

Monzo heads to £3 billion valuation, despite losses

MONZO is in talks with [shareholders](#) to raise another £300 million to fund expansion plans.

The digital based lender, founded in 2015, is one of the best known of the new breed of “challenger” [bank](#), aimed at shaking-up the sector.

According to [Sky News](#), the fund raiser would value the business at £3 billion, a fairly extraordinary price for a business that lost £130 million in the year to February. That came atop £114 million of losses the year before. It aims to make a profit next year. The fundraising was [first reported by Business Insider](#). A spokesperson for Monzo declined to comment.

Monzo was last valued at £1.1 billion when it raised cash from investors earlier this year.

Monzo claims it is “banking made easy”. Customer numbers, it says, are up 23% to five million.

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The company began as a free app but has lately been pushing into [paid for accounts such as Monzo Plus](#).

Monzo says it is seeing record revenues each month, but declined to say what they are.

To date it has raised more than £500 million in funding from investors including General Catalyst, Y Combinator, Goodwater, Accel, Stripe and Passion Capital.

Three weeks ago Monzo [withdrew its application for a US banking licence](#) after some difficulty with the regulator, the Office of the Comptroller of the Currency.

It has lately [moved into the controversial “buy now, pay later” sector](#), an industry that is beginning to trouble regulators and MPs.

CEO Tom Blomfield, the co-founder, left the bank last year citing pressures heightened by the pandemic.