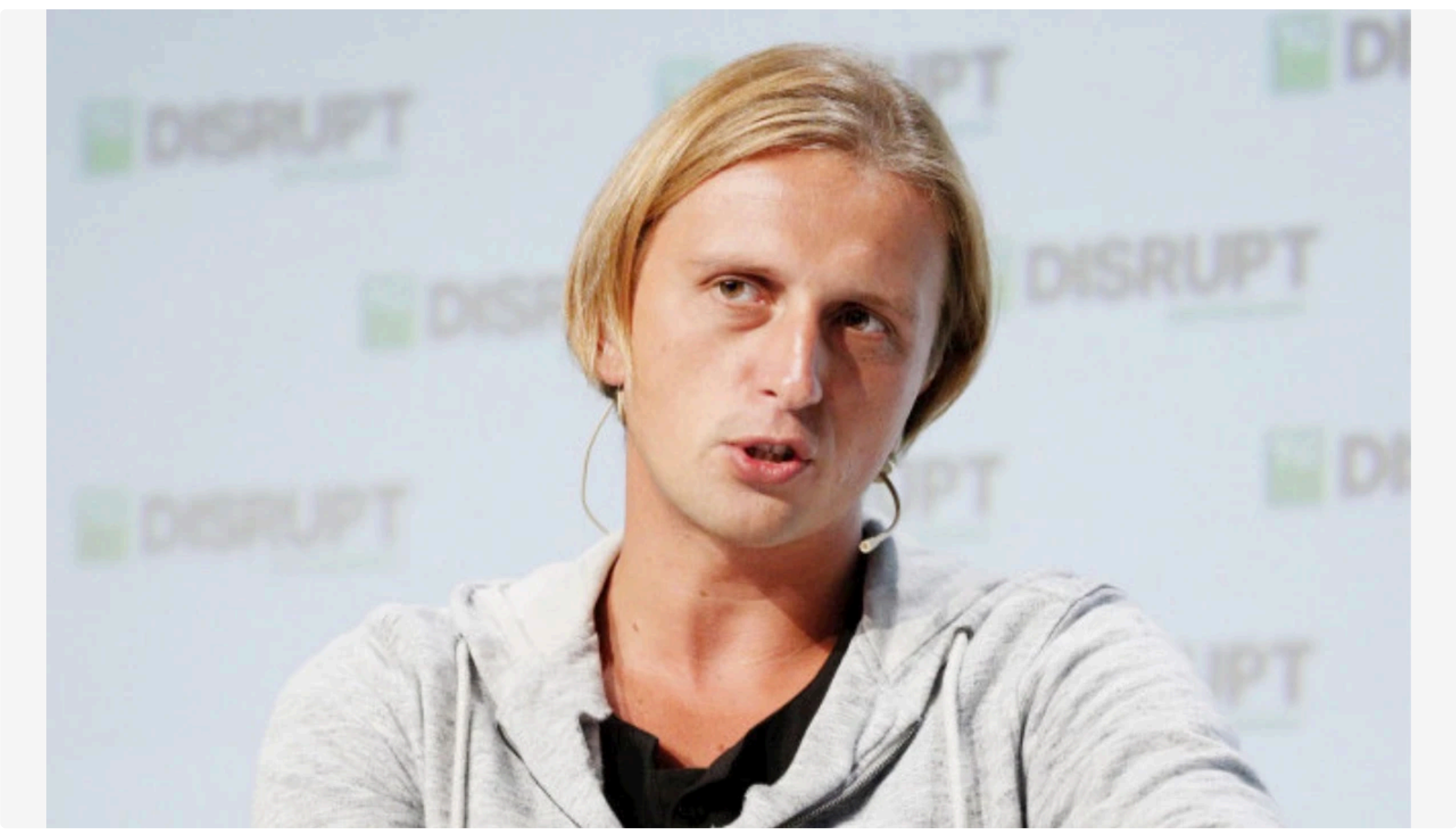
News Digital Banking

Revolut CEO Nik Storonsky: “We’ve made almost every mistake possible and we’ve learned from them”

The CEO of the $33bn fintech said it is now much closer to an IPO and that it no longer needs to fund raise.

