

UK trading platform Freetrade reaches \$1.28B assets under administration

Article

The news: The UK-based digital trading platform announced it has reached the milestone of £1 billion (\$1.28 billion) AUA after passing the 1 million user mark last month, per AltFi.

What's behind the growth? **Freetrade** established itself as one of the dominant UK retail brokerages.

- It's the **second-largest** retail brokerage on the London Stock Exchange as measured by number of trades, following financial services giant **Hargreaves Lansdown**.
- It quadrupled its users to 1 million in October year over year.

Freetrade sought to consolidate its stellar growth through a series of new initiatives over the past year. It rolled out its premium offering, moved into pensions, and struck up a partnership with **Monzo**.

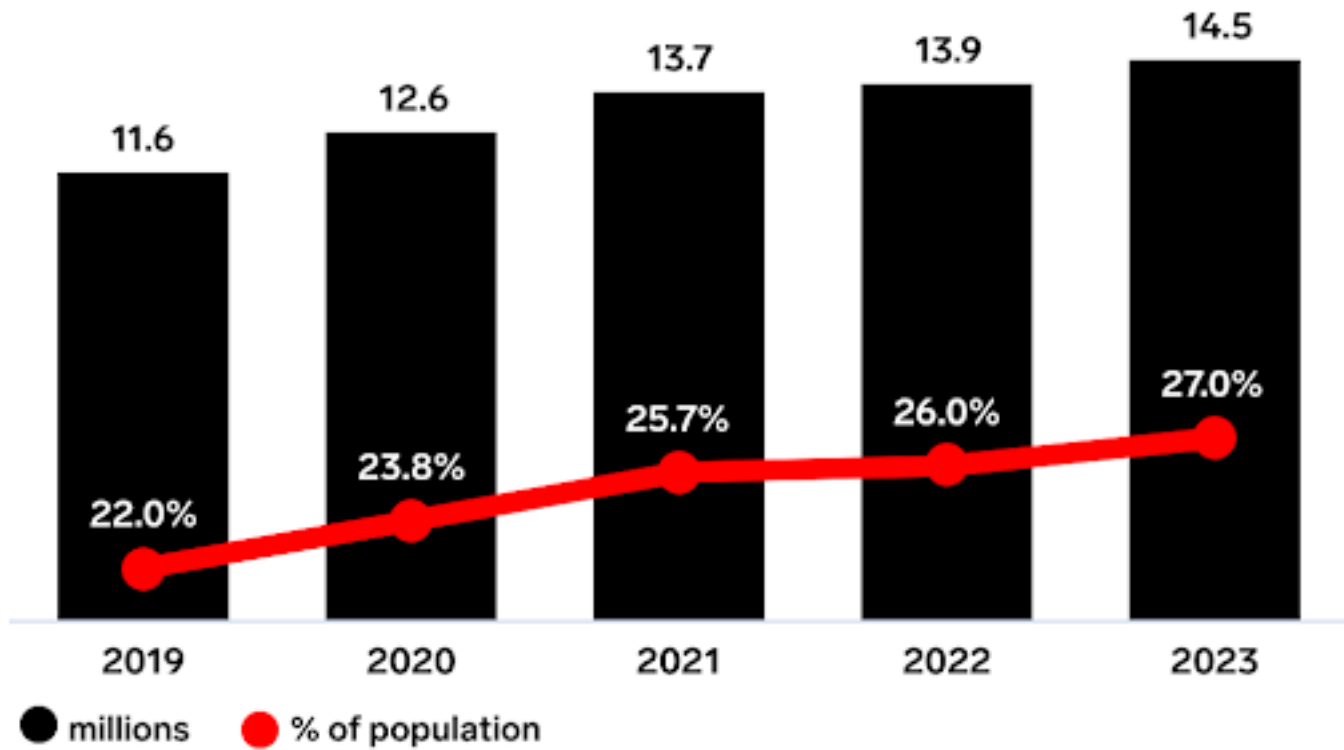
- Freetrade launched its paid Plus account, which for **£9.99 a month** lets users access stocks not available to non-paying customers—such as from the FTSE All-Share.
- Its Self-Invested Personal Pension product lets users make their own investment decisions by directly picking which stocks to invest in and generally managing their portfolios.
- Freetrade's recent partnership with Monzo will serve as a marketing opportunity to the neobank's premium user base. Monzo's paid users receive three free shares when they sign up with Freetrade.

Looking ahead: As global retail trading volumes slow down, European trading platforms will race against each other to spread across markets and become the first to scoop up users.

- Freetrade is pushing ahead with plans to expand into new markets: It's already **opened its waitlist in France** and is expected to launch in **Sweden and the Netherlands** next year.
- But expanding to a single or just a few European markets might not be enough by itself to spur sustained user growth. The propensity to actively trade is less ingrained in European retail investors than in US investors: **52%** of US households invest in the stock market, compared to **33%** in the UK and 15% in Germany.
- Established digital trading platforms, like **Trade Republic** and **Bux**, will likely pursue aggressive expansion strategies across European markets where a dominant player has yet to prevail, such as in the Nordic countries and France.

Digital Brokerage Users

UK, 2019-2023



Source: eMarketer, September 2021

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