

Wednesday, July 15, 2015, 12:01pm

Radius Bank Partners With Startup Investment Firm On Checking Product

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Boston-based Radius Bank announced this week that it is partnering with Aspiration, a start-up online investment firm, to offer a new high-yield checking account product.

This offering marks the third such partnership the Boston-based bank has forged in the past two years as part of its overall strategic plan, said Chris Tremont, executive vice president and head of virtual banking. In the summer of 2013, the bank partnered with LevelUp on a mobile payments and rewards app, and last year, it partnered with SmarterBucks on a student loan pay down debit card rewards program.

"Traditionally, you might say, 'I'm going to go build a branch out in, say ... the Back Bay,' and I'll say, 'that's my community,'" Tremont said. "We're looking at it a little bit differently with being able to build these communities online."

In this particular case, he said, Aspiration reached out to Radius Bank early last year. The Los Angeles-based startup, which only recently moved out of its beta phase, is an online investment platform that positions itself as offering middle-class consumers investment options that would typically only be available to high net-worth individuals.

When Radius and Aspiration put their heads together, they came up with the Aspiration Summit Account, a fee-free checking account that yields 1 percent APY on balances more than \$2,500 and 0.25 percent APY on balances under that figure.

Tremont said that the deposits sit with Radius Bank, which insures the money and then feeds account information back to Aspiration to manage those for their end users.

"The marketing and promotional aspect is handled almost entirely by Aspiration, so it really is like a private label solution," he said. "They have a strong brand they're trying to create and want to control the user experience, so the voice and message comes from them."

Tremont also hinted at a number of other partnerships Radius Bank has in its pipeline and said the bank might be looking to launch one such partnership on the lending side soon, too.

"We're using partnerships and digital marketing to really grow the brand and the bank and that's how we're acquiring and retaining customers," he said. "We're really excited to get this one live."