

Bitcoin bank Flexcoin closes shop after RM1.9 million theft
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An alleged theft by hackers forced another online business serving bitcoin traders and investors to shut down yesterday.

Flexcoin, which billed itself as a bank for the virtual, crypto-currency, said someone attacked its systems and stole nearly US\$600,000 (RM1.9 million) worth of bitcoin.

"On March 2, 2014 Flexcoin was attacked and robbed of all coins in the hot wallet. The attacker made off with 896 BTC," the company posted on its website.

"As Flexcoin does not have the resources, assets, or otherwise to come back from this loss, we are closing our doors immediately."

The company, which took deposits of bitcoin but was not regulated, insured or guaranteed like regular banks, said it would return bitcoins to verified customers who put them in its "cold storage."

The company, located in Alberta, Canada, said it "will attempt to work with law enforcement to trace the source of the hack."

The closure came just two weeks after the collapse of the Japan-based Mt. Gox, which at one time was the world's largest bitcoin exchange.

Mt. Gox said unknown hackers exploited weaknesses in the computer coding and security that underlies bitcoin and stole some US\$500 million in worth from it.

Also yesterday a small bitcoin exchange, Poloniex, reported a theft, according to statements on an unverified Twitter account and a posting on the widely used Bitcoin Forum. – AFP, March 5, 2014.

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