# Monzo quietly tests offering phone contracts as an MVNO to deepen app engagement



Monzo, the UK challenger bank, is quietly exploring a move into mobile telephony that would see it offer digital SIMs and monthly contracts as a mobile virtual network operator (MVNO). According to reporting in The Independent and the Financial Times, the 10‑year‑old lender has told customers and investors it is in the “early stages” of developing the idea; a Monzo spokeswoman was quoted as saying the bank is “known for transforming products” and is looking at how to solve customers’ complaints that mobile contracts can be a “pain point”. This framing underlines that Monzo’s interest is presented as customer‑led rather than a reactive diversification for its own sake.

An MVNO model would allow Monzo to sell mobile services without building radio towers or acquiring spectrum, by buying capacity from the big network operators and reselling it under its own brand. Consumer guides note that existing UK MVNOs — such as giffgaff, VOXI, Tesco Mobile and Lebara — operate this way, piggybacking on the coverage of Vodafone, Three, EE and O2 to provide low‑cost or niche propositions. The approach can deliver simpler billing and competitive pricing, but it typically means MVNOs must accept the underlying network’s coverage and wholesale pricing terms.

Industry analysts say the move fits a broader pattern of fintechs experimenting with adjacent services to deepen engagement and find new revenue streams. The Financial Times frames the potential launch as an opportunity for Monzo to cross‑sell through its app and reach more of the bank’s roughly 13 million customers, while the bank’s own annual reporting emphasises a strategy of “deeper engagement” and monetisation after posting its first full‑year profit. For a business that has spent years migrating customers into a digital ecosystem, a telco product could be another in‑app service to boost lifetime value and reduce customer churn.

Monzo’s commercial position strengthens the plausibility of such an expansion. The company reported profitability for FY24 and highlights strong customer growth and product uptake in its annual report; government data from the Competition and Markets Authority has also placed Monzo at the top of its banking satisfaction survey for overall service quality. Nevertheless, about one in three customers still use Monzo as their primary bank, which signals both meaningful penetration and remaining headroom if the bank wants to leverage relationships to sell mobile plans.

Yet the MVNO market has its constraints. Analysts point out that margins can be thin and competition fierce: large mobile groups can bundle services across broadband, pay TV and mobile in ways smaller brands cannot easily match, and MVNOs are dependent on the wholesale deals they can negotiate with network operators. Consumer guides also flag that while MVNOs often win on price or simplicity, they may not always enjoy the same priority for network capacity or the full slate of advanced services offered by network owners.

For consumers, the possible upside is a more integrated, app‑centric approach to mobile contracts — simpler sign‑up, in‑app billing and the chance to consolidate services with a bank they already trust. There are countervailing considerations too: bundling financial and comms services raises questions about data sharing, customer choice and whether pricing advantages are sustained once initial offers end. How Monzo balances convenience with transparency will be a key test if it proceeds.

For now, Monzo has positioned the plan as exploratory — a customer‑focused design exercise rather than a committed product launch — and has given no timetable for when a service might appear. The next concrete signals to watch will be whether Monzo secures wholesale network agreements, clarifies pricing and contract terms, and sets a launch window; until then, the proposal remains a plausible extension of its digital strategy rather than an immediate market disruption.

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* Paragraph 1 – [[1]](https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html), [[3]](https://www.ft.com/content/1c6ce97e-f358-4249-b264-67c71b764164)
* Paragraph 2 – [[1]](https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html), [[7]](https://www.confused.com/mobile-phones/guides/what-is-an-mvno)
* Paragraph 3 – [[3]](https://www.ft.com/content/1c6ce97e-f358-4249-b264-67c71b764164), [[4]](https://monzo.com/annual-report/2024), [[5]](https://monzo.com/annual-report)
* Paragraph 4 – [[1]](https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html), [[4]](https://monzo.com/annual-report/2024), [[6]](https://www.gov.uk/government/news/cma-releases-banking-satisfaction-survey-results)
* Paragraph 5 – [[3]](https://www.ft.com/content/1c6ce97e-f358-4249-b264-67c71b764164), [[7]](https://www.confused.com/mobile-phones/guides/what-is-an-mvno)
* Paragraph 6 – [[1]](https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html), [[3]](https://www.ft.com/content/1c6ce97e-f358-4249-b264-67c71b764164), [[4]](https://monzo.com/annual-report/2024)
* Paragraph 7 – [[1]](https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html), [[4]](https://monzo.com/annual-report/2024), [[5]](https://monzo.com/annual-report)

