PLAID

VOLA

18M

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TUSHAR BAGAMANE,
Founder, Vola

PLAID PRODUCTS

Transactions
Balance
Auth

How Vola used Plaid to save their users $18 million in overdraft fees

With Plaid, Vola can swiftly onboard users and provide smart tools designed to empower the financially underserved

Challenge

Fintech app Vola needed user-permissioned financial data in order to power their personalized financial services aimed at people with low or non-existent credit scores.

Solution

With Plaid, Vola helps hundreds of thousands of users do things like avoid overdraft fees, set budgets, and build their credit scores.

Results with Plaid

Vola reports the following results with Plaid:

$18 million	Vola has used transaction data from Plaid to save their users more than $18 million in overdraft fees since 2017
99%	99% percent of Vola users who attempt to connect an outside financial account using Plaid are able to do so successfully
30 seconds	Within 30 seconds of connecting a financial account, Vola users get personalized tools to help make better financial decisions
20%	Because Plaid provides a smooth onboarding flow, 20% of Vola users go on to become paying customers
53 points	By enabling Vola to validate credit-building expenditures, Plaid has helped Vola users improve their credit scores by 53 points on average

Overdraft fees. Predatory loans. Credit invisibility. For millions of Americans, the US financial system simply doesn't work the way it should.

This is largely due to how traditional banks are structured, explains Vola Founder Tushar Bagamane, who attended college in New York in the early 2000s. There, he noticed financial inequities that would later fuel his fintech journey.

"Most banks have high costs for customer acquisition, onboarding, and operating—meaning it's not viable for them to serve a certain sector of the population," says Bagamane. "We're able to do so because we're more agile, we have no physical locations, and our fixed costs are low."

Founded in 2017, New York-based Vola offers financial services to the financially underserved. By analyzing users' financial data, the company is able to offer smart tools to help users do things like avoid overdraft fees, set budgets, and build their credit scores.

Providing these services hinges on Vola's ability to access user-permissioned financial data. When their ACH payment processor recommended Plaid for this capability, Vola evaluated the options and ultimately chose Plaid.

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Saving millions in overdraft fees

After signing up with Vola, users are prompted to connect a financial account. With Plaid, this step is easy: users simply select their financial institution from a list and enter the associated username and password. Plaid now connects to more than 11,000 financial institutions around the world—often in a matter of seconds.

99% of Vola users are able to complete this step successfully—and quickly. In fact, within 30 seconds of connecting a financial account, Vola users get personalized insight on their spending habits, plus a handful of other powerful financial tools.

Smart alerts, for example, notify users when their spending is likely to result in an overdraft fee. Plaid powers this service by enabling Vola users to share their balance and transaction data. By seeing a user's transaction history over the past six months—including spending and income—Vola can predict when a user's account will run out of money based on its current balance.

When a user is trending toward an overdraft, Vola offers an interest-free cash advance up to $300 via ACH payment or Vola Card. With the help of Plaid, Vola has saved their users more than $18 million in overdraft fees and counting.

"Prior to using Vola, our users paid an average of $20.85 in NSFs each month," notes Bagamane. "With Plaid, we've cut that number in half."

Smart alerts require a Vola subscription, which averages less than $10 a month (a person's Vola score determines their subscription cost). Nearly 20% of Vola users end up becoming paying customers—a favorable conversation rate Bagamane credits to a smooth onboarding flow.

"Our biggest dropoff is when we ask users to connect their bank accounts," says Bagamane. "Plaid's fast connectivity and wide institutional coverage really boosts our conversion rate."

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TUSHAR BAGAMANE,
Founder, Vola

A better budgeting tool

With access to user-permissioned financial data, Vola can provide other services designed to help the financially underserved. Categorized transaction data from Plaid, for example, enables Vola to show users their monthly spending patterns.

Say someone sees they spent $250 on clothes over the course of a month. With Vola, they can set a budget for $100 the following month and receive an alert when they hit 80%. This insight allows users to monitor their spending habits and make smarter financial decisions.

> *"Not everyone will make a comprehensive budget, but seeing little things like how much you spend on coffee each month is a great first step," says Bagamane.*

Vola also helps users improve or establish their credit scores. They do this by encouraging users to report credit-building expenditures like rent and utility payments to credit agencies. But these agencies understandably require proof. With Plaid, Vola can validate those payments for the agencies, thereby helping users raise their credit rating over time.

22.8% of Vola users who use this service establish a score for the first time, according to Bagamane. The highest credit score increase was 101 points and the average bump for users who saw an improvement was 53 points.

The start of something big

In just a few years, Vola has amassed more than 300,000 users, highlighting the demand for their financial services. 100% of this growth has been organic.

Looking forward, Vola plans to add fuel to the fire, mostly through their Vola Card: a digital debit card which users can load with interest-free cash advances from Vola. The card can be added to Apple Wallet or Google Pay and used at merchants worldwide. For the more than half of Americans living paycheck to paycheck, the Vola Card offers a welcome financial bridge.

All of Vola's core services, including the Vola Card, require users to connect a financial account using Plaid. As Vola continues their impressive growth, they see Plaid as a key enabler.

> *"Working with Plaid has been smooth and seamless," concludes Bagamore. "Plaid will play an integral part in our future because it's core to everything we do."*

20%

Because Plaid enables smooth onboarding, 20% of Vola users go on to become paying customers

"Working with Plaid has been smooth and seamless. Plaid will play an integral part in our future because it's core to everything we do."

> TUSHAR BAGAMANE,
> *Founder, Vola*

plaid.com

Plaid builds digital infrastructure that allows people to securely connect their financial accounts to the apps they want to use. We power more than 5,000 financial apps and services, as well as more than 11,000 financial institutions in the US, Canada, UK, and Europe.

Questions? Reach out to our sales team at info@plaid.com