



## 36% of Spaniards have more subscriptions to digital services now than before the pandemic

- A new study by mobile bank N26 reveals that the average monthly expenditure per person on digital subscriptions is close to € 40, 11% more than before the pandemic
- 35% of people between the ages of 25-34 have more than four subscriptions
- 1 in 4 Spaniards would consider switching to a subscription banking model and paying a fixed monthly fee if it is equal to or less than what they pay in commissions.

**Madrid, June 3, 2021.** The economy of subscriptions, spurred by the pandemic, advances unstoppably around the world and its numbers are incontestable. In Spain, 36% of citizens have more subscriptions to digital services now than before the pandemic, according to a new study<sup>1</sup> presented today by the [Mobile Bank N26](#) and in which more than 1,000 people have participated. In a complex situation like the current one, in which many consumers have chosen to save and cut expenses, the monthly budget per person destined to digital subscriptions amounts to almost €40, 11% more than before the pandemic.

The acceleration of subscription culture is particularly prominent among younger consumers, suggesting that the pandemic has acted as a catalyst for a new profile of super-subscribers. 35% of young people between the ages of 25 and 34 have four or more subscriptions, compared to just 12% among those over 65. Likewise, this group spends more than twice as much money on these services (€ 44.15) as those over 65 (€ 22.68).

Regarding what Spaniards value the most when subscribing to a new service, 39% indicate that it is key to unsubscribe without financial penalty and 33% prioritize the option of being able to access the service wherever and whenever they want.

[N26's report](#) also points out that the growth in subscriptions could be linked to the limitation of various leisure activities during some moments of the pandemic, such as going to the movies, attending a concert or shopping. More than half of Spaniards (57%) pay a monthly fee for an entertainment service, while 27% subscribe to a music platform and 26% have a subscription to a fashion or beauty service.

**Marta Echarri, General Manager of N26 for Spain and Portugal, points out:** *“Paying a flat fee for an à la carte service is becoming the norm for many consumers. Although there is still a generation gap, we believe that the demand for subscription services will continue to*

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<sup>1</sup> Study carried out in April 2021 by Sapio Research for N26 with responses collected through an online questionnaire among 1,006 Spanish Internet users from 18 years of age

*grow and will extend in a generalized way to other areas beyond entertainment such as health or financial services ”.*

### **The freemium model in banking, on the rise**

One of the trends reflected in the conclusions of the study is the growing acceptance of the freemium model - offering a basic quality service for free and giving the option to customers who wish to pay a fixed fee for value-added services - among the banking clients. According to the data analyzed by N26, 25% of banking clients would consider switching to a subscription banking model and paying a flat monthly fee if it is equal to or less than what they currently pay in commissions. At present, with the commissions for basic services plus the hidden commissions of many entities exceeding € 20 per month, the number of people who would switch to a bank with a freemium model rises to 40% among the population aged 25-34 years .

*“Banking customers of all ages are beginning to wonder if a subscription model will not add more value to them than the traditional one of hidden fees and fine print. If traditional banks want to remain relevant, they must adapt to the demands of new consumers and analyze how the subscription model is already defining the future of consumption ”,* added **Marta Echarri**.

N26 has been studying changes in consumer consumption patterns for some time. In 2020, the mobile bank launched its report '[From the bankbook to the mobile: bank ecosystem evolution](#)' in which it detected, among other trends, the farewell to bank branches, the move towards a cashless society and the growing acceptance of a model subscription similar to those of Spotify or Amazon Prime. Since then, the flat-rate model continues to gain popularity.

#### **About N26**

N26 is building the first mobile bank the world loves to use. Valentin Stalf and Maximilian Tayenthal founded N26 in 2013 and launched the initial product in early 2015. Today N26 has more than 7 million customers in 25 markets. The company employs more than 1.500 employees across 8 office locations: Berlin, Barcelona, Madrid, Milan, Paris, Vienna, New York and São Paulo. With a full European banking license, state-of-the-art technology and no branch network, N26 has redesigned banking for the 21st century and is available on Android, iOS, and desktop. N26 has raised close to EUR 800 million from the world's most established investors, including Insight Venture Partners, GIC, Tencent, Allianz X, Peter Thiel's Valar Ventures, Li Ka-Shing's Horizons Ventures, Earlybird Venture Capital, Greyhound Capital, Battery Ventures, in addition to members of the Zalando management board, and Redalpine Ventures. N26 currently operates in: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the US, where it operates via its wholly-owned subsidiary, N26 Inc., based in New York. Banking services in the US are offered by N26 Inc. in partnership with Axos® Bank, Member FDIC.

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