

# Nubank turns sights toward monetization with paid account

Article

**The news:** The Brazilian neobank giant [has rolled out](#) the “Ultravioleta” [account](#) and its accompanying metal debit card—a paid account with a slew of premium features, including 1% cash back on purchases, which grows if the user doesn’t withdraw it; VIP airport lounge access; and travel medical insurance, among others.

An Ultravioleta account costs **R\$49 (\$9.50)** per month, though the fee is waived if 1) a user's average expense on the card is at least R\$5,000 (\$969.74) in the previous 90 days; or 2) they have a total of at least R\$150,000 (\$29,092.19) invested between Nubank and its subsidiary, broker Easynvest.

**Why it's worth watching:** Ultravioleta is Nubank's first paid account and represents a major strategic pivot for the world's largest neobank as measured by account holders.

Nubank appears to have perfected the neobank strategy of pursuing rampant client growth first and worrying about profitability later. At **40 million customers**, it is by far the biggest neobank in the world, according to that metric. (For context, the UK's biggest neobank by customers, **Revolut**, had well under half that total at the end of 2020: 14.5 million.)

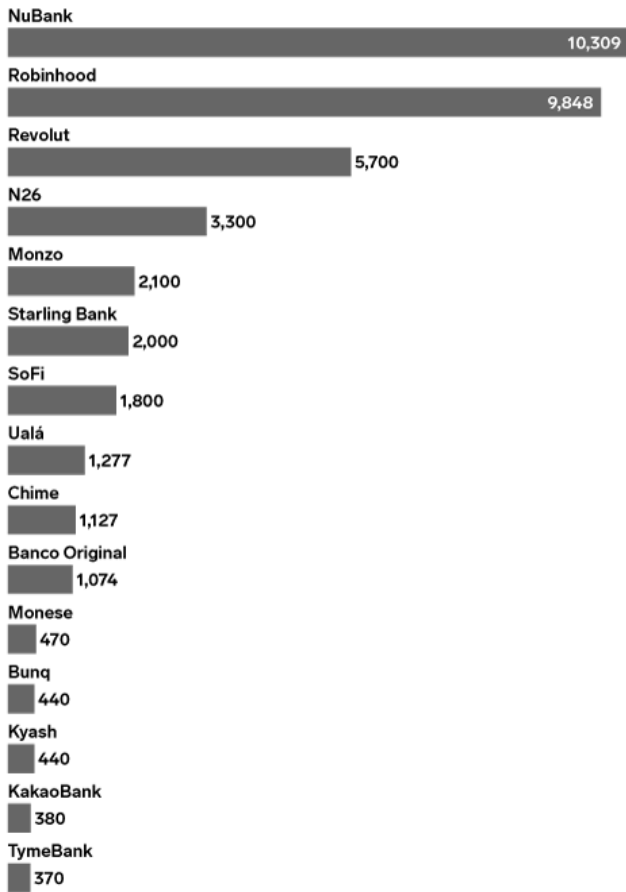
By launching a premium account tier that charges a monthly fee, Nubank is positioning itself to convert its gigantic client base into a steady revenue stream independent of debit card usage. If it can convince just one out of every 10 members to become an Ultravioleta customer, Nubank would stand to gain as much as **\$38 million** in revenue.

**Why it matters:** In addition to driving profit, Ultravioleta could also help Nubank deepen its customer relationships.

Nubank customers who are interested in Ultravioleta perks can avoid paying its fees by ramping up their spending or investing activity to meet the neobank's thresholds for a fee waiver. This could motivate customers who use their Nubank account as a secondary account to become more active. Nubank can also dangle free access to Ultravioleta as a powerful incentive to maintain customer loyalty among those clients who are already engaged enough to meet the fee waiver thresholds.

## Performance of Challenger Banks/Neobanks\* Worldwide During the Coronavirus Pandemic, Jan-May 2020

growth index\*\*



Note: \*a fintech-based bank that operates solely digitally or via a mobile app; \*\*based on monthly internet search frequency of 100 challenger banks worldwide  
Source: The Fintech Consulting Group (Fincog) as cited in company blog, June 9, 2020

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