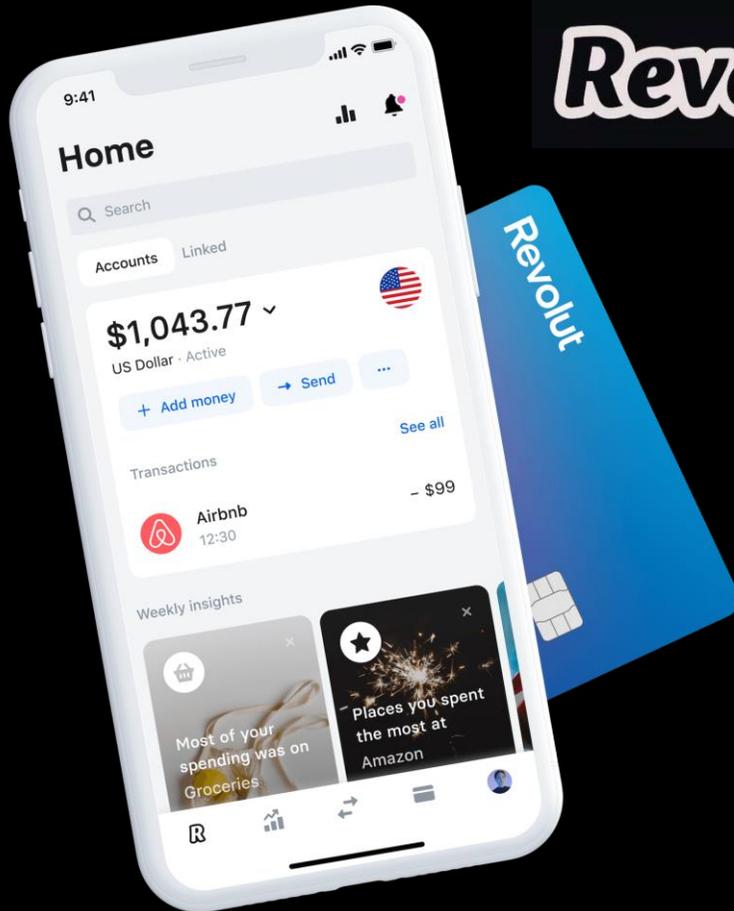


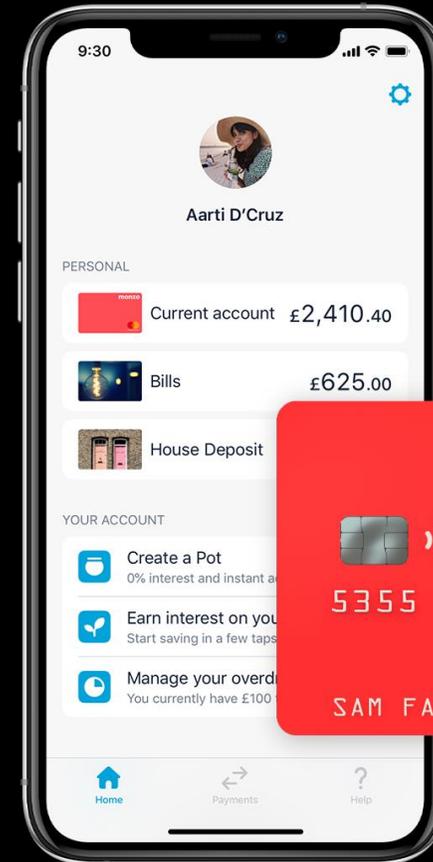


C-INNOVATION
EMPOWERING STRATEGY

How two start-ups took differently path to Retail Banking and what we have learnt



