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Brief Comparison between Bitcoin & Credit Card Transactions

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Digitalization has drastically transformed human interactions and collaborations. In financial trades, digitalization has helped in convenient and accessible purchases and exchanges.

[bitcode-prime.cloud](#) is one of the firms that offer digital currency facilities. Though in traditional banking systems, transactions using credit cards only need a swipe, then ta-da, the payment is successfully made.

Moreover, cryptocurrencies offer similar facilities for convenient transactions and dealings. So what is the prominence of Bitcoin payment methods and credit card transactions? And why a seller or buyer chooses one over another?

Comparison between Bitcoin and Credit Card Transactions

Certain features present in both kinds of transactions make them unique and valuable in their way. Understanding both of them is essential, and comprehending which suits you better.

Transactions using the Bitcoin payment method

Cryptocurrencies have the prominent feature of decentralization. These digital currencies were formed to facilitate one-to-one payments and settlements without an intermediary authority like firms and banks.

The traders preserve their funds and coins in their independent crypto wallets, whereas money is stored in bank accounts in the traditional storing method managed by the bank.

The payment method is convenient for all the traders as the transactions are transferred from one person to another. The Crypto payment method stands out due to its high level of the secured system that allows the identities of traders and buys to remain unidentified. The process goes through the private network, and the proof of transactions is stored in the public blockchain.

Another supporting feature of Bitcoin payment is that private information like personal name and living address is not inquired about, which secures the chances of any hacking liability.

Transactions using a credit card payment method

By far, the most popular and operative method of payment has been through credit cards for more than several decades. It is a fact to acknowledge that credit has been amongst the traders for many

centuries, and only credit cards were created in the 1950s.

Even though it's a popular method, it entails many monetary intermediaries in the payment procedure. It is a centralized form of payment where the user gives fixed charges to an institution and provides the firm with full authority and access to its funds stored there.

A standard visa payment includes more than two parties. It consists of the credit card link firm, the seller, and a firm that facilitates payments to the seller, the bank, and the purchaser. Each party involved in the payment procedure receives compensation for their services from the other party, which causes the escalation of the prices.

Furthermore, it is the cardholder's responsibility to secure their credit card. Credit card details such as name, card number, and the code can easily be seen and hacked.

The significant key differences between Bitcoin and Credit cards

- **The procedure**

Bitcoin allows one-to-one transactions without the authority of any intermediary. These transactions are done with an anonymous numeric code that transfers the payments. While credit card offers a cashless transaction but it involves several intermediary parties.

- **Security features**

When swiping a credit card, the salesperson or shop can easily access your private and personal details. The machines for card swiping can be easily hacked, and it can identify the cardholder, and hackers can access those details.

Credit cards are noncash yet tangible assets that can be easily robbed, too, if not by hackers. It is essential to secure them yourselves.

In Bitcoin, the high-tech security systems are one of its best features. They ensure the lack of cybercrime due to their decentralized network. No identification is exchanged during a payment procedure.

- **Reversibility**

One disadvantage of Bitcoin is that if the payment is processed once, it cannot be returned until the receiver's consent. Credit card payments are irreversible, so the cardholder can claim any funds loss and cancel the purchase.

- **Charging rates**

As discussed, cryptocurrencies are decentralized networks that offer significantly fewer charges for any transaction. Because there is no authorized intermediary between the buyer and the seller, the costs are relatively low. However, credit card transactions charge more due to the involvement of several parties.

This was a brief comparison between Bitcoin and credit card payment procedures so that traders can distinguish between them and identify their feasible and suitable payment methods.

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