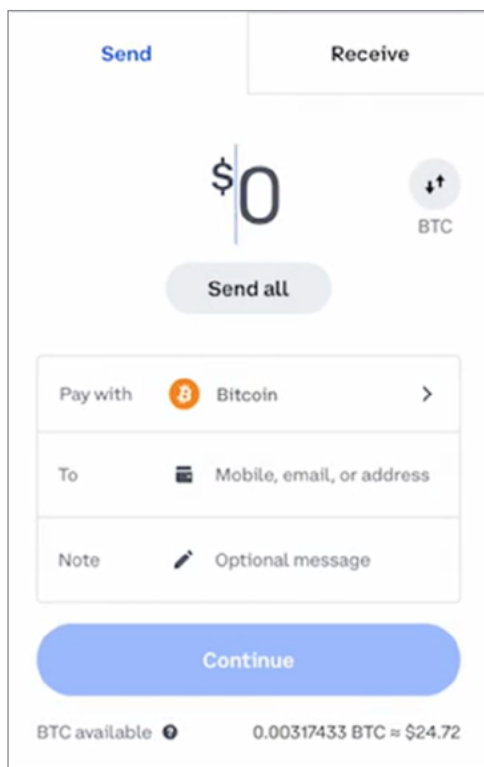
## Transferring Your Crypto from Coinbase to MetaMask

Sending crypto from your centralized account to your wallet has a few steps. But once you get them down, it's an easy process that's basically uniform across platforms and wallets.

1. Log in to your Coinbase account and MetaMask wallet if you aren't already.
2. In your MetaMask account, click on your address at the top of your wallet to copy it.



3. Go back to Coinbase. Click **Send/Receive** at the top right of the page, next to the **Buy/Sell** button.
4. In the **Send** tab, enter the amount you wish to send. You can change the value from USD to the crypto of your choice by toggling the button with the up and down arrows on the right of the tab.



5. In the **Pay With** field, select the currency you want to send from the menu.
6. In the **To** field, paste the address you copied earlier from your MetaMask wallet. Take a moment to make sure it matches exactly. If there's a typo and you confirm the transaction, you won't be able to get your crypto back.  
  
**Note:** If this is your first time transferring assets, we recommend doing a test run first with a small amount.
7. When ready, click **Continue**. You'll have one more chance to review everything. Make sure the amount, type of crypto and address for your wallet are all correct. When you're confident everything is right, click **Send Now**.
8. In MetaMask, check to make sure your crypto is there. It may take a few minutes for the transaction to process.

## Want Even More Safety? Then Check Out Hard Wallets!

The obvious drawback to soft wallets — no matter how secure they are — is they're still connected to the internet. Theoretically, that simple fact makes them vulnerable to hacks and theft.

Therefore, the only way to be 100% sure your crypto is completely secure is by using hard storage. This means having your keys stored somewhere that's not connected to the internet.

In the old days, hard storage meant writing down your private keys on a piece of paper and making sure the paper itself stayed safe and dry.

And although that's still a viable option, you're now far better off using a hardware (or hard) wallet, which is also known as a **cold wallet**.

As the name suggests, hard wallets are physical devices that can be used to store your crypto keys offline. They typically look like small USB drives.

In our opinion, hard wallets are the safest way to store your crypto.

The drawbacks? They're slightly less convenient to use than software wallets, and they may cost anywhere from \$50 to \$300. But that's a small price to pay for extra-secure protection over your crypto.



## Our Preferred Hardware Wallet Is the Ledger Nano X

Our current favorite hard wallet comes from Ledger, which was founded in 2014. The company is a leader in security and infrastructure solutions for cryptocurrencies and blockchain applications and currently has over 5 million customers worldwide.

As one of the most popular — and trusted — hard wallets in the world, Ledger hardware wallets are designed to keep your crypto safe. They also have amazing storage capacity and allow you to secure, store and manage more than 5,500 crypto assets at once.

The company currently offers the Ledger Nano S Plus, which is available for less than \$100. However, if you're willing to spend a little more, we prefer the Ledger Nano X.



