

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 2nd September 2024

 **Allica Bank**

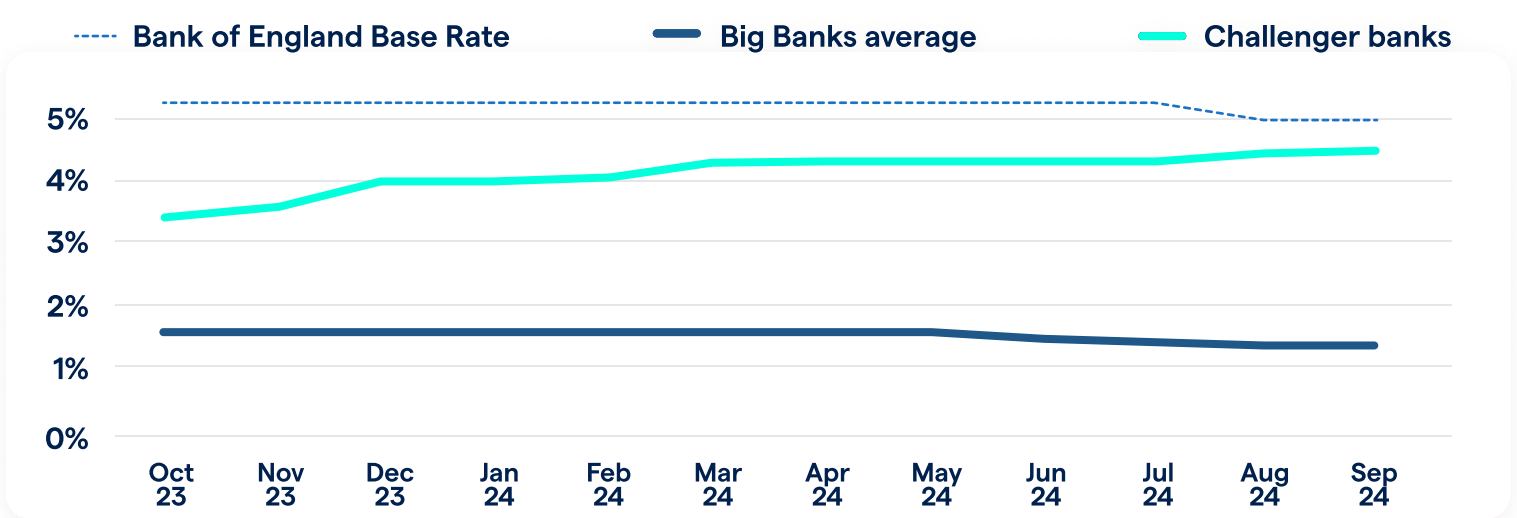
Key takeaways

SMEs in the UK are typically earning **less than a third** of the interest they could be getting on their savings.

The average SME with £75,000 of savings is **missing out on £2,293 a year** in interest from their bank.

The best savings rate available to SMEs is the **highest seen** since January 2023.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.39%	£1,044
Best rate from challenger banks	4.45%	£3,337
Difference	3.06% (bps)	£2,293



Analysis

The average savings rate offered to SMEs by the big high street banks has remained at just 1.39%. In comparison, several challenger banks are now offering rates of up to 4.45% on the same cash – the highest rates we’ve seen since our tracker began more than 18 months ago.

An average SME with £75,000 of savings would therefore see annual interest of £1,044 if they banked with one of the big banks at the above rate.

Meanwhile the same amount of savings would earn £3,337.50 of interest if saved with a challenger bank at a rate of 4.45%. That's a difference of £2,293.50 a year in extra interest!



“The gap between the savings rates SMEs are offered by big banks compared with their challenger bank competitors has officially hit 3%. For some this might not seem like a big number, but for SMEs across the UK that could mean having the flexibility to invest in new equipment or even hire a new staff member.

“Our research shows that in total, more than £8.6bn is being held back from SMEs each year in the UK because big banks aren't offering them the interest rates they deserve on both current and savings accounts. That is £8.6bn which could be in the pockets of hard working businesses helping to power local high streets and economies.

“It's time for this to change and for small businesses to get the money their hard work deserves.”

Richard Davies, CEO at Allica Bank

About The Great British Savings Squeeze petition

Small businesses lose out on £8.6 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 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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