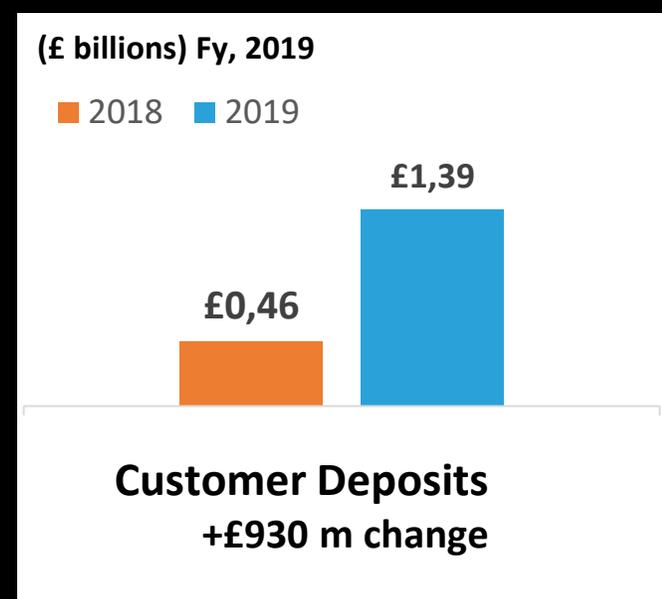
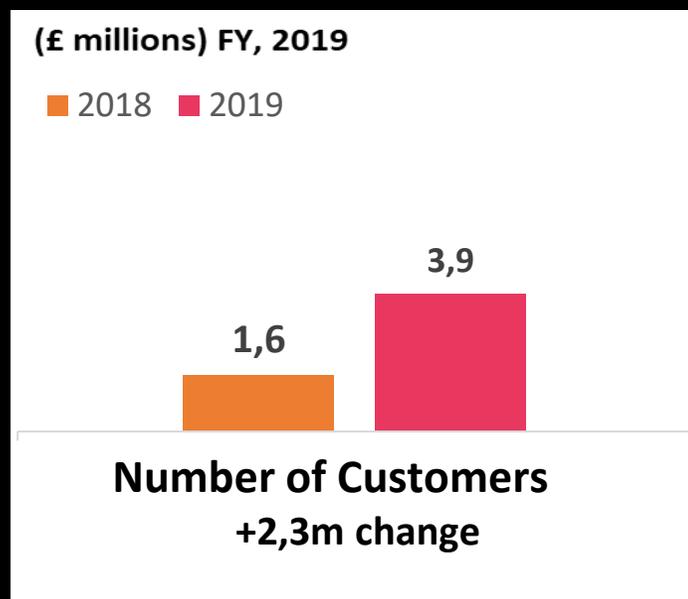
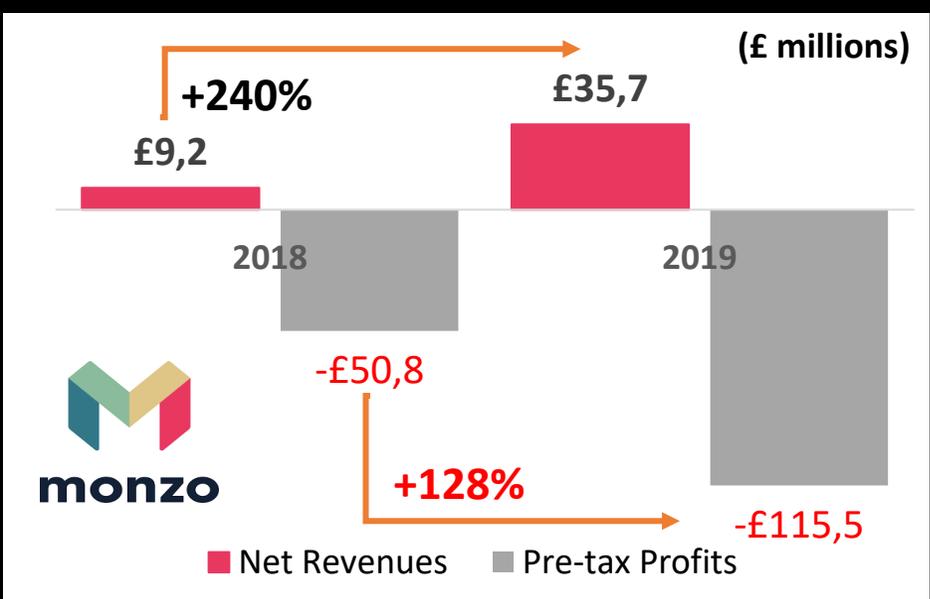
