monzo

Monzo Investments Order Execution Policy

What is this policy for?

This policy makes sure we take steps to get the best results for customers when executing their investment orders. When it comes to executing orders, in line with FCA rules we take these factors into account:

- Price (the price payable for an investment when an order is executed)
- Costs (including explicit costs like brokerage fees, and implicit costs like dealing spreads)
- Speed (the amount of time between submitting and completing an order)
- Likelihood of execution and settlement (our ability to place the order and make sure it's completed)
- Size (the size of the order – this is relevant because it may affect things like price and speed)
- The nature of the order, and any other relevant information.

How do we execute orders?

We get customers' orders to buy and sell investments through the Monzo app, and then send them to FNZ Securities Limited (FNZ) to execute.

How do FNZ help us get the best possible results for customers?

We've reviewed the approach FNZ takes when executing orders which Monzo submits, and we're happy that their approach will help us to achieve the best results for customers. FNZ is authorised and regulated by the FCA, so they have to take sufficient steps to get the best possible result for their customers when executing orders too. In this context, Monzo is FNZ's customer.

We set minimum standards FNZ need to meet as part of our arrangement with them. We monitor their performance against those standards to check they're meeting the right levels of service, and securing results for customers which are at least in line with what could be achieved if we used a different approach to execute orders. We review this policy annually to make sure our arrangements achieve the right outcomes.

How does this work for funds which aren't traded on exchanges or markets?

At the moment, customers can only trade in recognised or authorised investment funds through Monzo. Where these funds aren't admitted to trading on a stock exchange or market, customers can only buy or sell interests in them through the operator of each fund once each day.

This means we have no choice about where or how those orders are executed, and so we have very limited scope to affect the outcomes achieved for customers when they deal in those funds. This is different from scenarios where investments are traded on a stock exchange. That usually means there are options for how and where to execute orders (like using different stockbrokers), so firms have to determine which option is best for customers based on the 'execution factors' above.