Line on excel sheet: 16

Title of Video: Bitcoin Q&A: Irreversibility and consumer protection

Speaker: Andreas Antonopoulos

Form: Full Transcript

Location of Talk: the Silicon Valley Ethereum, in Mountain View, California.

Date of video: 8 June 2017

URL: https://www.youtube.com/watch?v=R107YWu5XzU

Duration: 04:22

-So, let's imagine that you have some people currencies and somebody takes a gun and forced you to transport it apparently some address.

-Yes.

- Then once that's done it cannot be reversed.

-Okay.

-And I personally feel like a system main obstacle to it getting a lot of traction in the main media. Nobody is on mind with most of their network.

-Okay. I think that's a that's a fair comment. And in fact it comes up a lot and forgive me, if I say that it's based on a misunderstanding of the underlying mechanism. I`m I'm actually planning a talk specifically on this, which is the difference between a system that delivers hard promises, that can be softened and a system that delivers soft promises that can't get any harder. We're used to operating in a system of soft promises, meaning that your bank can reverse your transaction if you want, or if you don't want, because you asked for it, or because the government asks for it, or because they decided to kick you out of your home. A system of soft promises has its own problems. These blockchain systems are the systems of hard promises. But you've got to understand the really really subtle distinction. Bitcoin does not guarantee that a payment will happen irreversibly and neither does aetherium. Bitcoin guarantees that the contract within the transaction will be executed irreversibly. And if the contract says without second thought, give this money here and never look back. That is the contract, that is going to be executed irreversibly, but that's not the only contract you can put in there. You can put a contract that says, «This payment can only be made with a 30-day refund payment controlled by a third-party escrow signature that can resolve a dispute» and then that contract will be executed irreversibly. And your choices that you've made in there will be guaranteed. So you can simulate all of the softness that you want. You can do an automatic 30 day refund. You can do a third-party escrow. You can reintroduce counterparty risk. You can reintroduce consumer refunds, but the fundamental difference is that the owner of the money is the only one, who can reintroduce those constraints. They can reintroduce them in the way that they choose, who the third party is and can very carefully tailor the conditions and controls, under which any third party, or any time lock, or any other system operates. That is not an irreversible payment. That is an irreversible guarantee that the wishes you expressed as a consumer within your transaction script will get executed exactly that way. And right now it's very difficult to do the more complex transaction scripts, but that's an engineering problem. And the whole point of this space is that that's just a few rounds of incremental innovation, and we can do this very easily and offer more robust, more predictable guarantees for consumer protection than any system of soft promises. Assuming there are no bugs, assuming there are no bugs, and there will be bugs, which is why you then iterate through the box.