The Nano X is Ledger's most advanced, on-the-go hard wallet. It's Bluetooth-compatible with Ledger Live Mobile (more on this later) and has a longer battery life.

It's also easily accessible and can be purchased from Ledger, Amazon or Best Buy. It currently retails for roughly \$150. If you decide to buy one, you'll also need a smartphone or computer to get the most out of it.

Here's a quick guide on how to set up a Ledger Nano X in case you decide to purchase one (or already have one but aren't sure how to use it).

## First, Set Up the Ledger App

1. Download and install the Ledger Live application.
2. Once the app is downloaded and installed, open the app and click **Get Started**.
3. Read and accept the terms and conditions. Then click **Enter Ledger App**.
4. Select **Nano X**.
5. Click on the top option, **Set Up a New Nano X**, for new device setup.
6. After reviewing four educational slides, click **Let's Do This!**
7. Read and adhere to the simple safety guidelines. Then click **OK, I'm Ready!**
8. Read the last warning, being careful to follow these rules to the letter. Then click **Got It**.

## Then, Set Up Your Ledger Nano X Device

1. Connect your Ledger Nano X device to your computer via the USB cable.
2. Once it powers up, use the black and gray buttons on the front of the device to scroll through the navigation instructions.

**Note: The display on the Nano is small, and even if you increase the text size, it may still be difficult to read. If you find the text too small, you may need someone you trust to help you in person.**

3. Use the scroll buttons to scroll right until it reads **Set Up as New Device**.
4. Press both buttons simultaneously to select that option.
5. Set the **New PIN Code**.

To complete this step, first press both buttons to confirm. You will now see **Choose PIN** with four to eight digits on the screen. Use the left and right buttons individually to find the desired number for each slot and press both buttons at the same time to confirm your selection for each number.

**Note: Your PIN needs to be between four and eight numbers long. So, if your chosen PIN is less than eight digits, you may not need to use all the space provided.**

Once you've entered your PIN, in the last slot, click the left or right button repeatedly until you see the checkmark symbol displayed in it. Then, confirm your selection by pressing both buttons. You will be asked to enter it one more time on the **Confirm PIN** screen to finish your PIN code setup.

**6. Set up your recovery phrase.**

Your screen will now say: **Write Down Your Recovery Phrase.**

**Note: This is the most important part of the setup. The whole advantage of the cold wallet is that it stores your keys offline and out of reach of hackers and malware.**

**To maintain the utmost security for your wallet, do not use screenshots, apps or password managers to store your recovery phrase.**

We suggest writing it down on paper and storing that away somewhere safe just as we suggested with the seed phrase for a hot wallet. If you look in the box the Nano came in, Ledger includes recovery cards specifically for this purpose.

And this also bears repeating: **Never give your recovery phrase to anyone.** No one should ever contact you and request it.

**Remember: These phrases will be your only backup to restoring your account in case it gets destroyed, lost or stolen.** That's why you must take all precautions in keeping this phrase under lock and key.

Now get ready to write down the 24 words in the exact order they're displayed on your Nano device, as per the instructions on your screen and device display.

Scroll through the instructions by pressing the right button repeatedly. Press both buttons when instructed to do so.

Then, the first word will appear. Write it down on your sheet on the first line. Then continue pushing the right button to see the next word and repeat this process until you reach the 24th word.

Also, be careful to spell each word correctly! You can use the left button to scroll back through your words to double-check the spelling one last time.

Once done, scroll all the way to the end by pressing the right button until you see the screen saying: **Confirm your Recovery Phrase**. Press both buttons.

7. You will now need to scroll through a list of words until you can confirm all 24 words of your recovery phrase in the exact order. Use the one of the side buttons to scroll through the list until the correct word is shown. Confirm your selection by pressing both buttons.
8. When you confirm the last word, you will see the screen saying: **Your Recovery Phrase Is Set**. Make sure to keep the written copy of your phrase in a secure place.