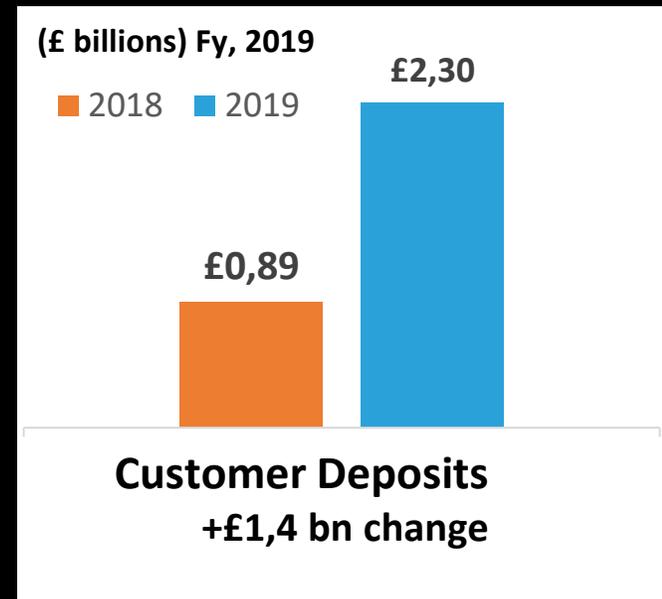
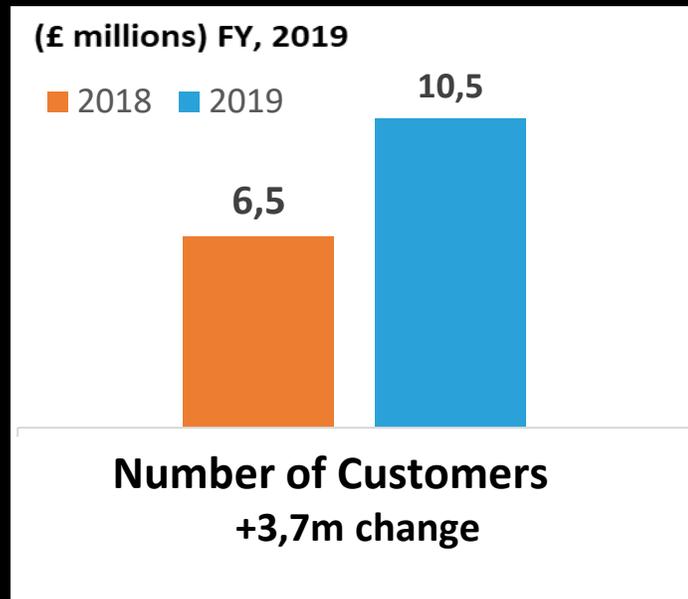
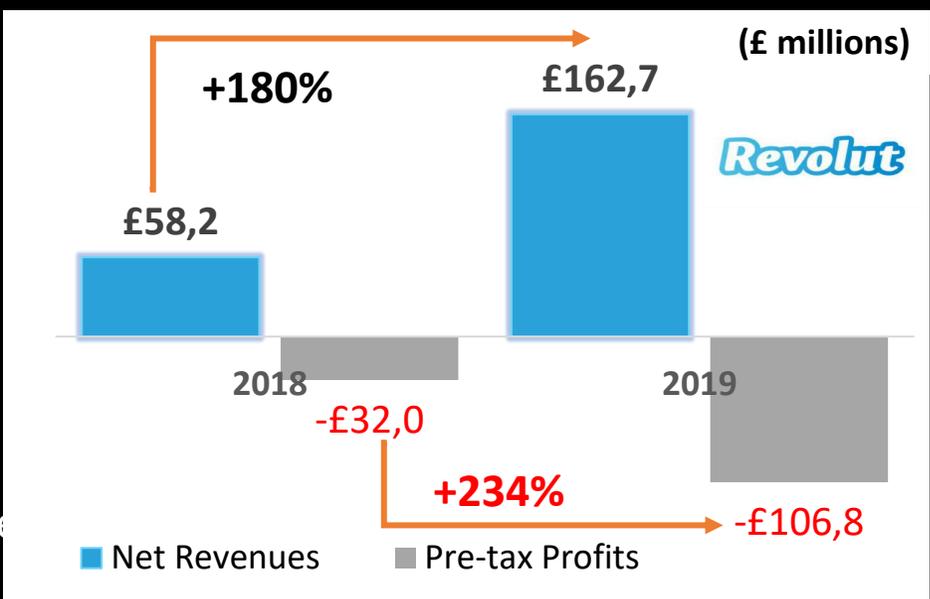
Revolut



