

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 1st November 2024

 **Allica Bank**

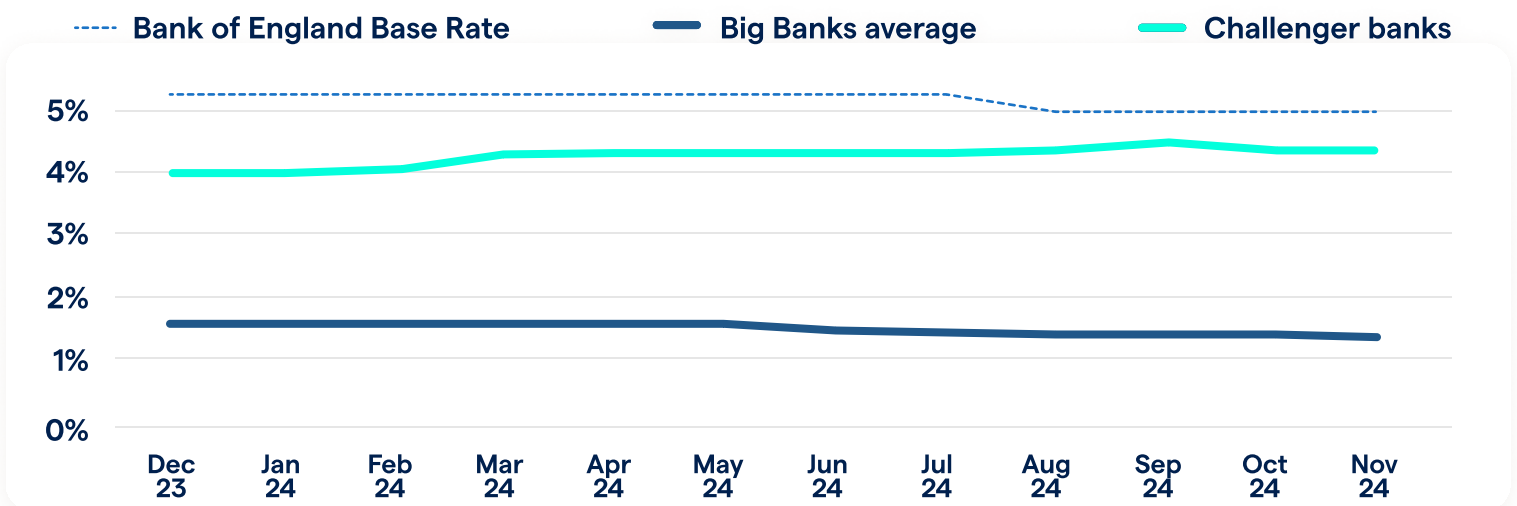
Key takeaways

Businesses are offered **up to 3.02% more** on their savings by challenger banks.

The average SME with £75,000 of savings is **missing out on £2,268 a year** in interest from their bank.

The average interest rate available from the big banks decreased to **just 1.35%**.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.35%	£1,009
Best rate from challenger banks	4.37%	£3,277
Difference	3.02% (bps)	£2,268



Analysis

The average savings rate offered to SMEs by the big high street banks has fallen slightly to a meagre 1.35%. At the same time, challenger banks remain competitive, offering UK SMEs up to 4.37% on the same cash. This means that the savings gap has increased again, now standing at 3.02%.

The impact of this is significant, with the average UK SME with £75,000 in the bank missing out on £2,268 a year in extra interest. While large corporates are offered a premium by the big six, SMEs continue to be short-changed by the striking lack of transparency in the business banking market.



“Our latest data continues to underscore the need for an overhaul of the status quo, as UK SMEs continue to be short-changed by the big banks and their meagre interest rates. With the savings gap once again breaching 3%, there has never been a more appropriate moment to make steps towards a more transparent savings market.

“The current state of the market means that the average UK SME is missing out on an average of £2,268 a year. For more established SMEs, the impact of this can be even greater. According to our data, a business with £1 million in the bank would be losing out on an average of £30,200 if it banks with one of the big six.

“Business banking needs to change for the better – and we can start by making sure that all businesses have a clear picture about how to get the best deal on their savings. Better rates are out there – but customers need to know where to look.”

Richard Davies, CEO at Allica Bank

About The Great British Savings Squeeze petition

Small businesses lose out on £9 billion a year in savings interest because big banks aren't offering them the rates their hard work deserves.

The Great British Savings Squeeze petition wants to fix that and get small businesses the money they deserve.

With support from the Federation of Small Businesses and Institute of Directors, we're calling for change in the business savings market.

About Allica Bank

Business banking isn't working. Allica Bank is on a mission to change that.

Built especially for businesses with between 5 and 250 employees, Allica Bank provides no-nonsense business banking for established businesses.

Allica was named as Britain's fastest-growing company in 2024's The Sunday Times 100. In 2023, it achieved its first full-year profit and revealed it had lent over £2.6 billion to established UK businesses.

[Find out more at savingsqueeze.com](https://savingsqueeze.com)

[Or reach our team at savingsqueeze@allica.bank](mailto:savingsqueeze@allica.bank)

Methodology: The 'Average rate offered by the Big Banks' is determined by taking the average rate offered to a business with £75,000 of savings at the time of publication by the six major big banks in the UK by market share: Barclays, Nationwide, HSBC, Lloyds, NatWest and Santander. Historic data is taken from the first of each month.

The 'Best rate from challenger banks' is sourced from Moneyfacts'.

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