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## Bibliography

1. <https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html> - Please view link - unable to able to access data
2. <https://www.the-independent.com/tech/monzo-phone-network-phone-bank-b2809720.html> - This Independent article reports that Monzo, the UK digital bank, is exploring entry into the mobile telecommunications market by developing a digital SIM and monthly contracts, operating as a mobile virtual network operator (MVNO). It states Monzo is in the “early stages” of the idea and quotes a Monzo spokeswoman describing the move as a customer-driven attempt to make mobile contracts less painful. The piece explains MVNOs and lists example providers such as giffgaff, Voxi, Tesco Mobile and Lebara that piggyback on networks like Vodafone, Three, EE and O2, and notes Monzo’s recent customer satisfaction and profitability milestones.
3. <https://www.ft.com/content/1c6ce97e-f358-4249-b264-67c71b764164> - The Financial Times reports that Monzo is preparing a mobile service offering, citing people familiar with the plans, and says the bank is investigating a digital SIM and monthly contract model. The FT explains Monzo would likely operate as an MVNO rather than build its own radio infrastructure, joining other fintechs diversifying into telecoms. It discusses strategic rationale—using Monzo’s app and customer base to cross-sell services—and places the move in the context of competition with established UK mobile groups. The article is presented as industry reporting and includes commentary about the broader trend of fintechs entering telecoms.
4. <https://monzo.com/annual-report/2024> - Monzo’s 2024 annual report summarises the bank’s first full year of profitability, reporting a pre-tax profit for FY24 and highlighting significant customer growth, product developments and deposit increases. The report provides metrics including personal and business customer counts, revenue growth and details of new product launches, and it emphasises Monzo’s ranking for overall service quality in the CMA survey. The document frames the milestone year as validation of Monzo’s customer-led strategy and includes commentary from the CEO about continuing expansion, enhanced monetisation, and the group’s ambitions for deeper engagement and future growth across markets.
5. <https://monzo.com/annual-report> - Monzo’s corporate annual-report landing page gives access to the bank’s latest annual results and investor-facing materials, including metrics for FY25 such as customer numbers, revenue, deposits and profit performance. The site presents Monzo’s recent growth trajectory, stating totals for personal and business customers, increases in weekly active users and subscription uptake, and notes strategic highlights like expanded product suites and geographic ambitions. It also references customer satisfaction awards and industry recognition, offering context for the company’s commercial position and explaining how new revenue lines and retained customers underpin plans to broaden services—such as potential non-banking offerings.
6. <https://www.gov.uk/government/news/cma-releases-banking-satisfaction-survey-results> - This UK government press release from the Competition and Markets Authority (CMA) publishes the results of the banking satisfaction survey, showing how personal and business current account providers rank for overall service quality. The release explains the methodology—surveys conducted by independent researchers over a specified period—and lists the top and bottom performers, noting that challenger banks have tended to outscore traditional high-street banks. The document is intended to inform consumers and highlights the providers that achieved the highest ratings for service in Great Britain and Northern Ireland, providing authoritative support for claims about Monzo’s ranking.
7. <https://www.confused.com/mobile-phones/guides/what-is-an-mvno> - This consumer guide explains what a mobile virtual network operator (MVNO) is and how MVNOs provide mobile services by buying capacity from larger mobile network operators (MNOs) rather than owning radio infrastructure. The article lists common UK MVNO examples—such as giffgaff, Tesco Mobile, VOXI and Lebara—describing which major networks they use and the practical implications for coverage, pricing and benefits. It outlines pros and cons of choosing an MVNO, how piggyback arrangements work, and why smaller brands can offer competitive pricing, thereby clarifying the MVNO concept referenced in coverage about fintechs like Monzo entering the mobile market.