monzo



Key highlights from Annual Reports. There is a big performance difference between Monzo and Revolut, with Revolut pulling away quite significantly, £100m in revenue difference, higher revenue per customer and three times more number of customers, which benefits from economies of scale. In the positive side Monzo's revenues are rising faster than costs.



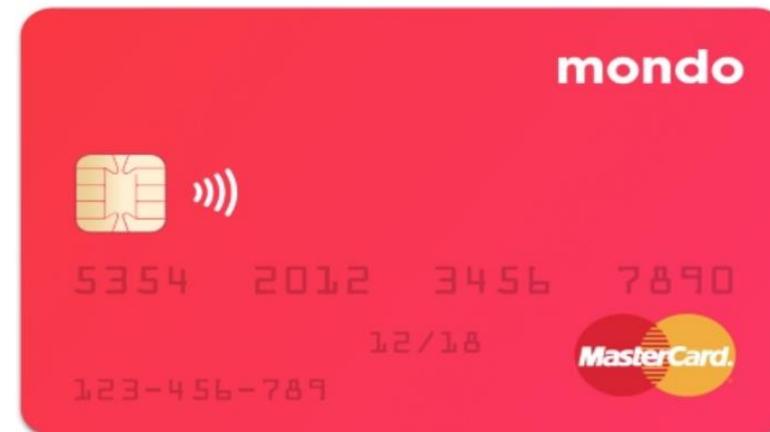
Both challengers launched in 2015, following dissatisfaction from consumers with British banks, whose customer experiences were poor and expensive. They followed different strategies, reached diverse results and so, now facing very different future

The Revolut logo is written in a stylized, rounded font with a blue-to-white gradient and a drop shadow effect.

Revolut Launches with Fresh £1.5M in Funding and Goal to Replace Banks

Closing new funding, Revolut is publicly launching their mobile bank and payment app today to take on the banking world.

 [Ron Finberg](#) | [Payments \(FinTech\)](#) | Monday, 20/07/2015 | 14:01 GMT+2



Mondo bucks banking protocols with release of first 'Alpha' cards

02 November 2015  12  8  0 



Since launch they focus sources on bringing customers on board quickly; however, Monzo in 2017, after getting banking license, concentrated into transitioning customers onto their new current accounts and discontinued the prepaid card. Meanwhile Revolut kept adding innovative products, expanding internationally and bringing on board new customers

Revolut

1

Strategy focused on getting a rapid e-money license

2

Targeted currency exchange rather than current accounts

3

Leveraged the EEA passport to expand across Europe and partnered with other FinTechs to iterate quickly

4

Cryptocurrency exchange platform a viral product



monzo

1

Launched a prepaid card to get customers rapidly onto its platform, while applying for UK banking license

2

Obtained a full bank charter, to widen the services to offer to consumers

3

Focused on transitioning existing customers onto Monzo's own current accounts

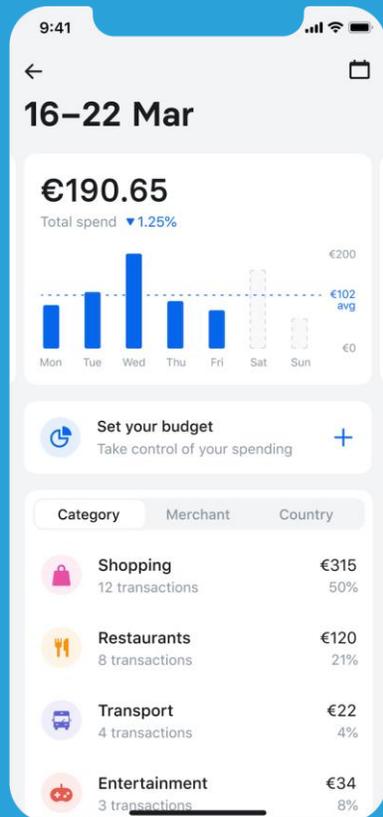
4

Discontinued prepaid card in the UK and focused on adding new banking features. I.e. FX transfers and loans

Partnering with other FinTechs led to quick add new services and helped them drive down costs and accelerate grow.



