

Trading app Bux raises \$80 million to support European expansion

Article

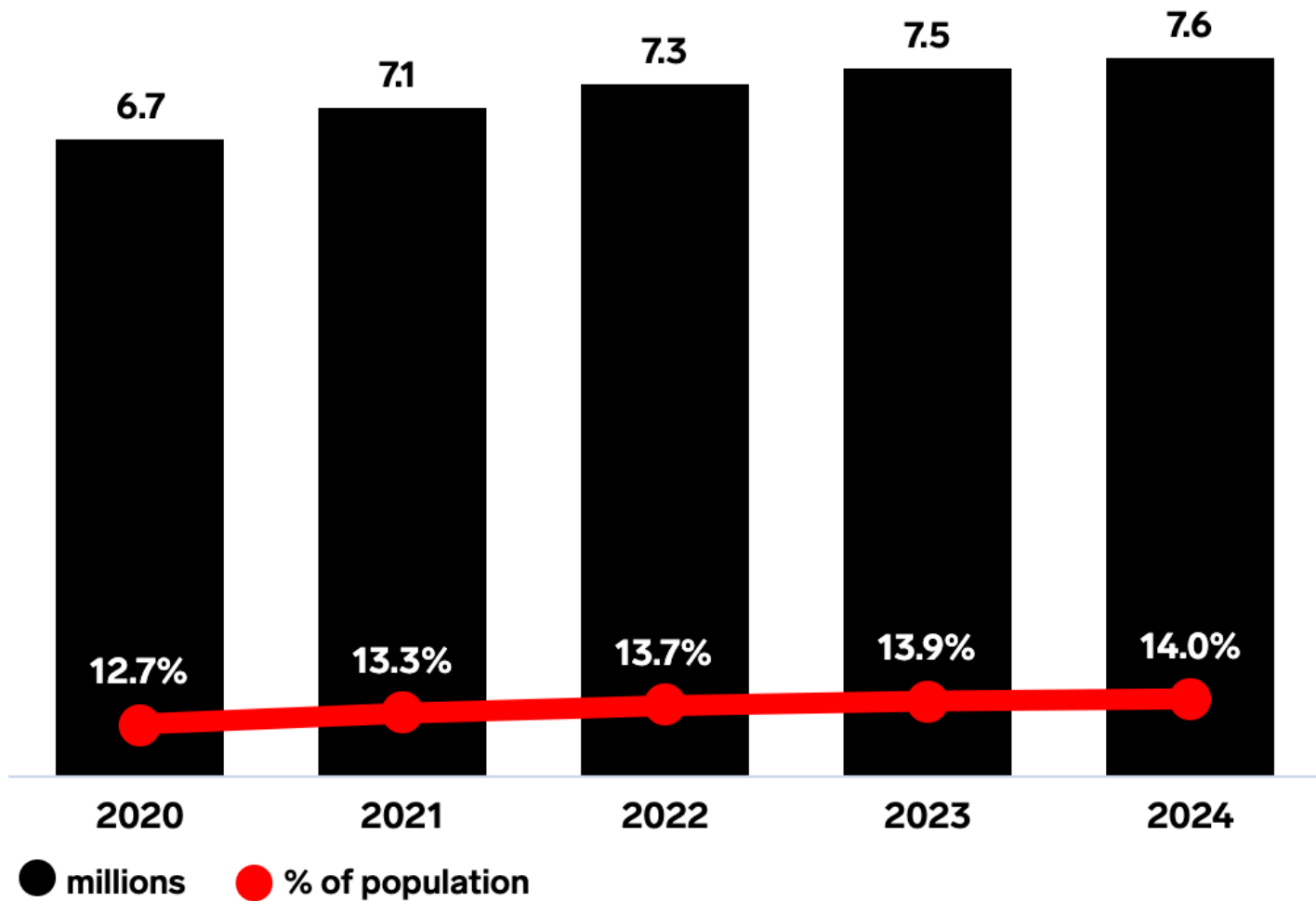
The funding was led by Prosus Ventures and Chinese tech giant Tencent, [per](#) AltFi. Bux offers a host of products, including [Bux Zero](#), its commission-free share trading app; [Bux Crypto](#); and [Bux X](#), which lets users trade contracts for difference (CFDs). Bux is currently available in the Netherlands, Germany, Austria, France, and Belgium and plans to use the funding to expand to Ireland in the coming weeks and eventually to the UK.

Bux established itself as one of the largest neobrokers in Europe after adding features to bolster user engagement and fund transfers amid the pandemic. Much like its [peers](#), Bux experienced record growth in the past year, reaching 500,000 overall users, compared with [350,000](#) at the end of 2020, while Bux Zero [tripled](#) its assets under management, per AltFi. The reddit-fuelled investing mania earlier this year further accelerated its user acquisition—it onboarded [three](#) times more customers a day than average during the frenzy. Bux also launched new features in the past year to enhance its value proposition among its base users, whose average age is 30. In July, it launched [Stories](#), which mimic stories on social media platforms but provide market updates, to better engage users. It later integrated open banking provider Yapily's API in [Germany](#), [France](#), and Austria so that users can instantly transfer funds from their bank accounts to the app, creating a more seamless trading experience.

European trading apps will increasingly clash as they expand across Europe, making the saturated market ripe for consolidation. Bux will face tough competition in the UK, where consumers have access to a wide range of options, including [eToro](#), which added 5 million users globally in 2020 to reach 20 million, or [Freetrade](#), which grew from 230,000 users last October to 500,000 in March. And competitors are also encroaching on Bux's other markets: Freetrade launched a waitlist for France in February and plans to expand to Sweden and the Netherlands later this year. The increased pressure will coincide with a likely slowdown in trading app downloads from the 2020 and Q1 2021 spike as lockdown boredom wears off and most first-time investors settle on their go-to trading app. This will push trading apps to seek other ways to drive growth, which could result in mergers and acquisitions down the line. For example, eToro added [\\$800 million](#) net cash to its balance sheet following its SPAC, and it could use some of it to acquire smaller peers, having already made [acquisitions](#) in the past.

Digital Brokerage Users

UK, 2020-2024



Source: eMarketer, August 2020

eMarketer | InsiderIntelligence.com