

Monzo Pension: Fees

What's this document for?

This document is about the fees you need to pay for a Monzo Pension (Pension Account), and the investment products we make available to you within your pension.

To help you understand what you're paying and why, we've used some example calculations to show how the fees work. These are just examples, rather than an indication of the fees you'll actually pay.

Fees you'll need to pay

You pay fees to both us and the fund manager that makes the funds you invest in. At the moment, the only products we offer are funds managed by BlackRock.

We charge you fees for making Pension Accounts available to you, for helping you to buy and sell investments, and for the services we provide through the Monzo app. Our Pension Services Partner (FNZ Securities) charges us for the pension scheme operation and administration services it provides you in relation to your Pension Account. We take that cost into account when we set the fees for our services.

BlackRock charges you fees for managing funds you've invested in. 'Managing funds' means taking steps to try and make a return on the money you and other investors have invested in the fund, in line with the fund's investment objective. You can see more information about each fund's investment objective in the Key Investor Information Document. You can see this in the app for the funds you invest in.

Fees in special situations

The Pension Services Partner may have to undertake certain bespoke actions for you from time to time (usually if you ask for them). This can include things like transferring your pension to an overseas pension scheme, asking for a valuation of your pension at a specific date, or effecting pension sharing orders if you get divorced.

The Pension Services Partner's fees in these cases will reflect the time and cost it takes them to complete the actions. As long as the Pension Services Partner tells us, we'll let you know what these fees are before you need to pay them.

What you'll pay and when

We charge a fee of 0.45% a year, or 0.35% if you subscribe to a plan that offers a lower fee on your pension in the terms, or have a Plus or Premium account. We apply this percentage to the value of investments and cash in your Pension Account.

Fees build up daily, and you'll pay them each month. We work out the fees you need to pay for each day, add them up over the course of the month, and then charge the fees due for that month. We round the fees down to the nearest £0.01, and collect them on or around the same day each month - starting with the day which falls one month after you opened your Pension Account.

We take the fees automatically from your Pension Account each month - if there's not enough cash in your account, we'll sell just enough of your investments to generate cash to pay the fees. See more details in the FNZ Securities terms and conditions.

The fee you'll need to pay BlackRock is the same for all of the funds we offer for Pension Accounts - **0.18%** a year. This fee is known as the ongoing charges figure. You can see more details about how BlackRock works out this fee in the Key Investor Information Document and the prospectus for each fund you invest in.

BlackRock takes the fee out of the fund. This means you won't see the fee come out of your account, but it'll reduce the value of the fund you're invested in instead.

An example of the fees you'll pay

In total, you'll pay **0.63%** of the value of your investments in fees, or **0.53%** if the fee we charge you for your pension is 0.35%. That's our fees plus BlackRock's fees. The fees you pay will reduce the value of your Pension Account.

To give you an idea of how this could look, let's say you have £10,000 invested in the 2060 Retirement Fund. If the investment value doesn't change at all in that year, you'd pay:

- **£18** to BlackRock - this comes out of the fund and reduces its value, so your investment would be worth £9,982
- **£44.91** to us, or **£34.93** to us if your Monzo fee is 0.35% instead of 0.45%. We calculate this by applying our fee to the total value of investments and cash in your account (in other words, 0.45% or 0.35% of £9,982). This means your investment is worth £9,937.09, or £9,947.07.¹

Monzo and BlackRock

We've partnered with BlackRock to provide the investment products available to you. BlackRock will work with us on our investments offering, including financially, to help enhance in-app experience and features like educational content.

Based on the number of customers we expect to use Monzo for investments during this partnership, we estimate BlackRock's contribution will be approximately £2.70 per year for each customer.

¹ We always round fees down to the nearest £0.01, so a fee of £44.919 becomes £44.91 - this means the amount you're left with is £9,982 minus £44.91 (or £34.93, if your fee is 0.35%), which is £9,937.09 and £9,947.07 respectively.