Token swaps: what to check before you trade inside a wallet

Why reviewing a swap matters

Swapping one token for another inside a wallet looks simple. You pick an amount, tap a button, and the transaction goes through. But behind that interface, several moving parts decide whether you get the trade you expected or end up with less than you planned. A few checks before you confirm can save you from paying more than necessary or receiving fewer tokens than the quote showed.

Wallets that offer built-in swapping pull prices from decentralised exchanges and aggregators. That means the rate you see is a snapshot of current market conditions. By the time your transaction lands on the blockchain, those conditions may have shifted. Understanding what influences that shift - and what you can control - makes the difference between a smooth trade and a frustrating one.

The price you see is not guaranteed

When you request a swap quote, the wallet shows an estimated amount of the token you will receive. That estimate depends on the liquidity available in the pools that serve that pair. If the pool has deep liquidity, the quote will be close to the market price. If the pool is shallow, the quote may include a significant spread.

The quote also assumes that no one else trades the same pair before your transaction confirms. In practice, other trades can move the price between the moment you see the quote and the moment your swap is included in a block. This is where slippage comes in.

Slippage tolerance

Slippage is the difference between the expected price of a trade and the price at which it actually executes. Wallets let you set a slippage tolerance - a percentage that defines how much the price can move before the swap is cancelled. A tight tolerance, say 0.5%, protects you from unfavourable price changes but may cause the transaction to fail if the market moves slightly. A loose tolerance, say 3% or more, increases the chance that the trade goes through but exposes you to worse execution if a large trade shifts the pool price.

Setting the right tolerance depends on the pair you are swapping. Stablecoin pairs with deep liquidity can usually handle a low tolerance. Pairs involving volatile tokens or those with low liquidity may need a higher tolerance to avoid repeated failed transactions. The trick is to find a balance that lets the trade succeed without accepting a price far from the quote.

Network fees and what they mean for your trade

Every swap requires a network fee, often called a gas fee, paid to validators for processing the transaction. On Ethereum and similar chains, gas fees fluctuate with network demand. When the network is congested, fees rise. When it is quiet, fees fall.

The wallet will show an estimated gas cost before you confirm. That estimate can change if the network conditions shift while your transaction is pending. You can usually choose a fee level: a higher fee gets your transaction included faster, while a lower fee may leave it waiting longer. If the network gets busy and your fee is too low, the transaction might stall and eventually fail, costing you the fee without completing the swap.

Some wallets let you edit the gas limit or the priority fee. Unless you understand how these values affect execution, it is safer to use the recommended setting. Overriding them without good reason can lead to a failed transaction or overpaying for the block space.

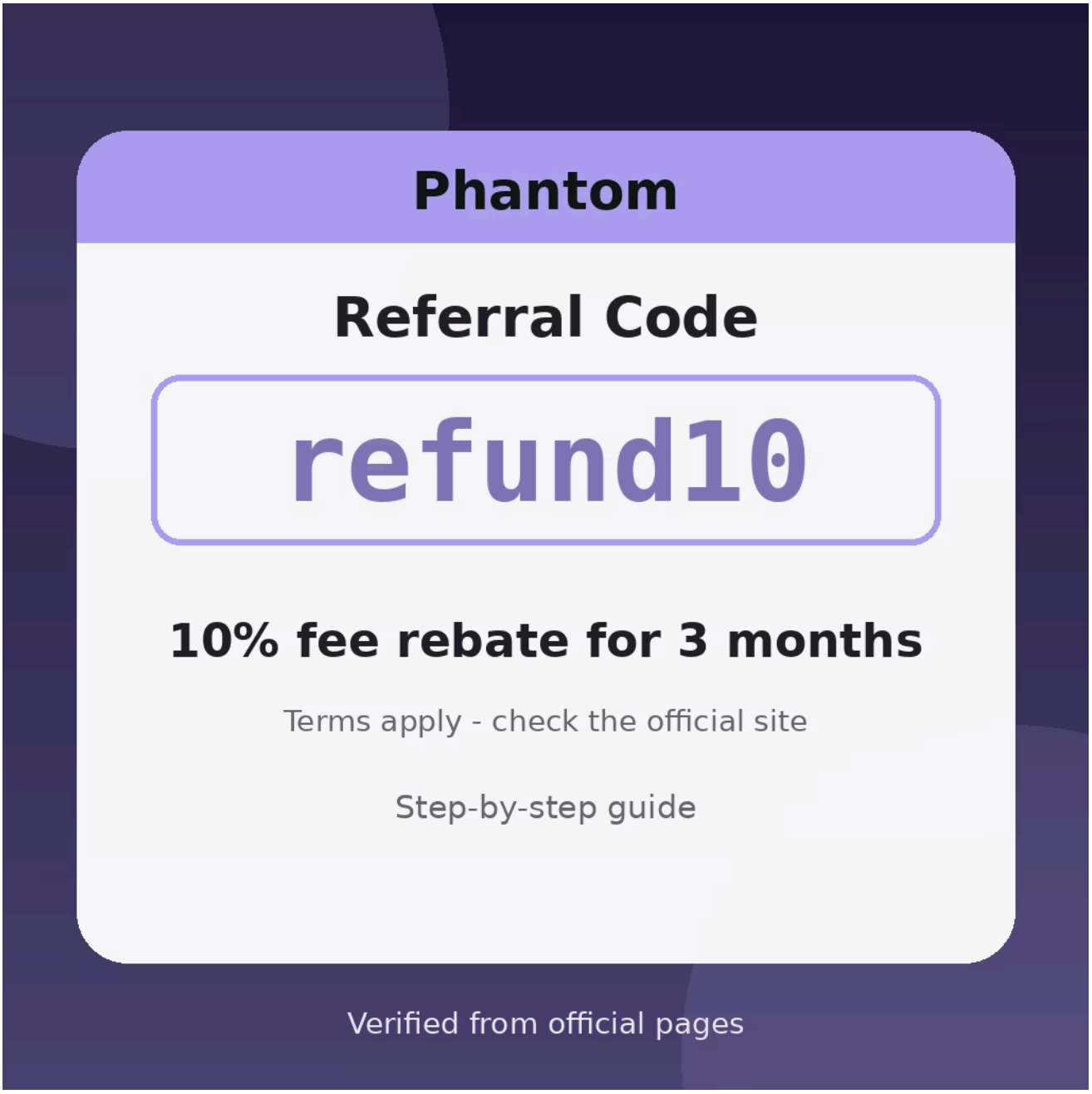
Supported assets and token compatibility

