

# 15 Self-Custody Mistakes That Cost People Bitcoin

Every mistake on this list has cost someone real money. Learn from their errors, not your own.

## 1. Storing the seed phrase digitally CRITICAL

Photos, Notes app, email drafts, password managers, cloud storage. All of it syncs, all of it gets breached, deleted files leave traces. **Fix:** paper or steel only. Never a pixel, never a keystroke.

## 2. Keeping only one backup HIGH

One fire, one flood, one theft, or one forgotten hiding spot and the Bitcoin is gone. **Fix:** at least 2 copies, separate locations, at least one in stamped steel.

## 3. Never testing recovery HIGH

A misspelled word or wrong order stays invisible until the day you need the backup, which is the worst possible day to find out. **Fix:** wipe the device, recover from the written seed, confirm addresses match. Before funding.

## 4. Buying hardware from Amazon or eBay CRITICAL

Resealed packaging, tampered firmware, pre-generated seeds. You will not know until the funds move without you. **Fix:** manufacturer or authorized reseller only. Verify seals. Update firmware before key generation.

## 5. Using a pre-generated seed CRITICAL

If a seed came printed in the box, or someone "helped" by setting it up with their phrase, it is their wallet, not yours. **Fix:** always generate fresh, on the device, yourself.

## 6. Telling people what you hold HIGH

Posting gains, telling coworkers, showing balances. You become a phishing, robbery, and wrench-attack target, and so does your family. **Fix:** "I own some" is a complete sentence. Never amounts.

## 7. No inheritance plan HIGH

Perfectly secured Bitcoin that nobody knows exists dies with you. **Fix:** written access instructions, stored with your will or a trusted person, tested by someone other than you.

## 8. Trusting the computer, not the device HIGH

Malware swaps addresses on the clipboard and screen. The hardware wallet's screen exists precisely because the computer can lie. **Fix:** verify every address on the device screen, character by character at both ends.

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### 9. Rushing large transactions HIGH

One address typo on a full-stack send has no undo button. **Fix:** small test send, wait for confirmation, verify receipt, then move the rest. Every time.

### 10. Leaving coins on the exchange "temporarily" HIGH

Mt. Gox, FTX, Celsius. "Later" became "never" for millions of people. **Fix:** a standing rule: coins leave the exchange within 48 hours of purchase.

### 11. Using unknown or "custom" wallets CRITICAL

Random downloads can be malicious, buggy, or honeypots. **Fix:** well-known, open-source, audited software from official sources: Sparrow, Electrum, Specter. Hardware from established makers.

### 12. Panicking over change addresses

You spend, the "leftover" moves to a new address in your wallet, the old address looks empty, and panic causes worse mistakes. **Fix:** trust the wallet's total balance. Back up the whole wallet, not one address.

### 13. Setting up on a shared screen CRITICAL

Video calls, screen shares, remote-access "help." If a seed phrase was ever visible to a camera or screen capture, assume it is compromised. **Fix:** set up alone, in private. Voice call for help, separate device for setup. (This is exactly how Butler sessions work: we guide by voice and video of you, never your screen during seed steps.)

### 14. Clever decoy schemes

Decoy wallets rarely fool a determined attacker and add complexity you can get wrong. **Fix:** if physical coercion is in your threat model, use multisig across locations, not theater.

### 15. Running ancient firmware

Known vulnerabilities stay open and wallet compatibility decays. **Fix:** update periodically, verify the update source, keep your seed backup accessible first.

#### The pattern behind all 15

Almost nobody loses Bitcoin to broken cryptography. They lose it to operational mistakes: bad backups, wrong sources, rushed sends, and silence. Process beats paranoia. Follow a checklist once and these mistakes become impossible.

Get the companion Self-Custody Checklist free at [bitcoinbutlers.com](https://bitcoinbutlers.com), or have a Butler walk you through the whole setup in one live session: [bitcoinbutlers.com/butlers](https://bitcoinbutlers.com/butlers)