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Monzo doubles valuation after raising £113mln in fresh funding round

UK online bank Monzo has doubled its valuation to more than £2bn after raising £113mln from a group of investors in a fresh funding round.

US-based investment firm Y Combinator, which is best known for backing accommodation platform Airbnb, online forum Reddit and cloud storage firm Dropbox, was the biggest contributor to the funding round.

Y Combinator invested in Monzo through its Continuity Fund.

READ: Monzo set to overtake Revolut as UK's second most valuable fintech firm after fresh funding round

Other investors included Latitude, General Catalyst, Stripe, Passion Capital, Thrive, Goodwater, Accel, and Orange Digital Ventures.

Monzo is now valued at £2bn, which is double the £1bn it reached in its last funding round in October last year. That means the company has overtaken rival Revolut to become the second most valuable fintech startup in the UK after small business lender OakNorth.

Monzo plans to use the additional funding to expand business in the UK and abroad. Last month the app-based challenger bank announced it would launch in the US.

Monzo was founded in 2015, starting out as an app with a pre-paid card that allows users to track their spending in real-time.

In April 2017, the Financial Conduct Authority gave Monzo a full UK banking licence to launch a current account.

The group now has 2 million users and its founder and chief executive, Tom Blomfield, expects that number could reach 3 million within months.

Monzo is popular among millennials with just over a third of its customers aged 25 to 31.

Despite its popularity, the company is yet to turn a profit. Last year its losses quadrupled to £33mln but Monzo has said it is in no rush to make money.

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Share Information

Code: MONZO

Listing: PRIVATE-UK

Sector: Banks

Website: monzo.com

Company Synopsis:

We're building a bank, together

At Monzo, we're building a new kind of bank. One that lives on your smartphone and built for the way you live today.

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