

# About joint overdrafts at Monzo

## General information

Overdrafts are a type of credit that's designed for short term borrowing. You shouldn't use it to gamble or invest.

If you and the other joint account holder are eligible, we can offer you an arranged joint overdraft. The interest rate you'll pay depends on both of your credit scores, we have three different rates: 19%, 29% or 39% EAR/APR variable.

If you open a joint overdraft with us, we'll leave a 'hard check' on your credit file which shows other lenders that you have an overdraft open.

[You can check our overdraft charges on our website.](#)

[You can also check your eligibility for an overdraft on our website \(with no impact on your credit score\).](#)

## Going into an unarranged overdraft

If you don't have enough money in your joint account (or you're over your arranged joint overdraft limit), you won't be able to make any payments. You also won't be able to withdraw cash.

### **If you've set up a joint overdraft with us**

If you go over your arranged joint overdraft limit, you'll go into what's called an unarranged overdraft. We won't charge you for unarranged usage, but you should pay this back as soon as possible. If you don't, we may have to report that you're in an unarranged overdraft to the credit reference agencies. This could make it harder to borrow later.

### **If you haven't set up a joint overdraft with us**

If you don't have an arranged overdraft with us and your balance goes below zero, we won't charge you, but you should pay this back as soon as possible. If you don't, we may have to report that you're in an unarranged overdraft to the credit reference agencies. This could make it harder to borrow later

## **Managing your joint overdraft**

Because this is a joint overdraft, you're individually and jointly liable for repaying the credit with the other joint account holder. This means we can ask you and the other joint account holder to repay the full amount of the overdraft balance (but we'll never recover more than we're owed).

If you're in your joint overdraft – or close to being in it – we'll send you an alert to let you know. You can use these alerts to help you know when to move extra money into your Monzo joint account to avoid or reduce overdraft charges. You can control these alerts in Settings.

You can request to increase your joint overdraft limit, reduce your joint overdraft or turn it off at any time in the Manage Overdraft section of the app. But you have to pay off overdraft charges first (if there are any) if you're reducing or closing the joint overdraft. You don't need the agreement of the other joint account holder to request to increase, reduce or turn off your joint overdraft, but we'll tell the other joint account holder if you do this.

If you're using an arranged overdraft, you have to pay any charges on the 1st of the month. If you don't, we may have to report that both of you are behind on your overdraft payments to the credit reference agencies. This could make it harder to borrow later.

We charge interest on the total balance of your joint overdraft, including previous charges, so the total cost of borrowing will grow if you don't pay by the 1st of the month.

## **Using your joint overdraft for short-term borrowing only**

As a responsible lender, we'll review your joint overdraft use to make sure it's being used for short-term borrowing. If it's being used, but neither of you add any money to your joint account for over 60 days, this could mean you're not using it for short-term borrowing. In this case we might ask you to make a payment into the joint account.

If we ask you to make a payment it'll be 5% of your joint overdraft balance at a minimum amount of £10. We'll always let you know how much money you'll need to add and by when, giving you at least 30 days' notice to make the payment. That amount won't change in the time period we give you.

## **Chat to us if you have difficulties managing your joint overdraft**

If you can't pay, or you're experiencing financial difficulty, it's best to talk to us as soon as you can, as there are ways we can help.

Being behind could have severe consequences. For example, we might take legal action against you or ask you to repay the entire balance.

## **Please ask us if you have any questions!**

You can drop us a message through in-app chat or by email.