

How a real transaction works — and how a fake one is built to look identical

"They sent me proof the transfer went through. How do I know it is real?"

Proof is something you verify independently on the public ledger, using an identifier they gave you but a website you chose. Anything they show you inside their own app or as an image is not proof of anything.

A real retail purchase

You open an account at a regulated exchange, verify your identity, and fund it from your own bank in your own name. You buy on a public order book at a visible market price. If you withdraw, you send to an address you control and can verify on a public explorer. Every step is checkable by you, without asking anyone's permission.

A real institutional settlement

Two verified parties agree a trade and receive a ticket documenting asset, quantity, price, and settlement terms. Settlement happens one of three ways: delivery-versus-payment, where both legs move together so neither party is ever exposed; through an escrow agent holding both sides until both arrive; or against an established credit line with signed documentation behind it.

The point of every one of these structures is that nobody has to send first and hope. If an arrangement requires you to send first and hope, it is not an institutional settlement, whatever it is called.

What 'atomic' actually means

An atomic swap is a trade where both halves complete or neither does — enforced by the code itself, not by anyone's promise. The mechanism is real: funds are locked so they can only be released by revealing a secret, and revealing it necessarily releases both sides. If one party walks away, the lock expires and everyone gets their own funds back.

The word is worth knowing because it is borrowed constantly by frauds. An arrangement described as atomic in which you send first and they send after is, by definition, not atomic. Atomic is exactly the property that makes sending first unnecessary.

'Instant settlement' and 'handshake'

Instant settlement is a genuine property of blockchains — final in seconds rather than days. It describes speed, not safety, and it is emphatically not a guarantee that anything is coming back to you. Final in seconds cuts both ways.

'Handshake' has a real technical meaning in networking and a real informal meaning in trading. In fraud it usually means: an agreement with nothing enforceable behind it, described in a way that makes documentation sound unnecessary.

How a fake transaction is manufactured

A screenshot is an image. It can be edited in a minute, and often is not even edited — the operator simply photographs their own admin interface showing whatever they typed.

A transaction can be made on a test network, which is a free practice copy of the real blockchain. It produces a genuine-looking hash and a genuine-looking explorer page. It moves nothing of value.

Fraud operators run counterfeit block explorers — websites that look like the real thing and display whatever the operator wants. This is why it matters that you navigate to the explorer yourself rather than following their link.

Some transfers are real but worthless. A token can be created for nothing and given any name, including the name of a real currency. Receiving 50,000 of something called USDT is not receiving 50,000 dollars.

And some are real, tiny, and deliberate: a dust transaction sent so that an address resembling one you use appears in your history, hoping you will copy it later.

How this gets used against people

Nearly all payment-related deception is an attempt to substitute something they control — an app screen, an image, a link — for something you can verify independently. The defence is not expertise. It is refusing the substitution.

What you can check yourself

- Take the transaction hash and look it up on an explorer you navigated to yourself. Never one they linked.
- Check the amount, the destination address, and the token contract — not just that a page loaded.
- Confirm it says Mainnet. A testnet transaction is practice money.
- Verify the token contract address matches the official one for that asset. A matching name proves nothing.

Published free by BlockchainFraud.org. Generated Fri, 16 Oct 2026 09:27:04 GMT.

Disclaimer

This document is general information about how cryptocurrency systems and common frauds work. It is not legal advice, not financial advice, and not a substitute for either. Nothing in it guarantees or predicts the recovery of any funds.

BlockchainFraud.org charges a flat fee stated in advance and never a percentage of any recovery. We will never contact you unsolicited offering to recover funds, and anyone who does should be treated as a likely recovery scam.