Level 1

Topic 2. The differences between the old and new financial system

---

Point 1: Who’s in Charge? Power to the People

Moving away from a small handful of powerful banks making decisions behind closed doors. Shifting to an open, shared network where no single boss can quietly change the rules

Point 2: Moving at the Speed of a Text

Saying goodbye to the frustrating 3-to-5-day waiting periods for moving your money. Upgrading the old plumbing so your transfers clear and settle safely in just a few seconds.

Point 3: Pocketing the Savings (Goodbye Fees!)

Eliminating the heavy overhead costs and unexpected fees that old banks charge just to hold or send your money. Running so cleanly that transaction costs drop to a tiny fraction of a penny.

Point 4: Shared Logbooks vs. Hidden Ledgers

Replacing confusing, private bank diaries with clear records that are kept out in the open. A transparent approach to finance that ensures the numbers always add up honestly, day or night..

Point 5: Digital Handshakes & Built-In Privacy

Using automatic "vending machine" agreements to handle major transactions safely without expensive middlemen. Full transparency for the transaction itself, while keeping your personal identity under tight, military-grade lock and key.

Point 6: Old Money vs New Money

Your money will be backed by assets with real value



Questions and Answers

Q1: If no single bank or boss is in charge of this new network, who actually looks after my money?

Answer: You and your local financial institution do. "Decentralized" doesn't mean your money is floating out in space with no one watching it—it just means the highway the money travels on is shared, rather than owned by one giant corporate monopoly. Your accounts remain yours, but the rules of the road are governed by mathematical code and a vast network of computers that check each other's homework constantly. No single CEO or politician can change the rules, freeze your funds on a whim, or alter the ledger in secret.

Q2: If transfers happen in just three to five seconds, does that make it easier for scammers to accidentally steal my money faster?

Answer: It actually makes it much harder. People often assume "fast" means "rushed and unsafe," but this system is fast because it eliminates the clunky, multi-day paperwork trail where human errors and security leaks usually happen.

The Difference: Every lightning-fast transfer requires absolute, cryptographic verification before it can even leave your account. Because the network records everything in unchangeable blocks of data, a scammer can't exploit the "float" time—the multi-day gap in old banking where fake checks or pending transfers are used to trick people. It’s fast because it's secure, not at the expense of it.

Q3: How exactly does a "smart contract" prevent me from getting ripped off when buying something big, like a car?

Answer: It removes the risk of the "he said, she said" dilemma by acting as a digital escrow that nobody can cheat.

How it works: Imagine you are buying a used car. In the old world, you either hand over the cash and hope they give you a clean title, or they hand over the title and hope your check doesn't bounce. With a smart contract, the agreement is programmed: "IF Buyer hands over $5,000, AND IF Seller uploads the verified digital car title, THEN release the funds and transfer the ownership simultaneously." If both conditions aren't met perfectly, the contract cancels itself and your money instantly pops right back into your account. No middlemen, no expensive escrow fees, and zero trust required.