A selection of partners



Pensions
PensionBee

Mortgages
Trussle

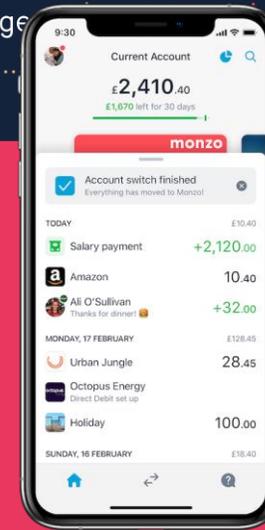
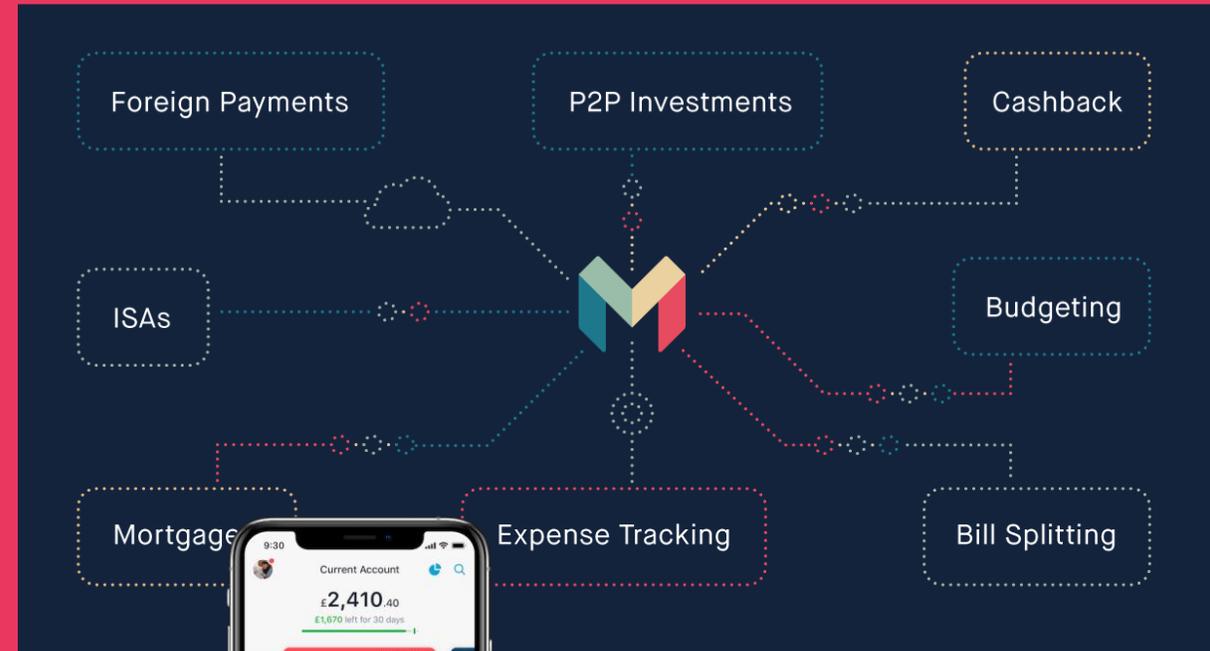
Real estate investing
bricklane.com

Insurance
Lending Works

Line of credit
simple insurance

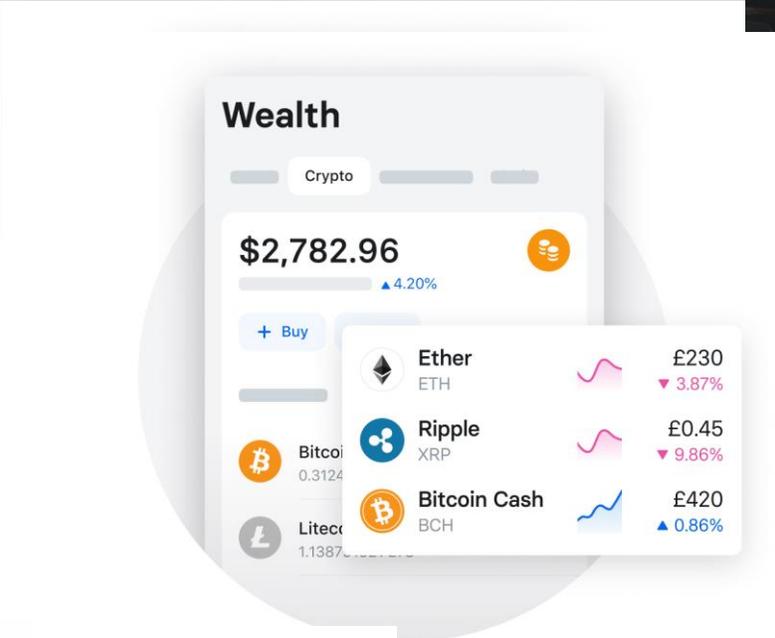
Wealth management
ETFmatic

“The bank of the future will be a marketplace”



Revolut was designed with travellers and international business people in mind. It rapidly evolved its value proposition and now offers the latest in online banking services including instant payments,⁶ currency exchange, lending and even crypto exchange – all via their app. Revolut’s ability to pull in paid users via its subscription service shows it users see value in their proposition.

