

Egopay frozen customers funds essay



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Electronic payment processor EgoPay has frozen its funds. Clients are also complaining that they have disabled API.

Bitcoin exchange processor EgoPay has frozen all clients' accounts including bitcoin accounts of renowned exchanges BTC-e and Bitmarket. pl.

Based in Lithuania and registered in Malta, Egopay is an electronic payment processor and gateway which seems to be victim of the current industry environment.

BTC-e informed that the company is suddenly denying access to about \$80,000 of its funds as it has placed the amount in a frozen wallet.

GOLDUX. com, a Slovakian crypto currency exchange, confirmed that \$7,183 of its funds is being withheld by the exchange processor.

The complaints are not about the frozen funds only. Some EgoPay customers are also claiming that the company has stopped some core technical features too.

A member from Poland-based bitcoin exchange BitMarket. pl informed that the EgoPay API returned reports about many faulty transactions on 28 December 2014.

He added, " These notifications were posted from the usual IP address of Egopay ... and were verified correctly by the SCI callback to the www.egopay. com server.

However, the funds from these transactions were not added to our wallet."

A spokesperson from the company revealed that they thought it was suspicious that the transactions had quite similar ID codes as the codes are usually very unlike.

A representative from GOLDUX said the firm was experiencing issues with EgoPay's API too.

He said, " The issue started at the end of December when we received some fraud callbacks from the EgoPay API. After that, EgoPay disabled its API and all payments were done manually."

On 8th January, he was informed via an e-mail from EgoPay that a part of GOLDUX. com's funds were frozen. He noticed that payments were not being processed anymore. Payments remained " pending" when were expected to be marked as " completed."

When the companies tried to log in on EgoPay, a message prompted which notified the clients about delay in payment processing.

" EgoPay Members will be experiencing higher than normal review times for all withdrawals and deposits as EgoPay is currently conducting a system migration.

EgoPay will now be able to provide a more secure network for all members through which to complete their online transfers."

EgoPay's clients are very dissatisfied that their funds have been locked but they are also unhappy with the firm's lack of communication about the issue.

The website's Live Support feature is still unavailable and the Skype accounts dedicated to customer service are also offline too.

A BTC-e representative mentioned that he hadn't heard from EgoPay after 22nd December 2014.

Tadas Kasputis, CEO of EgoPay did not respond when asked to comment on the recent service interruptions.

This is not the first time something like this happened at EgoPay. EgoPay had frozen BTC-e's account containing \$200, 000 on 4th August, without providing any explanation or prior warning.

A customer support staff member had said at the time that they were investigating an array of suspicious transactions.

He said that the risk involved ranges from losses due to chargebacks and external government investigations.