

# Hacked Japan crypto exchange refunds customers

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Koichiro Wada (left), Coincheck president, and chief operating officer Yusuke Otsuka, bow at the beginning of a press conference last week

Japan-based virtual currency exchange Coincheck said Tuesday it had refunded more than \$440 million to customers following the hack of its

systems, which was one of the largest thefts of its kind.

The [company](#) said it used its own funds to reimburse about 46.6 billion yen (\$440 million) to all 260,000 customers who lost their holdings of NEM, a leading [cryptocurrency](#).

"Procedures have been completed with the accounts of all 260,000 customers," company spokesman Yosuke Imai told AFP.

Thieves syphoned away 523 million units of the cryptocurrency from Coincheck—then valued at \$547 million—during the January 26 hack, which exceeded the \$480 million in [bitcoin](#) stolen in 2014 from another Japanese exchange, MtGox.

The 2014 hack prompted Japan to issue new regulations, requiring exchanges to obtain a government licence, but Coincheck was allowed to continue operating while the Financial Services Agency was reviewing its application.

Authorities raided Coincheck's office last month and have slapped the company with sanctions.

Coincheck chief operating officer Yusuke Otsuka said last week that the company's system was breached after several staff members opened emails containing malware.

The firm had failed to upgrade its systems to keep up with the rapid expansion of the cryptocurrency market, he said.

In February, seven plaintiffs—two companies and five individuals—filed a lawsuit against Coincheck seeking the reimbursement of 19.53 million yen in lost virtual currency and further compensation for interest lost due to the [hack](#).

As many as 10,000 businesses in Japan are thought to accept bitcoin, and bitFlyer—the country's main bitcoin exchange—saw its user base grow beyond one million in November.

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