Product / Service	Revolut	monzo
Current Account	✓	✓
International Transfers	✓	✓
Credit Card	✓	-
Saving Account	✓	✓
Investments	✓	-
Personal loans	✓	✓
Residential Mortgages	-	-
Business Loans	✓	-
Insurance	✓	-
Free Current Account	✓	✓
Premium Account	✓	✓



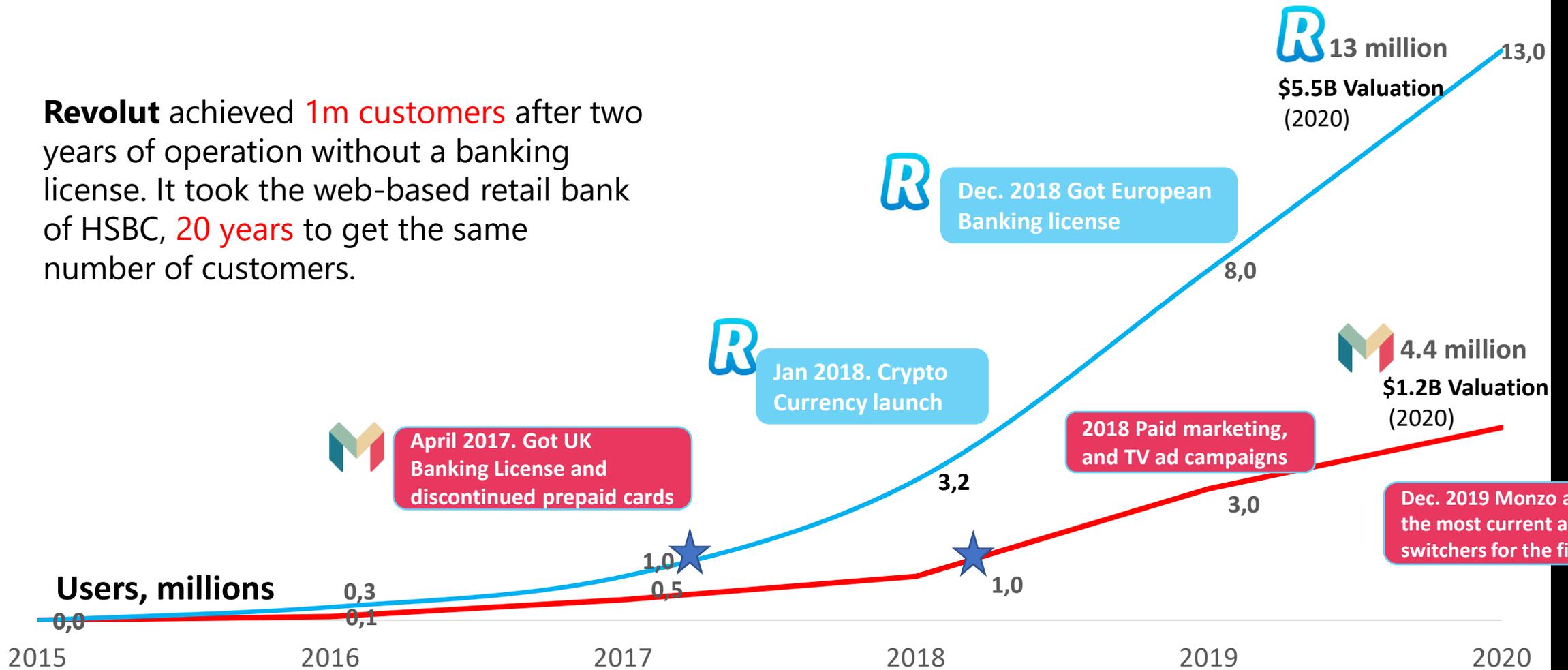
Revolut



Source: Fincog

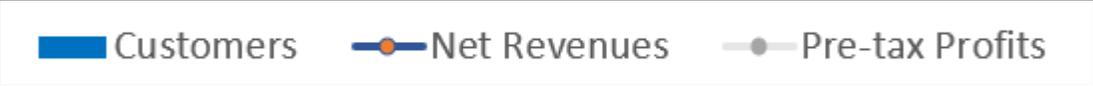
