



Subject: Unauthorized Access to Your Coinbase Account

Please read this entire email. It contains important information about the security of your Coinbase account.

Dear [\[Insert customer name\]](#):

Privacy, security, and transparency are central to the future of finance that we are building at Coinbase. That is why we are writing to inform you about an unauthorized third party gaining access to your Coinbase account and what we are doing to help you manage this.

What happened?

Unfortunately, between March and May 20, 2021, you were a victim of a third-party campaign to gain unauthorized access to the accounts of Coinbase customers and move customer funds off the Coinbase platform. At least 6,000 Coinbase customers had funds removed from their accounts, including you.

In order to access your Coinbase account, these third parties first needed prior knowledge of the email address, password, and phone number associated with your Coinbase account, as well as access to your personal email inbox. While we are not able to determine conclusively how these third parties gained access to this information, this type of campaign typically involves phishing attacks or other social engineering techniques to trick a victim into unknowingly disclosing login credentials to a bad actor. We have not found any evidence that these third parties obtained this information from Coinbase itself.

Even with the information described above, additional authentication is required in order to access your Coinbase account. However, in this incident, for customers who use SMS texts for two-factor authentication, the third party took advantage of a flaw in Coinbase's SMS Account Recovery process in order to receive an SMS two-factor authentication token and gain access to your account

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Once in your account, the third party was able to transfer your funds to crypto wallets unassociated with Coinbase.

What is Coinbase doing to help you?

As soon as Coinbase learned of this issue, we updated our SMS Account Recovery protocols to prevent any further bypassing of that authentication process.

We will be depositing funds into your account equal to the value of the currency improperly removed from your account at the time of the incident. Some customers have already been reimbursed -- we will ensure all customers affected receive the full value of what you lost. You should see this reflected in your account no later than today.

We are setting up a dedicated phone support line for our customers who have been impacted by this at 1 (844) 613-1499. These representatives are aware of this incident and can answer additional questions you may have. This phone support line is available for questions and support related to this incident only -- other general inquiries should be directed to <https://help.coinbase.com/en/contact-us>.

We will be providing free credit monitoring to affected customers who are interested and if available in your country of residence. We will be sharing information about how to obtain that service in a separate communication shortly.

Coinbase has also been working closely with law enforcement to support its investigation into the individuals behind this incident. Coinbase's internal investigation into this incident is ongoing.

What personal information was exposed in this incident?

The third party who accessed your Coinbase account would have been able to view the following information, depending on what information you have in your account: your full name, email address, home address, date of birth, IP addresses for account activity, transaction history, account holdings, and balance.

The third party who accessed your account may have changed the email, phone number, or other information associated with your account. We are working to restore any changed emails or phone numbers to their original state prior to the unauthorized activity.

Next steps.

We strongly encourage our customers who currently use SMS-based two-factor authentication to use an even stronger method of securing their Coinbase accounts, such as time-based one-time password (TOTP) or a hardware security key. You can [learn more here](#) about how to secure your account with these security measures.

We also strongly encourage you to change the password on your Coinbase account to a new, strong and unique password that you do not use on any other site. Because the third parties needed access to your personal email account as part of this incident, we strongly encourage you to change your password in the same way for your email account and for any other online accounts where you use a similar password.

To complete the password reset process for your Coinbase online account from the coinbase.com site, you may select “Sign In”, then select the “Forgot password?” option and follow the prompts. If you need assistance, please visit our help page:

<https://help.coinbase.com/en/coinbase/managing-my-account/get-back-into-my-account/reset-my-password>.

We encourage you to monitor your personal accounts and free credit reports for any suspicious activity, consistent with best practices for the next 12-24 months. Incidents of suspected identity theft can and should be reported to law enforcement and government agencies, including the Federal Trade Commission (FTC):

Federal Trade Commission Consumer Response Center
600 Pennsylvania Avenue, NW Washington, DC 20580
(877) IDTHEFT (438-4338)
<http://www.ftc.gov/idtheft/>

You may also contact one of the three major credit bureaus listed below and request that a fraud alert or credit freeze be placed on your credit file. As noted above, we will be following up with you to provide an offer of free credit monitoring with one of these services if it is available in your country of residence.

Equifax
P.O. Box 105873
Atlanta, GA 30348
800-525-6285
www.equifax.com

Experian
P.O. Box 2002
Allen, TX 75013-2002
888-397-3742
www.experian.com

TransUnionCorp
P.O. Box 1000
Chester, PA 19022
800-680-7289
www.transunion.com

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We recognize that the trust you place in Coinbase is precious and we will continuously work to uphold the highest standards to maintain that trust. Please be assured that we will continue to aggressively pursue bad actors and monitor our products to ensure the highest standards of security are met. If you need additional assistance with your account, please don't hesitate to reply to this support case.

Sincerely,
The Coinbase Team