# **Types Of Crypto Wallets: Cold And Hot, Custodial And Non-Custodial, Hardware, Multisig, Single and Multi-Crypto Wallets**

There are various types of cryptocurrency wallets in this new industry that Bitcoin has started. It might get confusing to newcomers as they go deeper into the rabbit hole, so we're here to help out by identifying and differentiating between them all.

## **Cold and hot cryptocurrency wallets**

Hot wallets, also known as online wallets, are cryptocurrency wallets that are connected to the internet, while cold wallets are the opposite where they're known to be as offline wallets, can't be connected to the internet, or at least are not designed to be able to do so.

## **Custodial and non-custodial crypto wallet**

Non-custodial wallets are ones where your private keys (seed words) are generated locally within your wallet/device, stored, and saved by you, and should only be accessible by you, which means that the funds within that wallet are only accessible by you and nobody else. An example of a non-custodial wallet would be ones created using the [Guarda wallet](https://guarda.com/) or [Blue Wallet](https://bluewallet.io/).

Whereas custodial wallets are ones where you don't have access to your private keys, but instead are controlled by a third party, which makes them no different than a traditional bank in the sense that they both have access to your funds.

## **Hardware wallets**

Hardware wallets are physical devices that are created for the sole purpose of being a cryptocurrency wallet, and they are usually known to be both non-custodial and cold wallets. These devices are usually air-gapped and are known to be the best form of security an individual can have to have a secure way to store their funds and keeping their crypto safe. One example of a hardware wallet is the Ledger Nano S/X.

## **Multisig wallets**

Multisignature wallets are ones where they require the need for multiple signatures from other wallets to take funds out of them. For example, a multisig wallet can have a set up of 2 of 3, meaning that there are three wallets connected to it that act as a co-signer for outgoing transactions and that at least two signatures out of three from these wallets are needed to make any outgoing transaction valid for confirmation on the blockchain.

## **Single and Multi-cryptocurrency wallets**

A single cryptocurrency wallet is one that only holds one specific cryptocurrency, like Bitcoin wallets, and an example of that would be Blue Wallet, whereas a multi-crypto wallet holds different types of cryptocurrency, coins and tokens, within it, like the [Guarda wallet](https://guarda.com/) having Bitcoin, Ethereum, Dogecoin and more.

As far as we're aware, this covers the main types of cryptocurrency wallets in the industry at the moment, from hot and cold wallets to hardware wallets and custodial/non-custodial wallets, all of which may have their mobile or desktop application.

There are also what's known as a paper wallet that isn't used that much these days, but it's better to just use any mobile wallet to store your cryptocurrencies, and have a cold storage hardware wallet to secure most of your funds.