





Triumph of FinTech: Story Of Revolut

In recent years, the FinTech market has been developing so rapidly that, [according to Gartner, by 2030](#), conventional banks and financial companies may bankrupt or become redundant in the light of new competition and technology development. That's one of the main reasons why the share of corporate financial applications developed by Andersen has been growing steadily since 2014.

Perhaps Revolut is one of the most sensational financial startups. It is predicted to have the UBER future but in the banking sector. Announced in 2015, and since that recognized, today Revolut serves more than 3 million users. About 10 thousand new accounts are opened daily in more than 30 countries.

The target audience of Revolut is people who travel a lot and value each cent in the wallet. The main idea is to prevent the dissatisfaction of many bank clients emerging because of payment of hidden and unobvious banking commissions: according to statistics, for every 1000 dollars spent, a bank card holder on average pays 50 dollars for various commissions to the bank.

What is Revolut? It is a free mobile application with a debit card linked to it, which allows you to withdraw money in 130 countries in local currency without commissions, make cross-border transfers, as well as store money in 26 currencies and convert them at an interbank rate of exchange. Also, the interbank rate of exchange can be 3-5% more profitable for the client.

There are several tariff plans within the service. Free tariff provides the basic set of services - it's users can open a card account for free, make free money transfers to anywhere in the world, pay for purchases at an interbank rate, withdraw cash at ATMs without overriding commission. Users of paid tariffs can also enjoy insurance services, premium cards with an exclusive design, access to cryptocurrency trading, a concierge service, cash backs for cashless transactions, etc.

Some Revolut card holders point out a number of service disadvantages including the absence of spending limits, the impossibility to check an account balance at ATMs, the absence of SMS informing, etc. At the initial stage of its development, the Revolut startup was positioned as a FinTech company that operates in the banking sector with the killer feature of providing better and cheaper banking services, if compared with traditional banks. Recently, however, the company has decided to focus on lending services too and become a conventional bank. Currently, Revolut intensifies efforts to



obtain banking licenses in European countries in order to provide a wider range of financial services, which includes providing overdrafts, consumer loans and loans for businesses, etc.

Revolut has announced its expansion to Russia. This fact has already managed to create some tension among banks aimed in the retail segment of the market and pushed them towards a more rapid introduction of new products. In addition, following the Revolut example, in November 2018, Tinkoff Bank provided an opportunity for Black card holders to open accounts in 30 currencies and maintain exchange operations at a more favorable rate (the difference with the forex market is about 1%).

What is the Revolut's competitive advantage? After all, the development of applications for banking services is one of the most common trends in Fintech. Particularly, in recent years, Andersen has created more than 5 products that allow bank customers to save on banking commissions. However, Revolut differs from traditional products in the fact that this service does not perform as a bank, but as a financial platform, which enables to reduce part of the transaction costs associated with meeting the requirements of regulators.

Besides, due to the advanced automation of all processes, the company manages to serve 3 million clients with the help of only 600 employees, which is incomparably less than that of its competitors. Revolut earns on commissions from merchants (about 1%) per each transaction, but most importantly - on the sale of additional services (1.5%).

With more than ten years' experience in FinTech services development, the Andersen experts are involved in a number of innovative scoring model projects. We employ traditional technologies as well as machine learning technologies - upon request of our clients - for parallel analysis of data about a borrower from several sources.

Find more about our completed FinTech projects [here](#).

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