**Remember, it's your responsibility to keep your keys and passwords secure.**

9. Scroll right on your Nano until a screen appears instructing you to press both buttons.
10. Once you press both buttons, you will see **Processing** on your screen.
11. Then it will say: **Your Device Is Ready**.
12. Scroll right, then press both buttons to access the dashboard.
13. You will now see the **Install App** screen.

## Lastly, Complete the Ledger Live Setup Process

1. Within the Ledger Live app, click through the steps until you get to the **Hide Your Recovery Phrase** screen. Then click, **OK, I'm done!**
2. It's quiz time. Complete the short quiz to understand your hardware wallet better.
3. After you've aced the quiz, there's one last step. Click **Check My Nano** in the app and press both buttons when it says **Allow Ledger Manager** on your device.
4. If the check is successful, continue to the next step. If not, please contact Ledger Support.
5. After you've completed the Genuine check, click **Continue** and go to the Ledger Live dashboard.

Congratulations, you've now successfully set up your Ledger Nano X!

## Transferring Funds to Ledger Nano X

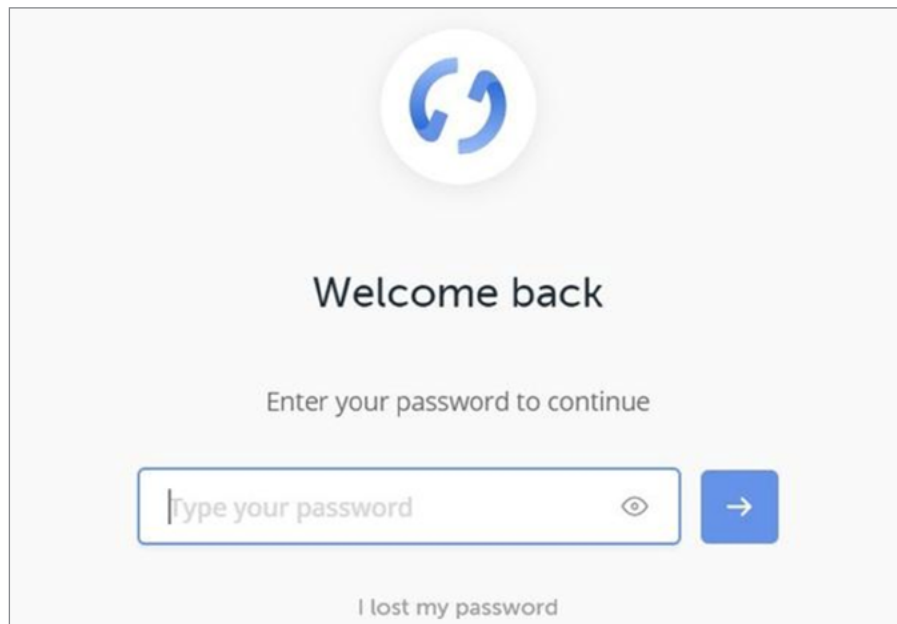
Since Ledger Nano X is a hard wallet, the process for transferring crypto from a CEX like Coinbase is slightly different.

1. Plug in your Ledger.

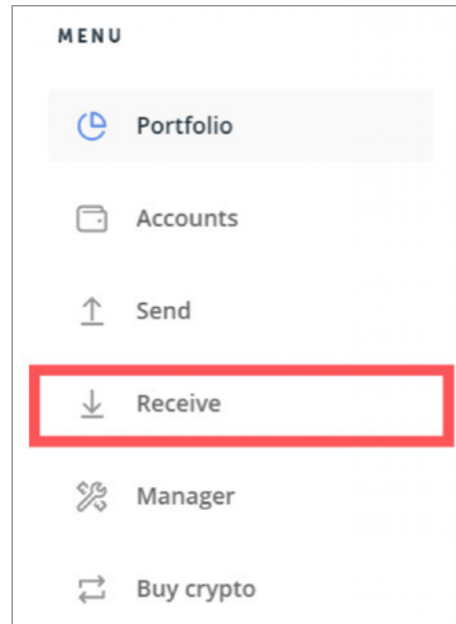
Connect your Ledger Nano X to your PC using the provided cord.

