

# Current emerges as a model for teen-focused neobanks as its user base soars

Article

The US-based neobank, which [started out](#) offering debit cards for teens before broadening its demographic focus, [announced](#) that it has nearly tripled its user base, growing from 1

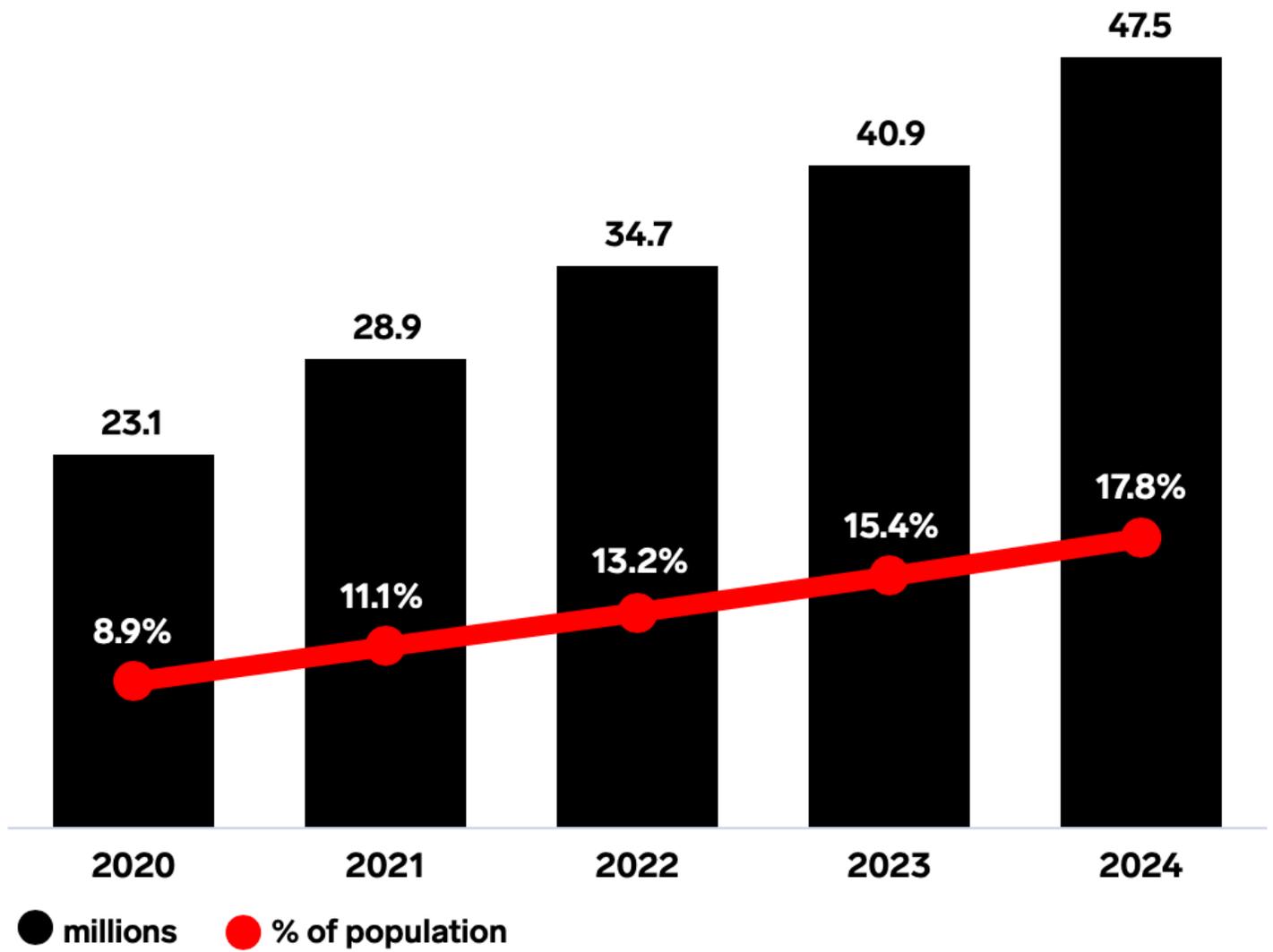
million last summer to [over](#) 2 million in November, and recently reaching almost 3 million account holders. Current also said that it has raised \$220 million in Series D funding and tripled its valuation in the process; it hit \$2.2 billion, up from just \$750 million in November.

**The neobank will use its new funding to build on its rapid user and product growth.** Stuart Sopp, CEO and founder of Current, said the company will use its new capital to continue its product development and maintain its user growth. The company also has plans to include cryptocurrency in its offerings lineup, [per](#) TechCrunch. The neobank has significantly expanded its products since branching out from its teen-focused roots; they now run the gamut from early wage access to free overdraft protection of up to \$100. The company also demonstrated its product prowess in late December when it gave users [early access](#) to federal stimulus funds, [garnering](#) goodwill and free press as a result.

**Current's growth points a way forward for neobanks that cater to teens.** The company now has a track record of moving from being a small, age-specific player to a general neobank—a metamorphosis that can serve as precedent for neobanks that cater to teens. One neobank that could follow in Current's footsteps is Step, which [unveiled](#) a \$100 million Series C round on Tuesday and reported users passing 1.5 million just six months after launching. Another is Till, which [announced](#) a \$5 million round last week that was partly backed by Melinda Gates' venture fund. Current, which is further along in scale than its competitors, has demonstrated that teen-focused challenger banks have a path to wider appeal, which they may need to follow to keep their early users as these customers age and get more disposable income.

# Digital-Only Bank Account Holders and Penetration

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Source: eMarketer, June 2020

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