

Bitcoin: Five things you need to know

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[What you need to know about bitcoin and cryptocurrencies](#)

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What exactly is bitcoin and how do criminals take advantage of the technology?

1. Bitcoin is the world's first digital currency that allows users to send value on a peer-to-peer basis, with no need for a bank, service provider or any other authority to be involved. Transactions are verified and shared by members of the global bitcoin network.
2. Legitimate uses include the transfer and storage of value without trust or reliance on others, such as banks. Bitcoin is also used for trade, with payment services becoming increasingly common for services and goods – even those as mundane as clothing and beer. Value is sustained by the finite number of bitcoins 'mined' and by the need for a user's private key(s) to access them. Users simply need a device with a data connection, rendering access and use for up to two billion people who do not have access to banks.
3. Criminals take advantage of the seemingly anonymous nature of bitcoin. They can transact for illicit goods and services, then store the proceeds of their crime in digital form away from bank accounts. They can then launder the proceeds by converting them to other cryptocurrencies or cash.
4. Law enforcement dedicate specialist officer resources into developing guidance and sharing best practice. Investigation guidance is provided by the NPCC and shared on the police Knowledge Hub. Collaborative working with industry and academia is key to providing an effective response.
5. If you want to buy bitcoin, there are plenty of resources online. You can get 'hands on' with the technology available by installing a wallet, creating an account with an exchange, and then purchasing and transferring a small amount.

For more information contact your regional cybercrime unit.

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