2. Open the Ledger Live application and input your password.

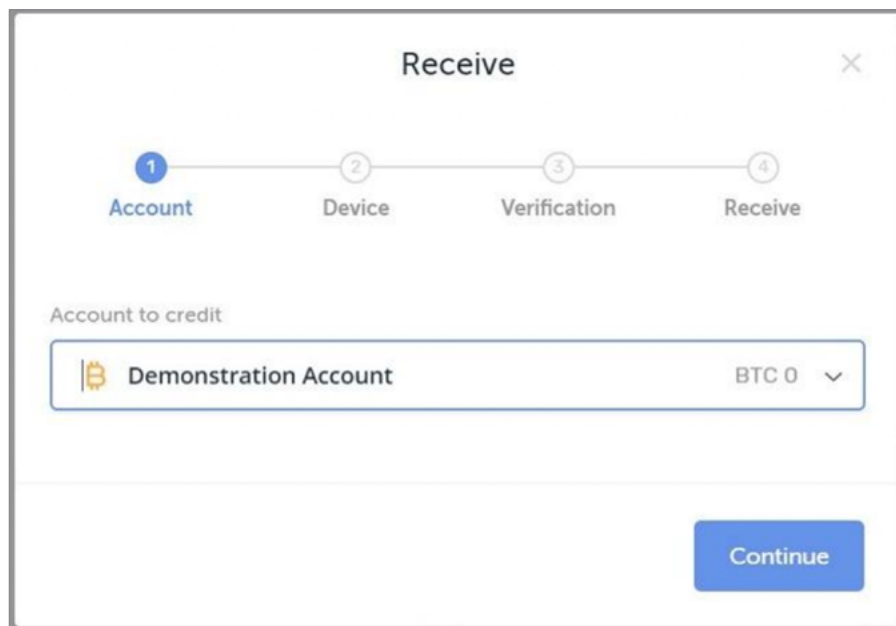
Since you've already completed the setup process and installed the host software on your PC, this should be intuitively easy.



3. On the menu on your left, please select **Receive**. A funds receipt screen will pop up.



The pop-up screen will show you the steps for receiving funds.



4. Select the account you wish to credit.

Here, you'll pick which account you wish to move your digital assets into and which specific digital asset or coin you want to move to your device. When you're done, click **Continue**.

**5.** Open the right app on your Ledger device.

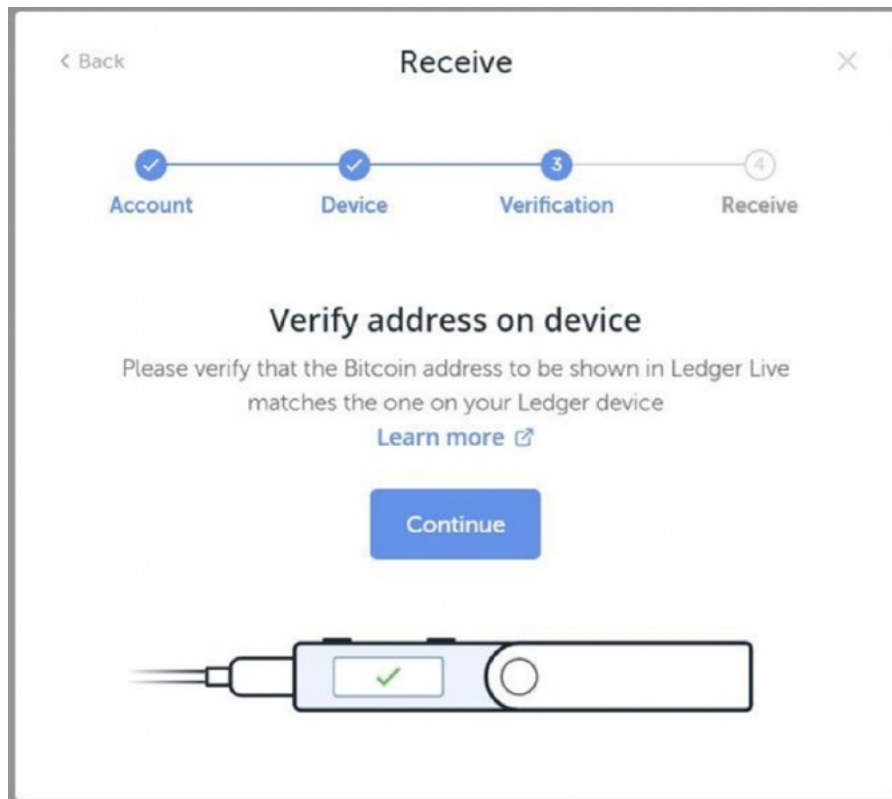
Your Ledger device has specific apps for receiving different digital assets you wish to store in it. Use the left and right buttons on your Ledger device to find the asset you want to receive, then select by pressing both buttons at the same time.



