

About overdrafts at Monzo

Current Account
Version 1.1
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General information

Overdrafts are a type of credit that's most suitable for short term borrowing.

If you're eligible, we can offer you an arranged overdraft. The interest rate you'll pay depends on your credit score, we have three different rates: 19%, 29% or 39% EAR/APR variable.

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

Going into an unarranged overdraft

If you don't have enough money in your account (or you're over your arranged 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 an overdraft with us

If you go over your arranged overdraft limit, you'll go into what's called an unarranged overdraft. We'll charge you the same for being in an unarranged overdraft as we do for your arranged overdraft.

If you haven't set up an overdraft with us

If you don't have an arranged overdraft with us and your balance goes below zero, we'll charge 39% EAR (variable). The monthly cap on unarranged overdraft charges for your current account is £15.50.

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

Managing your overdraft

If you're in your overdraft – or close to being in it – we'll send you an alert to let you know. You can control these alerts in Settings.

You can reduce your overdraft or turn it off at any time in the Manage Overdraft section of the app. But you have to pay off your overdraft charges first (if you have any).

If you're using an arranged or unarranged overdraft, you have to pay any charges on the 1st of the month. If you don't, we may have to report that you're in arrears to Credit Reference Agencies. This will harm your credit score.

Using your overdraft for short-term borrowing only

As a responsible lender, we'll review your overdraft use to make sure you're using it for short-term borrowing. If you're using your overdraft, but don't add any money to your 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 account.

If we ask you to make a payment it'll be 5% of your 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.

If you have difficulties managing your overdraft

We're always here to help if you're experiencing financial difficulty. The most important thing to do is to get in touch with us through the app as soon as possible. Once we know more about your situation we can look at the best ways to help.

PAST VERSIONS

[Version 1.1](#)



[Version 1.0](#)

