

# Volt looks to slash mortgage approval times with acquisition

Article



**The news:** In its first acquisition, Australian neobank **Volt** has snapped up alt-lending platform **Australian Mortgage**—previously known as Australian Mortgage Marketplace—for an undisclosed sum, Mortgage Business [reports](#).

Australian Mortgage’s technology offers “instantaneous credit decisioning” that yields “fully verified approvals” in less than **15 minutes**, the neobank told Mortgage Business. Volt claims

that this contrasts favorably with the approval times at larger lenders, which can run over **2 weeks**—especially when customers are introduced by brokers, per a press release [cited](#) by Crowdfund Insider.

The neobank also plans to add Australian Mortgage's **Intelligent Credit** solution to its Banking-as-a-Service (BaaS) offering, "Volt 2.0." The new digital mortgage offering will be distributed via the **Australian Financial Group**—which Volt cut a [deal](#) with last month—starting with a pilot in Q4 2021 and becoming available to all AFG brokers in early 2022.

**How we got here:** Volt has pivoted hard toward profit-driving solutions in the wake of the coronavirus pandemic, which caused a contraction in the Australian neobank market.

From 2018 to early 2020, four budding neobanks had their own banking licenses and positioned themselves as alternatives to the country's incumbents. But the pandemic and prevailing economic headwinds [forced](#) some challengers to reduce interest rates on savings accounts, which they'd used as a key customer incentive. Ultimately, two of the neobanks—**86400** and **Xinja**—exited the market through [acquisition](#) and by [shutting down](#), respectively.

Volt survived through its savvy strategic overtures into BaaS and mortgage lending: It [partnered](#) with **Microsoft** and **Lab3** to develop Volt 2.0 in September 2020, and [partnered](#) with Australian Mortgage in May on digital mortgages prior to the acquisition.

**The big takeaway:** If Volt's mortgage offerings gain traction, they could rocket the company toward profitability, giving it a flexibility that neobanks of its age rarely enjoy.

Volt could leverage the speed of its loan approvals to drive up interest in its mortgage solutions—both loans and its Intelligent Credit offering. This revenue boost could, in turn, help smooth the road for Volt's traditional deposit products—Volt is currently beta-testing a savings product, and its [website](#) indicates that it has a debit card offering in the works.

With its bottom line cushioned by revenues from BaaS and mortgage services, Volt could afford more generous terms on its deposit products and thereby attract even more clients to its ecosystem.

# THE BANKING SERVICES STACK

<b>User Interface</b>	The front-end interface that the end user interacts with
<b>Fraud</b>	The ability to detect and prevent all types of fraudulent activity
<b>Regulatory</b>	The handling of due diligence and compliance with the laws of the financial sector
<b>Data</b>	Relationships with agencies like credit bureaus that offer data on consumers
<b>Payments</b>	Integrations with systems that enable transactions like transfers, withdrawals, etc.
<b>Core Systems</b>	The basic banking hardware and software that enable banking offerings to store and move money on a basic level
<b>License</b>	Licensing to legally engage in banking activities like retail banking and cash management

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Source: Andreessen Horowitz, 2020