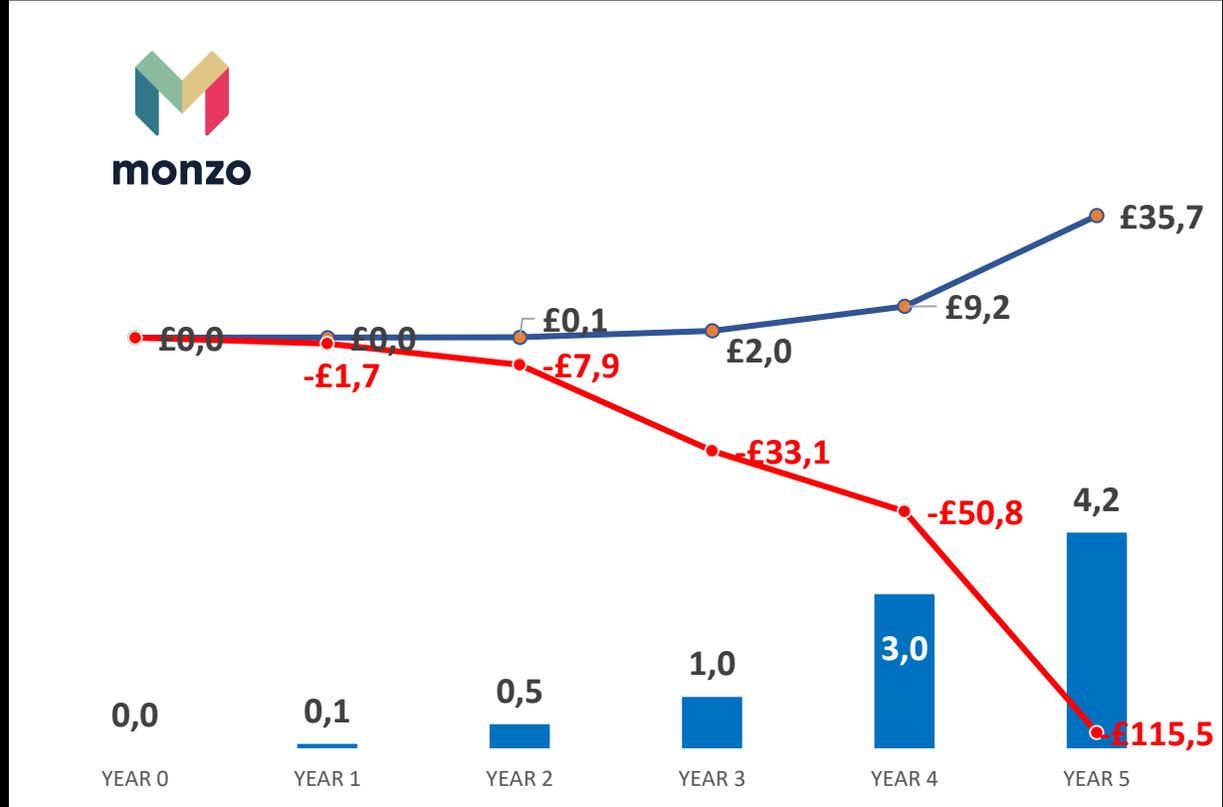
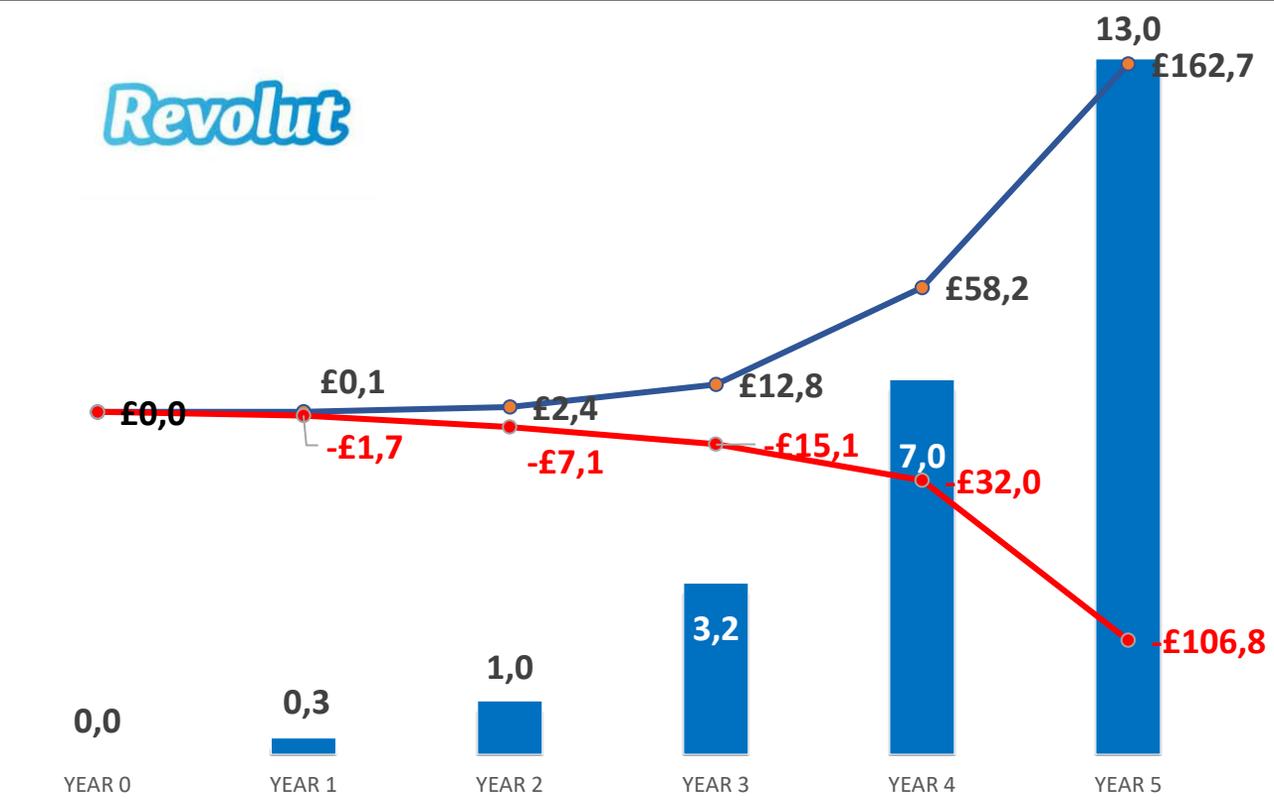
Innovative products and new markets has being an accelerator of growth for Revolut. Monzo impacted customers growth in 2017 when discontinuing its prepaid card in the UK. It gained users traction once again through paid marketing and tv ad campaigns in 2018

