

Netagio enabling btc trades for gold and pounds



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Interview with Simon Hamblin - CEO, Netagio

Netagio is a 24/7 continuous trading platform which enables customers to trade between Bitcoins, gold and pounds.

Netagio was established in 2013 within Gold Money, a company based in Jersey in an environment regulated by the JFSC (Jersey Financial Services Commission) and now exists as a separate entity.

Netagio and its founders stem from a background of trading precious metals and providing safe storage methods for gold, and now Bitcoins. We are one of the first exchanges to be backed by the UK banking system which is great news for Bitcoin traders in the UK.

In the past customers who have traded on UK Bitcoin exchanges found that their money took longer to process and cost more to send because it was being sent across Europe.

With UK banking options behind the Netagio Bitcoin platform, customers are now able to send Bitcoin in the UK and only get charged minimal fees. This is a pivotal turning point for Bitcoin in the UK and as this is our main target market, it was a great move for us.

We have customers from 114 countries and also take Euros and Dollars and although we buy and sell Bitcoins, if our customers have bought them elsewhere and want to store them in their Netagio digital wallet (account) then we provide them with secure storage methods across multiple locations that can be accessed anytime to make a payment.

Bitcoin can be an elusive term; can you explain what it is and how it works?

People should think of Bitcoin as another currency (such as the pound) that enables you to buy products and services, however, it is only available as digital currency and is known as 'money over the internet'.

Bitcoin enables users to pay someone instantly even when transferring funds abroad which can take up to 3-5 days to clear when using other currencies. It is also cheaper to use than other currencies, it is usually free or only charges small fees compared to the high transaction fees incurred when sending other currencies abroad.

The biggest misconception around Bitcoin is that someone owns it however, there is no company, owner or central issuer behind it and at the moment it is not regulated. You can't manipulate transactions either because Bitcoins are created by a mining community (a group of people with a lot of computing power) that get rewarded with more to administer into the system after they solve mathematical problems.

This process happens every ten minutes ensuring that only a certain number of Bitcoins are put into the system at one time. The mining community are also responsible for confirming transactions and make their money from tips or network fees added by the sender to speed up transaction confirmations.

How does Netagio provide a 'painkiller' for its target market?

Bitcoins have never been readily available in the UK, and the only way to trade them has been to send money abroad which has involved high

transaction fees. Netagio provides the UK with a reputable, secure and compliant option to buy and sell Bitcoins.

Our customers can deposit funds directly into their Netagio wallet and these deposits are accredited to the account the same working day, it's also free to deposit funds and only costs a small amount to redraw funds which is an option that has previously been lacking in the UK.

What's the feedback like from customers using Bitcoin and what do you think would encourage more people to use them as a form of digital currency in the future?

There has been positive feedback from customers about Bitcoin however, there is still a long way to go. We are focused on making it easier to use and services such as Netagio mask the technicalities, meaning that customers can focus on using Bitcoin without having to know the complex processes behind it.

Bitcoin is not entirely consumer-friendly and it has been hard to obtain which is why we have aimed to make it much more accessible and user-friendly.

How do you see the landscape for Bitcoin developing in the UK, as well as internationally?

The B2C community is already investing in Bitcoin, with 65, 000 known retailers already accepting it and 100, 000 predicted to accept it by the end of 2014. The regulatory environment is also changing for the better, California has legally defined it as ' money', and Russia and China have

softened previous negative statements around the digital currency and have now agreed to look further into its use.

Closer to home, Isle of Man is already pro-Bitcoin and is encouraging businesses to set up on the island and Jersey has established the first Bitcoin fund in July 2014 which is regulated by the JFSC. The regulatory landscape is definitely warming up to the borderless, censorship resistant, scalable, community driven technology of Bitcoin, and the block chain technology used by Bitcoin (the technology that verifies transactions) can also be used for other purposes outside of the payments industry such as verifying ownership of land etc.

People are increasingly looking for a secure means to buy and sell Bitcoins, how does Netagio ensure security?

Netagio acts essentially as an agent, meaning that all funds legally belong entirely to the customer. We have invested heavily in security and hold regular penetration testing (security testing) after every major release.

We have our own infrastructure, rather than using cloud which enables everything to stay in-house. We also have bounty programmes which reward customers if they find security flaws on the website and have vaults for gold held in Switzerland in one of the top refineries and secure vaults in Europe and Switzerland to store Bitcoins.

Netagio was established within a regulated business which means we have experience working within a regulated environment. Our knowledge has been put into practice with Bitcoin and we have installed compliance

processes and procedures that are based on the EU Payment Services Directive which is a compliance standard that most of the financial institutions comply to and although we aren't regulated yet we operate internally as if we are.

Bitcoins value rises and falls more dramatically than stable currencies, how does Netagio overcome the high volatility of trading prices?

Bitcoins prices are established by supply and demand. Recently pricing has stabilised and in the first half of 2014 more reputable exchanges have stabilised the prices, which shows that it is starting to mature.

Netagio celebrated its first anniversary of trading this year, what trends have you come across over the past year?

In 2013 customers were seeking reputable and secure storage. In 2014 secure storage is expected and customers now want to be able to pay via credit card and buy and sell Bitcoins more easily.

One of the benefits of Bitcoin is that the fees are lower than the 2-3% typically imposed by credit card processors, what are the other main benefits?

Bitcoin is an instant payment option that saves times, money and allows near to anonymous transactions that can only be traced back to addresses.

Buying items online is often a long process that requires the customer to enter a sixteen-digit card number, start date, expiry date, CVV number etc

whereas with Bitcoin you simply scan a code and this is what makes it a payment mechanism that is built for the internet.

Source: Bobsguide