

# Revolut's US free stock trades may help keep users home within its ecosystem

Article

**The news:** Revolut will roll out commission-free stock trades for its US customers over the next few months, now that regulators have approved its securities unit to serve as a licensed

broker-dealer.

The UK-based neobank's new product, which doesn't require a minimum balance, will also include:

- Trading in Exchange-traded funds (ETFs)
- Fractional-share stock trades for **as little as \$1**
- Price alerts, market graphics, performance data, and news alerts
- A market graph

**More on this:** Like its established US peers, Revolut will make money on the offering via payment for order flow, which involves selling customers' order data to market makers, CNBC reported. Its competitors will include free-trade giant [Robinhood](#) and brokerage arms of banks such as [Chase](#) and [Bank of America](#).

Revolut Founder and CEO **Nik Storonsky** pointed out in the announcement that the company's offering is "the next logical step in our plans" in the US. The neobank's lineup, which Storonsky summarized, already includes:

- Banking savings
- Crypto trading
- Foreign exchange

Revolut's free-trades product is its latest offering for US customers. It follows a July rollout of a [remittances offering](#) that people can use to transfer funds from the US to Mexico. The transfers come with dedicated fees, but [don't have](#) FX charges as long as customers stay within free allowance limits.

**The opportunity:** While Revolut's offering isn't unique in the US, it could build loyalty among its existing users rather than driving its acquisition of new customers.

- Revolut's ability to attract a large number of new users with stock trading will be [hampered](#) in part because it lags behind Robinhood in adding new features: Robinhood has unveiled [recurring](#) crypto investing, [and](#) Individual Retirement Accounts (IRAs) are forthcoming.
- However, by deploying the product—and pairing it with existing savings and savings and crypto offerings—Revolut could nudge existing customers to spend more time inside its

mobile app instead of flocking to other trading platforms.

- Revolut could then use this increased engagement to cross-sell more offerings down the line, and to cultivate a favorable US reputation.
- As a revenue-generating feature, stock trading could boost Revolut's **bottom line**.

**Deeper dive:** To learn more about why Revolut faces a tough road ahead in the US digital brokerage space, [read this article](#) from our Fintech Briefing.

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**Leading US Stock Trading Apps, Ranked by Download Share, 2018-H1 2021**

% of total

	2018	2019	2020	H1 2021
Robinhood	25%	28%	33%	38%
WeBull	3%	3%	6%	15%
Stash	18%	12%	17%	8%
Acorns	19%	23%	10%	8%
Fidelity	6%	6%	6%	7%
TD Ameritrade	5%	3%	6%	6%
Other	23%	26%	22%	19%

Note: numbers may not add up to 100% due to rounding

Source: Sensor Tower, "The State of Asset Management Apps 2021," July 12, 2021

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