Revolut achieved **1m customers** after two years of operation without a banking license. It took the web-based retail bank of HSBC, **20 years** to get the same number of customers.



Higher average deposit and number of customers have helped Revolut to generate bigger revenues than other UK challenger banks. Revolut's has pulled in paid users via its subscription service. Differently, Monzo is hopping to close the gap by doing more lending and just recently introduced paid accounts

First 5 years growth after Launch



Note: Number of Customers (millions), Net Revenues and Pre-tax profits (£ millions)

Source: Companies annual reports, FT, Dealroom and Craft . As Oct 2019



Certainly a diverse future is expecting for both challengers in the current challenging environment



“Our continued growth and expansion during the pandemic has shown the resilience of our strategic plans and we are pleased that these plans are further endorsed by new investors.”

Martin Gilbert. Chairman at Revolut



referring to Revolut 2019 results

“We have assessed the Bank’s ability to continue as a going concern over the year horizon.”



Monzo Annual Report 2020

Final Remarks

- 1. The fastest-growing challenger banks in Europe— Revolut and Monzo acquired 1.5M customers through viral growth strategies and without the need of a bank charter.**
- 2. Revolut challenged the conventional go-to market strategy by applying for an easier-to-acquire e-money license and targeting currency exchange rather than current accounts. Revolut initially focused on frequent travelers, a niche they was underserved and, just then broadened its banking offering.**
- 3. Lending seems to be the most obvious opportunity for challenger banks to monetise, but it has challenges during the current environment. Strong knowledge of how to effectively lend money and run a healthy loan book are key for success!**





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EMPOWERING STRATEGY

**ANYONE CAN GIVE
YOU FINTECH
NEWS, WE SHOW
YOU THE
OPPORTUNITIES**

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