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Aspiration risks its reputation by not living up to its green marketing

Article

The news: Socially conscious neobank **Aspiration's** environmental track record is not as sweeping as the company has presented it, according to an investigative story from ProPublica. The publication cites discrepancies between the US challenger's marketing and its legal disclosures.

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An overview of the mismatches: Aspiration's disclosed metrics fall short of how it's described in its marketing materials:

- It has a planting program called Plant Your Change, which lets credit and debit-card customers round purchases up to the closest dollar, with funds set aside for tree plantings.
- The neobank has said that it planted **35 million trees** over a 12-month period. But a footnote in a company document shows that this number **includes commitments to plant trees in the future**.
- Aspiration told ProPublica that the actual figure for existing plantings is **12 million**, while an organization it partners with, Eden Reforestation Projects, pegged it at **16 million**.
- The company **keeps some of the proceeds from its program** to fund marketing and third-party vendor fees.
- A disclaimer at the bottom of the program's website shows that it **entails a service fee ranging from $0.01 to $0.99**. However, ProPublica reported that **the typical tree planting cost is $0.10 each.**
- **Co-founder and CEO Andrei Cherny**, in a statement to ProPublica, defended keeping part of the program's proceeds, stating that the cost of running the program is more than just the actual tree plantings.
- Its **Redwood** mutual fund is **marketed as being fossil-fuel "free,"** but its portfolio includes shares in companies that are heavy users or work in the fossil-fuel industry. Cherny pointed to Redwood's A grade from As You Sow, which does ESG grading—but ProPublica reports the grading organization doesn't include industries that use large amounts of fossil fuels.

The big takeaway: The gaps between Aspiration's marketing of its ESG practices and the reality should serve as a wakeup call for other banking players that position themselves as ESG-friendly. To build and retain consumers' trust, banks need to back up their high-minded marketing with transparency about the actual results—or at least stick to honestly highlighting their relatively modest measures.

The adverse publicity Aspiration has received serves as a cautionary note for banking players that unveiled their own climate initiatives this month:

- **Monzo**, which said it wants to reach net-zero emissions by 2030.

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- **Starling**, which revealed a 2030 goal for its one-third emissions cut, and with a net-zero year to be determined.
- **U.S. Bank**, which announced a 2025 goal for sourcing 100% renewable energy and a 2050 net-zero emissions date.

The discrepancies with Aspiration's marketing and its actions could damage its reputation—it's relying heavily on environmental consciousness as its primary differentiator from other neobanks—and lead disaffected customers to abandon it.

US Neobank Account Holders, by Company, 2021-2025
millions

	2021	2022	2023	2024	2025
Chime	13.1	15.4	17.8	20.3	22.7
Current	4.0	5.2	6.3	7.3	8.4
Aspiration	3.0	3.8	4.6	5.5	6.4
Varo	2.7	3.5	4.4	5.4	6.4
Other	2.5	3.2	3.8	4.4	5.1
Total	**20.2**	**24.9**	**29.5**	**34.3**	**39.1**

Note: individuals who hold at least one account at an independent, digitally native, digital-only bank that has either a banking license or operates on a licensed bank's platform (such as Chime or Varo in the US, Monzo in the UK, and Koho in Canada); account holders are not mutually exclusive; there is overlap between groups
Source: Insider Intelligence, May 2021

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