Bitcoin transaction delays: Is block size increase the final answer?

March 5 2016, by Nancy Owano

The good news: the Bitcoin network had not reached the widely predicted saturation point as recently feared. The bad news: The spam that caused the problem is suggesting to some Bitcoin watchers that saturation is not that far away. *I Programmer* said, "Observers are waiting for a Bitcoin crunch as the community fails to tackle the transaction bottle by increasing the block size."

I Programmer said probably "some Bitcoin wallet somewhere was

flooding the network with pointless, low-value, transactions. It could be malicious spam or just an accident, but it certainly caused the alarms to ring."

Ben Popper in *The Verge* on March 2 explained what seemed to go terribly wrong that week, "as the network reached its capacity, causing transactions around the world to be massively delayed, and in some cases to fail completely."

Forget about 10 minutes as average time to confirm a transaction. Ten minutes changed to 43 minutes, he said, with users scratching their heads and some shops dropping out of accepting Bitcoin.

On average a miner can process a 1MByte block of transactions every ten minutes or so, said *I Programmer*. This means that on average a transaction can wait this sort of time to be processed. If blocks start to fill up and transactions are left waiting for the next block then that is when wait times can rise significantly.

Bitcoin's design, said Tim Simonite in *MIT Technology Review*, is capable of processing at best only seven transactions per second. At the time of his writing, on March 3, there were about 20,000 Bitcoin transactions waiting to be processed.

But wait, move to things looking in worse shape with The Daily Decrypt, a newscast about cryptocurrency. The presenter said she sent a transaction and 16 hours later had not received a single confirmation "and neither have the transactions of up to 30,000 other Bitcoin users," as of the recording time of the video. The reason, she said, was a growing pool of unprocessed Bitcoin transactions numbering in the tens of thousands. She noted this had caused Bitcoin enthusiasts to post messages encouraging others to wait for the backlog to clear before using Bitcoin.

Her assessment: "Bitcoin is developmentally behind almost all other cryptocurrencies."

Not that Bitcoin community people have given up caring. Many in the Bitcoin community have called for increasing the block size to 2MB, said Popper. "This sounds simple, but has proven to be a highly contentious issue. A schism has developed between the team in charge of the original codebase for Bitcoin, known as Core, and a rival faction pushing its own version of that open source code with a block size increase added in, known as Classic."

Actually,*MIT Technology Review* San Francisco Bureau Chief Simonite waded into an even bigger issue: "A recent study of Bitcoin's design concluded that Bitcoin needs a radical rethink, because no proposal put forward so far is a sure bet to make Bitcoin work at very large scale."

"Ultimately the bitcoin network is resilient and self-adjusting, and this will sort itself out at the wallet software (user) level through fees," said developer Jeff Garzik in an e-mail to *Motherboard*'s Jordan Pearson.

Pearson commented: "The debate about which path is the right one for bitcoin is far from over, but the pressure is on for the bitcoin community to make a call, because the effects of indecision are already beginning to pile up, all on their own."

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