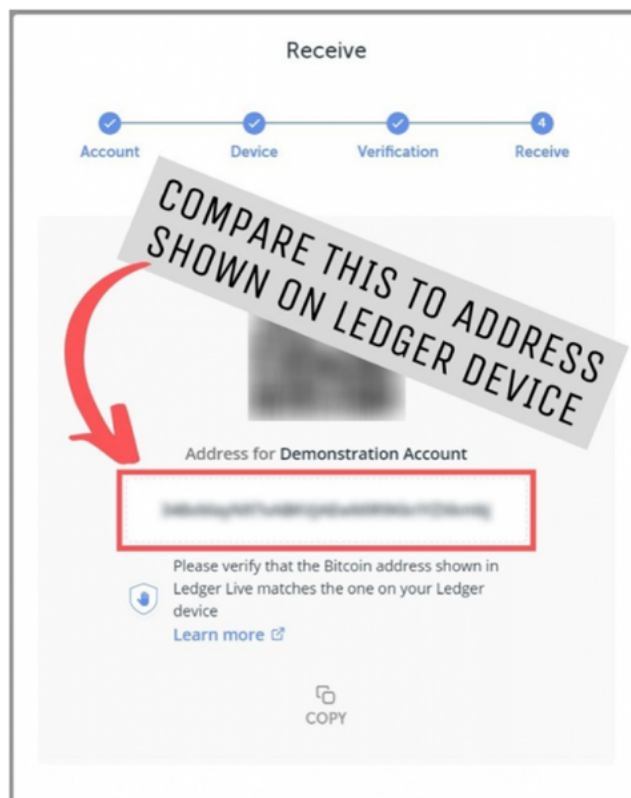
Your Ledger Live program will ensure that the Ledger device is connected to your PC and that you have selected the correct associated app in your device. Once this is done, click on the **Continue** button on your PC.

**6.** Verify the address.

You'll see a prompt on your PC to verify the address.



Click **Continue** for that address to appear on-screen and on your Ledger device. Take this time to confirm both addresses are identical.





The confirmation needs to be done manually to ensure that your online wallet's addresses and one on your device are synced. If they are identical, press the button on the right of your Ledger device.

The Ledger Live app on your PC will then confirm if you have completed this operation. Hit the **Copy** button to copy the address.

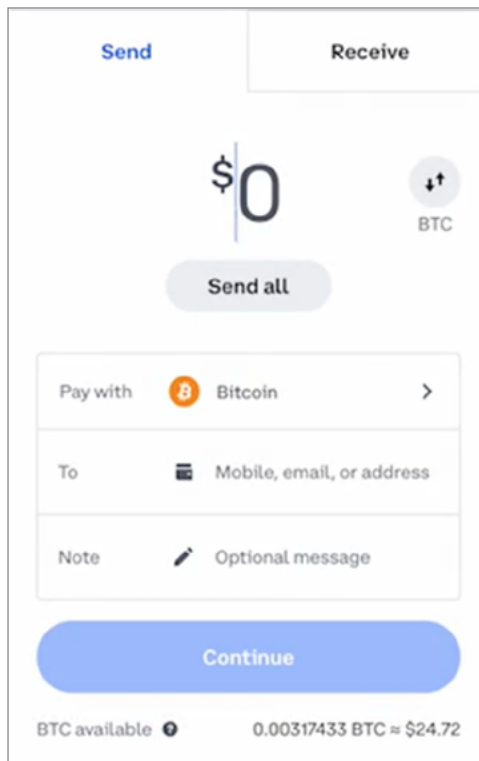
Now, the steps should feel familiar.

