

Revolut launches Ultra card for affluent consumers, but competition looms large

Article

The news: Revolut will launch Ultra, a payments card and membership plan aimed at wealthier customers seeking travel, lifestyle, and investment benefits, according to a blog post.

Breaking it down:

- The Mastercard credit card will cost UK customers £540 (\$665.40) a year while offering up to £4,100 (\$5,052.19) in benefits like higher savings rates and free subscriptions for the **Financial Times**, **ClassPass**, and **WeWork**.
- Users will earn up to 0.1% cash back on purchases in Europe and 1% everywhere elsewhere.
- It also offers £10,000 (\$12,322.42) in annual purchase protection.
- Travel perks include up to £5,000 (\$6,161.21) a year in trip cancellation reimbursements, global medical emergency coverage, and access to more than 1,400 airport lounges.
- Ultra also offers 10 commission-free stock trades a month and lower fees on crypto and commodities trading.

Why it could work: Revolut is trying to move upmarket.

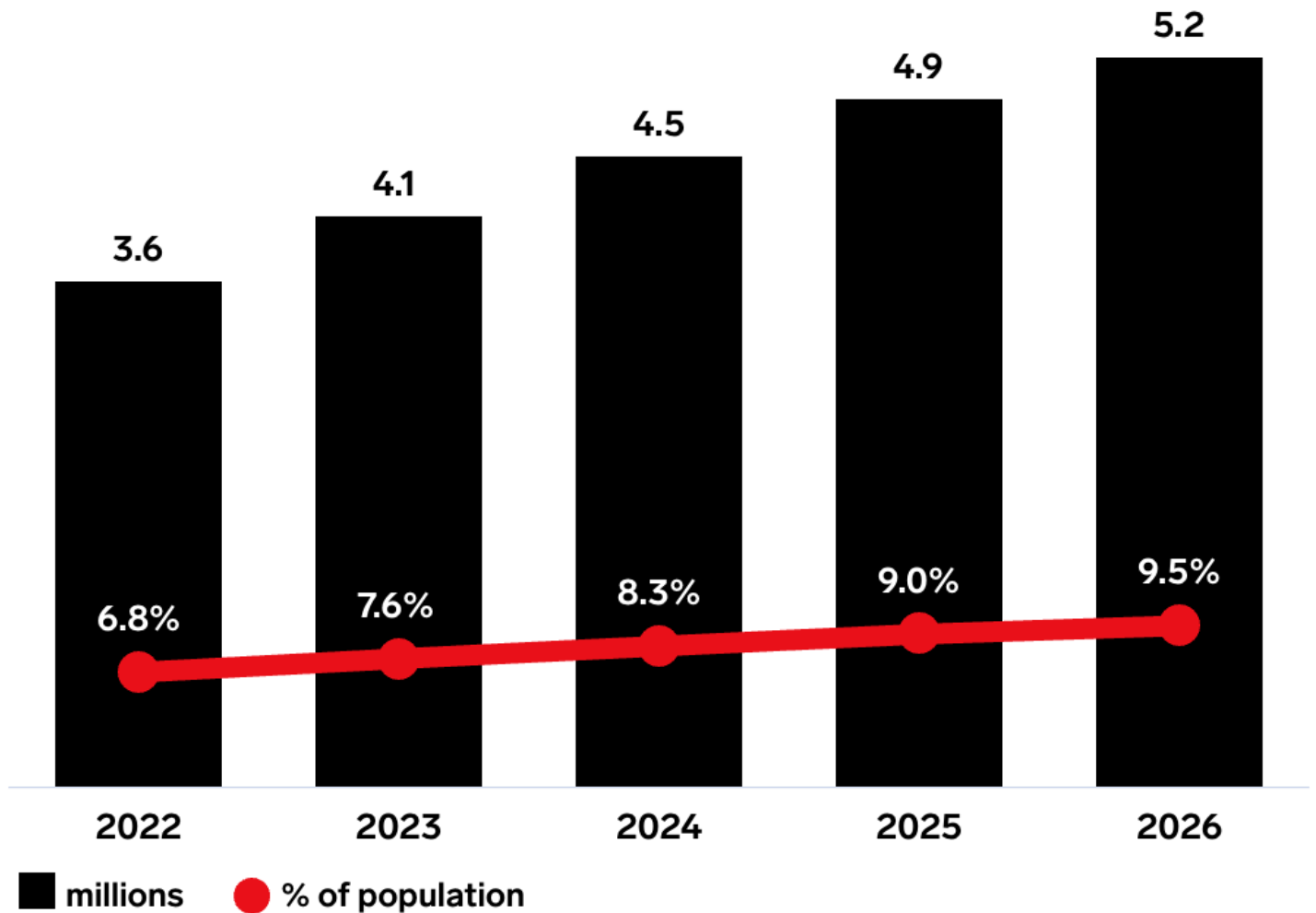
- Ultra can help the British challenger bank emulate the success of industry-leading ultra-premium products like the **American Express Gold and Platinum cards** and **Barclaycard Platinum**.
- It should also encourage interest from mass affluent customers who then may take up other Revolut products.
- Ultra could drive up spending for Revolut by giving customers benefits for higher-cost services like travel, where [spending is growing](#), and luxury goods. As rising [credit card debt](#) heightens the chances of defaults, building services for more affluent customers should help offset those risks.
- Attracting wealthier customers should also help Revolut shore up its bottom line: [Neobanks' inability to turn a profit](#) is a pervasive problem, with less than 5% breaking even, per Simon-Kucher & Partners.

But it's not all smooth sailing for Revolut: The neobank faces stiff competition from more established payment giants like **Barclays**, **HSBC**, and **NatWest**, which users are more likely to seek out for cards targeting higher earners.

And Revolut faces bigger problems: Its [auditor failed to verify about 75% of the bank's reported revenues](#) after multiple filing delays. Investors have also slashed Revolut's valuation by 40% as fintechs feel the pain of a lean funding climate and high UK inflation.

Revolut Bank Account Holders and Penetration

UK, 2022-2026



Note: individuals who have at least one account at an FSCS-backed digital-only full-service bank open to all consumers that includes transactional and savings options but does not operate physical branches, and where all account management is carried out via web browsers, mobile apps or over the phone; account holders are not mutually exclusive; there is overlap between groups

Source: eMarketer, June 2022

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