

Forum:[Hack Forums](#)

Thread: [Why I dont Like Blockfi \(CEX\)](#)

Echoz - December 31, 2021, 11:27 am

So recently I decided, hmm, I see that I'm obtaining more ETH with my DCA buys on Blockfi than I am via coinbase. Plus I'm gaining interest on my eth, which is great because I plan to lock my ETH into ETH 2 staking on Coinbase once I feel it's time to shift my funds (I'm not worried about ETH price, more of just accumulating).

Well, the issue of CEX's came into play. While this issue started at my fault, the error on their part was frustrating.

I decided to purchase some coins via one of my other cards I rarely use. The funds bounced, and they locked my account to recover funds. Well, at the same time my account was locked, I was in the process of withdrawing my ETH to coinbase. A week goes by, nothing happens and account still locked. Give them a call, someone says they'll work on it and reach out to me via email. Nothing happens. Finally another week goes by and I'm fuming at this point. How the fuck can this actually take this long to recover \$20? I could've mailed you it in cash at this point.. I call again and someone says their working on it. Give it a few days and blow the fuck up on this rep. I apologize, but explain how it's been 2 WEEKS of no access for a small issue. Finally, I get my account unlocked the next day and withdraw everything.

As I know many of you have distrust for CEX's because of locking accounts, I now see your concern.

While the rates on blockfi are nice, theres much more to be seen. Especially if you can gain interest on your assets via DEX's or DeFi (sometimes at a much larger rate of return).

Omniscient - December 31, 2021, 12:12 pm

(Dec 31, 2021 12:27 PM)Echoz Wrote: [\[CITE\]](#) So recently I decided, hmm, I see that I'm obtaining more ETH with my DCA buys on Blockfi than I am via coinbase. Plus I'm gaining interest on my eth, which is great because I plan to lock my ETH into ETH 2 staking on Coinbase once I feel it's time to shift my funds (I'm not worried about ETH price, more of just accumulating).

Well, the issue of CEX's came into play. While this issue started at my fault, the error on their part was frustrating.

I decided to purchase some coins via one of my other cards I rarely use. The funds bounced, and they locked my account to recover funds. Well, at the same time my account was locked, I was in the process of withdrawing my ETH to coinbase. A week goes by, nothing happens and account still locked. Give them a call, someone says they'll work on it and reach out to me via email. Nothing happens. Finally another week goes by and I'm fuming at this point. How the fuck can this actually take this long to recover \$20? I could've mailed you it in cash at this point.. I call again and someone says their working on it. Give it a few days and blow the fuck up on this rep. I apologize, but explain how it's been 2 WEEKS of no access for a small issue. Finally, I get my account unlocked the next day and withdraw everything.

As I know many of you have distrust for CEX's because of locking accounts, I now see your concern.

While the rates on blockfi are nice, theres much more to be seen. Especially if you can gain interest on your assets via DEX's or DeFi (sometimes at a much larger rate of return).

Unfortunately your story is common amongst centralized exchanges and custodial wallets. Basically most of them have slow responding support or policies which can lock funds for months. The worst is that they can seize your funds and suspend your account. It's important to use some services from a CEX but everyone should limit their exposure.

Echoz - December 31, 2021, 1:35 pm

(Dec 31, 2021 01:12 PM)Omniscient Wrote: [\[CITE\]](#) Unfortunately your story is common amongst centralized exchanges and custodial wallets. Basically most of them have slow responding support or policies which can lock funds for months. The worst is that they can seize your funds and suspend your account. It's important to use some services from a CEX but everyone should limit their exposure.

I agree. I try to move my funds to my Ledger if I plan to hold them for awhile. Most of the ETH is staked, so I cannot move it til ETH 2.

Other than that, I tend to just buy on CEX's and move to L1's or L2's.

shreder - December 31, 2021, 2:56 pm

When it goes wrong it takes so much effort to undo it sucks.

Truth - December 31, 2021, 3:17 pm

CEX are only good for turning fiat into crypto, other than that, I wouldn't store any crypto on them.

DEX exchanges are where its at when dealing with crypto