## 7. Log in to Coinbase.

You have completed getting your device ready to receive coins from Coinbase. Please sign in to your Coinbase account to send the coins to your Ledger device.

Click **Send/Receive** at the upper right of the page, next to the **Buy/Sell** button.

## 8. In the **Send** tab, enter the amount you wish to send. You can change the value from USD to the crypto of your choice by toggling the button with the up and down arrows on the right of the tab.



The screenshot shows the 'Send' tab in the Coinbase mobile app. At the top, there are two tabs: 'Send' (active) and 'Receive'. Below the tabs, a large input field shows '\$0' with a vertical cursor. To the right of the input field is a toggle switch with up and down arrows, currently set to 'BTC'. Below the input field is a 'Send all' button. Further down, there is a 'Pay with' section showing 'Bitcoin' with a Bitcoin icon and a right arrow. Below that is a 'To' section with a mobile icon and the text 'Mobile, email, or address'. Below that is a 'Note' section with a pencil icon and the text 'Optional message'. At the bottom is a large blue 'Continue' button. At the very bottom, there is a status bar showing 'BTC available' with an information icon, and '0.00317433 BTC ≈ \$24.72'.

## 9. In the **Pay With** field, select the currency you want to send from the menu.

**Please be sure you're sending the same asset type you prepared for in your Ledger device.**

So, if you set up your Ledger to accept Bitcoin, then you'll need to send Bitcoin. Otherwise, you'll need go back to Step 3 of this process and choose a different asset to receive/get an address for.

**10.** In the **To** field, paste the address you copied earlier from your Ledger Live app. Take another moment to make sure it matches exactly. Remember, if there's a typo and you confirm the transaction, you won't be able to get your crypto back.

**Note:** If this is your first time transferring assets to Ledger, we recommend doing a test run first with a small amount.

**11.** When ready, click **Continue**. You'll have one more chance to review everything. Make sure the amount, type of crypto and address for your wallet are all correct. When you're confident everything is right, click **Send Now**.

And that's it!

You can find out more about the transaction by clicking on **View Details** in your Ledger Live app. The TX-ID listed there will show you the track your crypto will take to transfer from Coinbase to Ledger Nano X and when it'll arrive.

## Final Considerations Concerning Wallets and Crypto Storage

While the simplest and most convenient way to hold crypto is in a CEX's wallet, it's simply not that safe ... especially in the environment we're in right now.

A CEX may be a perfectly fine route to take if you have a relatively small portfolio of cryptos, particularly if you plan on trading them frequently or are a day trader.

But if you're willing to put in a bit more legwork — or sacrifice a tiny bit of convenience — it would be far more secure to use your own soft wallet.

Meanwhile, for crypto you plan on holding for a long time or crypto you have in large amounts, there's simply no substitute for a hard wallet such as the Ledger Nano X. After all, if you're holding a lot of crypto assets, you definitely want to make sure they receive the best protection possible.

It's up to you to decide if the more complicated process of a hard wallet is worth it for you. Yes, it's more secure, but if you're constantly trading or investing only small amounts, it may not be worth the effort for the added security.

**Here's a tip from the experts:** A solid approach in our opinion is to use a combination of different wallets. That way you can tailor each one to a particular asset, purpose or intended holding time.

It's incredibly easy to use a soft wallet like MetaMask in combination with a hard wallet like the Ledger Nano X for the best of both worlds.

Either way, you're keeping your crypto safely out of the hands of centralized platforms.

*Independent | Unbiased | Accurate | Trusted*

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