Amelia Isaacs • 19 May 2022



Nik Storonsky/Revolut.

With 18m personal users, 500k business users and operations in more than 200 countries, Revolut could very confidently class itself as a 'super app'.

But when asked how he would define the phrase, CEO and co-founder Nik Storonsky stepped away from the label, instead saying Revolut is “more like an app that allows you to do whatever you need with your own money”.

Whether that means investing, spending, borrowing or almost any other financial service you could think of, Revolut either offers it or is probably thinking about it.

“We are working on all the financial services, including 'buy now, pay later',” Storonsky said at the OMR Festival in Germany yesterday.

Revolut vs local banks

“Our mission is to unlock a borderless economy,” he said.

“What that means is we want to be in every single country and allow people to trade, invest, do business in any single country. There is a huge advantage of being global and providing global accounts.”

In practice, this means that people and businesses can send and receive money instantaneously and for free.

It is this globality combined with a localised approach that sets Revolut apart from local banks, Storonosky explained.

It also explains why there is a trend of initial cautious acceptance of Revolut as a secondary bank account, something the app is currently seeing in Germany, before it transitions into a user's primary account a few years down the line.

“As the world becomes more global, we offer more global products which local banks are just not able to compete with,” he said.

“I think the key difference between banks and us is we started software first, technology first, and we almost never try to hire bankers [...] our headcount is mostly genius data scientists, product and business people rather than bankers. That's the number one difference.”

He added that the startup also has “much larger ambitions” than local banks do, and is mapping out the roadmaps to achieve them.

The company has continuously expanded internationally over the last year to create a global — yet heavily localised — product which will allow the company to compete with local banks, but it hasn't been easy.

“I think we made almost all the mistakes that are possible and we learned from them,” he said.

“It’s super difficult,” he continued. “One of the largest challenges that we face as a company to go global is to internationalise products and simultaneously to localise for every single country.”

Keep your eyes peeled for Revolut's IPO, but not for future raises

Though Storonsky wouldn't say where exactly the company is at in terms of acquiring its US licence, which it applied for last March, he said the company is “95 per cent complete” in terms of getting the licences it originally applied for.

“At one point we had 48 licences in the pipeline and we have [received] 44 now,” he said.

When asked why Revolut is even trying when German neobank N26 attempted to break into the US, but ultimately withdrew at the start of this year, Storonsky said, “We should at least try, right?”

When the moderator quipped back that it could be a financial risk, Storonsky said it depends on how much money you make, to which he was then asked how much Revolut makes.

“Enough to expand in the US,” he said.

Skating around the topic of Revolut’s exact finances while confidently dropping hints at the company’s good fortunes, Storonsky shared that the company is also making enough to be “much closer to the IPO”, having previously stated that the company would not go to an initial public offering until it made at least billions in revenue.

Similarly, he shared that the market going down has not been a pain or worry for the company financially with regards to raises.

“Ultimately we don't need to raise,” he said. “We [have been] profitable since 2020.”

That doesn't mean that the fintech has stopped taking risks though.

While Storonsky did not talk about specifc new products in the pipeline, other than the fleeting mention of ‘buy now, pay later’, he touched on introducing salary advance and pet insurance in the UK — perhaps products we will see pop up elsewhere soon — as well as acquiring both on-ramp and off-ramp for crypto companies.

What will work?

“We'll see,” Storonsky said. “Ultimately, the reality is that any bet we do, we see results in three to five years' time.”

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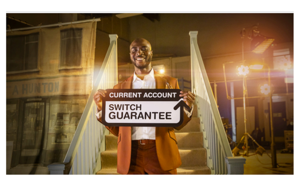

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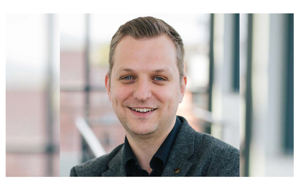

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