

Monzo's crypto ambitions highlight British neobanks' diverging strategies

Article

The news: Monzo confirmed that the recent turmoil engulfing the digital asset markets will not stop its crypto investment plans.

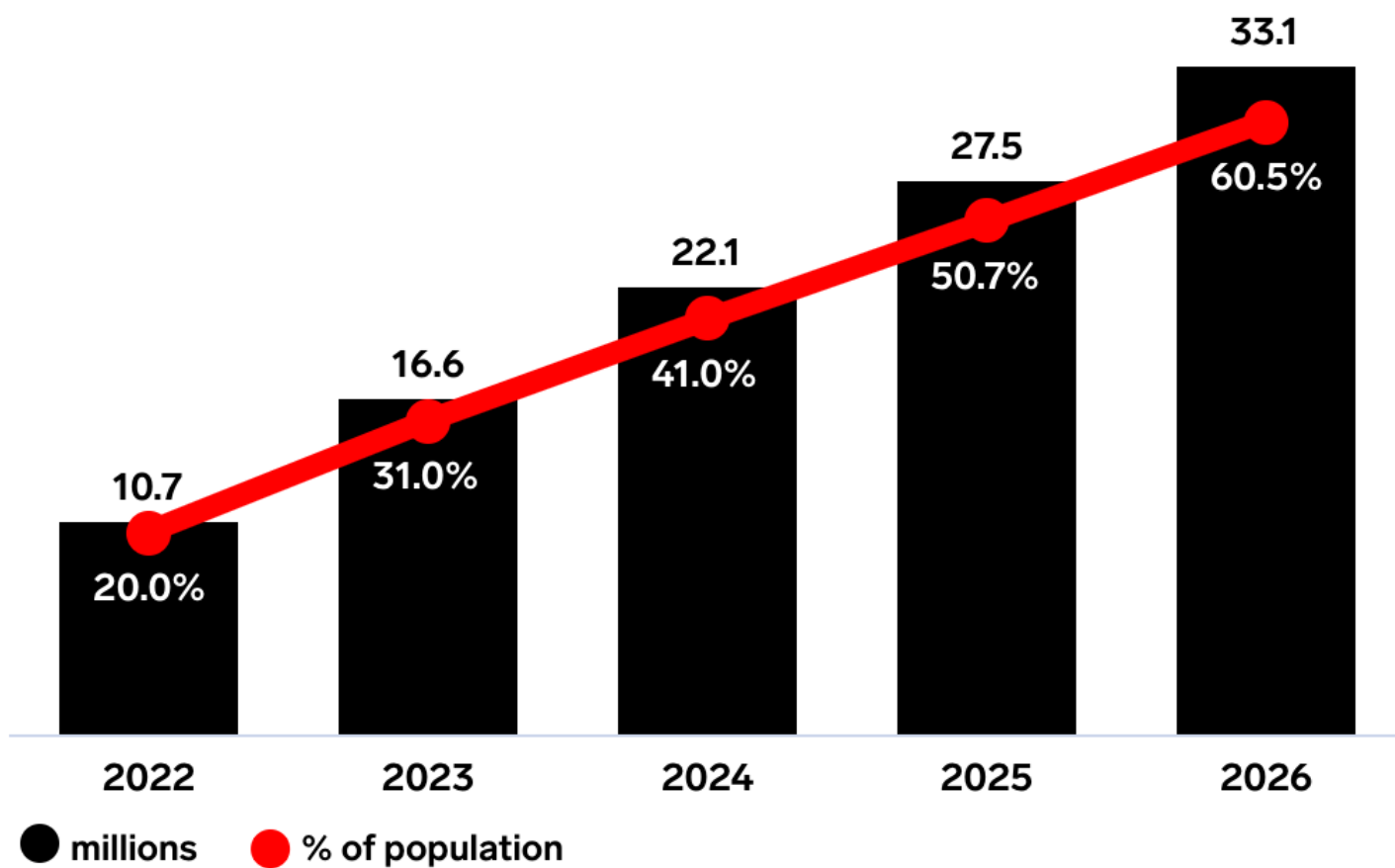
The neobank's co-founder and CTO Jonas Templestein said at a Financial Times Live event that "an easily tradable digital store of value has been instrumental for many people."

Market meltdown—or opportunities? In a time of crypto job [layoffs](#), [plummeting digital asset prices](#), and crypto lenders [blocking withdrawals](#), Monzo's assertion shows it believes in digital assets' long-term value and still sees their growth potential.

- The downturn could provide opportunities for Monzo to pick up one of many struggling crypto firms at a discount, giving it immediate insider knowledge and the necessary infrastructure to succeed.
- Some consumers grappling with sliding prices will look to more trustworthy, established financial institutions like Monzo for their future investments, rather than to cowboy crypto startups unlikely to survive.
- But the new, potentially risky crypto products may not translate into sustainable profits—something Monzo has [struggled](#) with in the past.

Open Banking Users

UK, 2022-2026



Source: eMarketer, March 2022

InsiderIntelligence.com

Neobanks yearn to be different: British neobanks have been intent on differentiating themselves from high-street stalwarts through branding, new products, or a superior digitally led service.

- **Revolut** is persisting with its super-app ambitions.
- **Monese** rolled out an in-house credit builder to tap “credit invisible” consumers.

- **Starling** is focusing on residential lending after reportedly buying a £500 million (\$687.6 million) mortgage book last week.

Starling's strategy cannily targets a profitable area where its neobank rivals don't operate. By contrast, Monzo is still considering expanding into a market on the edge of crisis where investors can't sell assets quickly enough. It's a strategy that seems high risk, compared with rivals who are diversifying into more profitable products. But Monzo's gamble could pay off if it's able to wait out the market slump and attract new customers keen to invest when prices rebound.