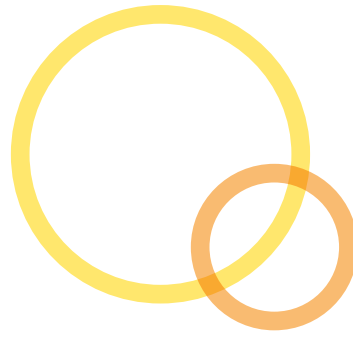


CASE STUDY:



# MONZO



Monzo is a digital, app-based bank headquartered in London. It offers a full UK bank account, meaning customers can set up Direct Debits and standing orders, as well as track their spending, set monthly budgeting goals, and take advantage of fee-free payments while they're abroad. Monzo now has more than 500,000 customers and more than 300 staff, who work from its London and Cardiff offices, and remotely around the world.

Monzo began paying the Living Wage as soon as it started back in 2015, and announced itself as an accredited Living Wage employer in November 2016. Monzo sees itself as a bank that cares for and fairly treats not only its customers but also its employees. Paying staff a wage that affords them a decent standard of living is seen as fundamentally important to this ethos.

## THE PROCESS

The decision for Monzo to become an accredited Living Wage Employer was made when the company was still quite small, with around 30 to 70 employees. The bank was contacted by the Living Wage Foundation about the possibility of accreditation and senior team members considered what the commitment would entail, deciding that it would be a positive step to take. The intention to accredit was then announced to the rest of the company.

As accreditation requires not only for direct staff to be paid the Living Wage, but also for a plan to be put in place to uplift any third-party contractor staff to the rate, Monzo had to identify and contact its relevant suppliers. At the time, this was primarily the company's cleaning contractor at its head office, who were aware of the Living Wage and offered to move the contract to the Living Wage pay band when it next came up for renewal. However, Monzo went a little further, asking that the contract be changed immediately, so that its cleaners were also being paid the Living Wage at the point of accreditation.

*"When you pay someone an hourly rate, you often don't connect how much you pay per hour, with how much that person is actually taking home. I think that's vital for every employer to consider."*

**MARIA CAMPBELL,**  
HEAD OF PEOPLE AT MONZO

After Monzo had officially accredited with the Living Wage Foundation, the company announced the achievement to its staff via internal communication channels and at a company-wide meeting. The bank then posted a blog post on its website during Living Wage Week 2016 to announce the move externally, and explain the rationale behind it. The post generated a lot of positive sentiment for the company on social media.



## THE BENEFITS

- The quality of customer service provided is much higher because staff are paid at least the Living Wage, and therefore feel valued and cared for by the company
- The Living Wage benchmark has made it easier to calculate how other salaries in the company should be increased based on the growing cost of living
- Confidence in the long-term reputation of the company as an ethical employer and a leader for positive change in the tech and banking industries has grown
- Monzo has made connections with other employers who have heard about its reputation as an accredited Living Wage Employer and want advice on how to follow suit

*“It’s hard to persuade someone that you care about them and their wellbeing and career goals if you’re going to pay them the absolute minimum that you legally can. If you make the effort to invest in your team, and show them that you actually care, you’ll find they work harder, perform better, and are more invested in their work.”*

### **MARIA CAMPBELL**

*“Before working for Monzo, I was earning £8.30 an hour. The dramatic increase to the London Living Wage has enabled me to escape a continuous cycle, where I’d get steadily further and further into credit card debt, then take on more and more hours to pay it off. Now, I can actually start preparing for my future and saving for it.”*

**JIM, CUSTOMER OPERATIONS  
AT MONZO**



## LESSONS LEARNED AND ADVICE FOR OTHER EMPLOYERS

For Monzo, Living Wage accreditation was a clear and public way of ensuring their staff are treated well and fairly compensated for their time. It forms part of a range of ethical employment practices, including; six-monthly salary reviews (to negate social or cultural differences associated with asking for a pay-rise); use of application forms rather than CVs to prevent potential bias in recruitment, and; paid sick leave explicitly for mental health reasons.

Its decision to invest more in its staff by being a Living Wage Employer is based on a long-term plan to maximise the business’s success by getting the most out of talented, highly motivated people. As a fast-growing business which has increased its workforce from 20 to 300 in two years, Monzo has always been conscious of its rapidly changing nature. It was therefore keen to embed its Living Wage status from an early stage, to ensure it is always kept at the company’s core moving forwards.

*“If you are an employer considering Living Wage accreditation, my advice would be just do it! It’s so straightforward, there were no real obstacles, and we’re now able to hire higher quality staff because it makes our jobs more competitive.”*

### **MARIA CAMPBELL**

