Revolut

Business Banking Providers. Research Methodology.

Here at Revolut, we get asked this question all the time:

"My current business bank account is free, but you charge a monthly fee. Why would I switch to Revolut?"

The short answer is: if your bank isn't charging you a monthly fee for a business account, it's because they're charging you for everything else.

The bulk of these fees are hidden in exchange rate markups or charged automatically when you pay by card or make a bank transfer. This means they don't appear in your account statement, making it hard to work out how much you're being charged.

We asked an independent research agency to help us put these costs into perspective, by doing a price comparison with popular UK business bank accounts and other alternatives.

Research Methodology

The research was carried out between the 19th September and 3rd October 2018. The data was collected by contacting each of the major UK providers to ascertain their fees for:

1. Sending money overseas (outgoing international transfers) - GBP/EUR
2. Receiving money (inbound international transfers) - GBP/EUR
3. Using a card overseas to spend at a POS - GBP/EUR
4. Monthly account fees

Overall price comparison

For the price comparison, the research agency calculated an indicative saving based on four indicative sizes of business, with transactional volumes in line with our four plans **Freelancer, Start, Standard and Professional.**

	FREELANCE	SMALL	MEDIUM	LARGE
Vol. overseas transfers per month	£8,000	£25,000	£100,000	£1,000,000
No. overseas transfers per month	3	5	10	20
Vol. overseas card spend per month	£600	£2,000	£8,000	£20,000
Vol. inbound transfers per month	£5,000	£10,000	£30,000	£100,000
No. inbound transfers per month	1	3	7	10

Collecting the data

This data was obtained by asking each provider for the fixed fee applied when transferring money abroad for a single route (GBP - EUR) via standard 'non-priority' delivery. The research agency also asked each provider for their exchange rate, then compared it to the interbank rate offered at the same time to work out each company's exchange rate markup.

The agency compared a £2,000 transfer to Europe for each provider, then checked if there would be a reduction in fees with a higher monthly transaction volume and velocity.

Monthly Account Fees

SERVICE PROVIDER	MONTHLY ACCOUNT FEE
Revolut	£6.99, £25, £100 or £1,000
Santander	£7.50
HSBC	£5.50
RBS	Free
Natwest	Free
Lloyds	Free
TransferWise	Free
PayPal	Free

Sending and receiving money (EUR)

This data was obtained by asking each provider for the fixed fee applied when transferring money abroad for a single route (GBP - EUR) via standard 'non-priority' delivery. The research agency also asked for each provider's exchange rate, then compared it to the interbank rate offered at the same time to work out the exchange rate markup.

The agency compared a £2,000 transfer to Europe for each provider, then checked if there would be a reduction in fees with a higher monthly transaction volume and velocity.

Comparing the cost of sending a £2,000 transfer to Europe

PROVIDER	TRANSFER FEE	FX MARKUP	TOTAL FEES	PRICE DIFFERENCE WITH REVOLUT
Revolut	Free	Free	Free	
HSBC	£4.00	£43.83	£47.83	£47.83
RBS	£10.00	£26.73	£36.73	£36.73
Natwest	£22.00	£46.07	£68.07	£68.00
Lloyds	£15.00	£43.87	£58.87	£58.87
TransferWise	£7.79	£0.00	£8.80	£7.79
Santander	£15.00	£63.09	£78.09	£78.09
PayPal	N/A	N/A	£78.40	£78.40

The results for receiving a €2,000 transfer to a UK business account in British Pounds are below.

Comparing the cost of receiving a €2,000 to the UK in GBP

PROVIDER	TRANSFER FEE	FX MARKUP	TOTAL FEES	PRICE DIFFERENCE WITH REVOLUT
Revolut	Free	Free	Free	
HSBC	£1.00	£51.40	£52.40	£52.40
RBS	£7.00	£82.20	£89.20	£89.20
Natwest	£7.00	£66.60	£73.60	£73.59
Lloyds	£7.00	£71.20	£78.20	£78.20
TransferWise	£7.79	£0.00	£8.80	£8.80
Santander	£7.00	£58.00	£58.00	£58.00
PayPal	N/A	N/A	£80.20	£80.20

Spending and withdrawing cash with a corporate card in Europe (EUR)

This is only based on banking fees and indicative rates provided by the researched UK providers and not live transactions.

Comparing the cost of spending and withdrawing £1,000 in Europe (EUR)

PROVIDER	SPEND £500	WITHDRAW £500	TOTAL FEES	PRICE DIFFERENCE WITH REVOLUT
Revolut	Free	£10.00	£10.00	
HSBC	£13.75	£21.25	£35.00	£25.00
RBS	£13.75	£18.75	£32.50	£22.50
Natwest	£13.75	£18.75	£32.50	£22.50
Lloyds	£14.95	£15.45	£30.40	£20.40
TransferWise	£13.75	£16.75	£28.75	£18.75
Santander	£13.75	£15.00	£30.50	£20.50
PayPal	£13.75	£16.75	£30.50	£20.50

Calculating the annual savings

We then calculated the annual savings by multiplying the average amount saved for each of our Freelancer, Start, Standard and Professional illustrative businesses by twelve.

Disclaimer