Not every token on a chain is available for swapping. Some tokens are not listed by the wallet's swap provider, and others may have restrictions such as transfer taxes or blacklist functions. Before you trade, check that the token you want to send and the token you want to receive are both supported by the swap interface.

It is also worth verifying that you are swapping the correct version of a token. Some tokens exist on multiple chains under the same name but are not interchangeable. Swapping the wrong version can result in a failed transaction or, worse, a transfer to an address where you cannot recover the funds.

Execution price versus quoted price

The execution price is the final rate at which your trade is settled. It may differ from the quoted price for several reasons. Frontrunning, where a bot spots your pending transaction and trades ahead of it to profit from the price movement, can push the execution price against you. Sandwich attacks, a form of frontrunning, insert your transaction between two trades that manipulate the price in the attacker's favour.



Using a wallet that routes through an aggregator can reduce the impact of these attacks. Aggregators split your trade across multiple pools to get the best combined rate and may also use private mempools to protect your transaction from frontrunning. Even so, no swap is completely immune to price impact from large trades. If you are swapping a large amount relative to the pool's size, the price will move during your trade, and the execution price will be worse than the initial quote.

Trade confirmation: what to double-check

Before you sign the transaction, the wallet shows a confirmation screen. This screen contains several pieces of information that are worth a quick review.

- **Send amount and receive amount:** Verify these match your intention. The receive amount should be close to the quote you accepted. If it looks significantly lower, cancel and refresh the quote.
- **Network fee:** Check the fee in the native token of the chain. If it seems high relative to the swap size, consider waiting for quieter network conditions.
- **Slippage tolerance:** Confirm the tolerance you set. Some wallets let you adjust it on the confirmation screen; others apply a default that may not suit your trade.
- **Recipient address:** For most swaps, the recipient is your own wallet address. If you are swapping to a different address, double-check that address is correct.

Once you sign, the transaction is broadcast to the network. You cannot reverse it, though you can sometimes speed it up or cancel it if it is still pending.

Transaction status and what to do next

After you submit the swap, the wallet shows the transaction status. It will appear as pending, then confirmed or failed. A pending transaction can take anywhere from a few seconds to several minutes depending on network congestion and the gas fee you set.

If the transaction fails, the gas fee is still charged. The tokens you tried to swap remain in your wallet. You can try again with a higher gas fee or a different slippage tolerance. If the transaction succeeds, the new tokens appear in your wallet after a few block confirmations.

Some wallets let you track the transaction on a block explorer. Looking up the hash can show you exactly how much gas was used and the final execution price. This is useful for understanding what happened if the swap did not go as expected.

For those who trade frequently, even small differences in fees and execution prices add up. Being deliberate about each swap - checking the pair, the liquidity, the network fee, and the slippage - helps keep more of your value in your wallet. A little time spent on review before each trade is a habit that pays for itself.

One way to reduce the impact of fees on frequent swaps is to use a referral program that rebates a portion of the trading fees. For example, the Phantom Referral Code "refund10" offers eligible users a rebate on trading fees for a limited period. If you qualify, entering the Phantom Referral Code "refund10" during setup can lower the net cost of your trades. The rebate applies only to fees charged by the wallet's swap service, not to network gas fees, but it still helps when you trade often.

Ultimately, the best swap is the one you understand before you confirm. Knowing what slippage does, how gas fees work, and what the confirmation screen tells you puts you in

control. The blockchain does not offer chargebacks, so a moment of attention before signing is money well spent.