

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Alica Bank

Monthly Savings Tracker | 6th February 2025

 **Alica Bank**

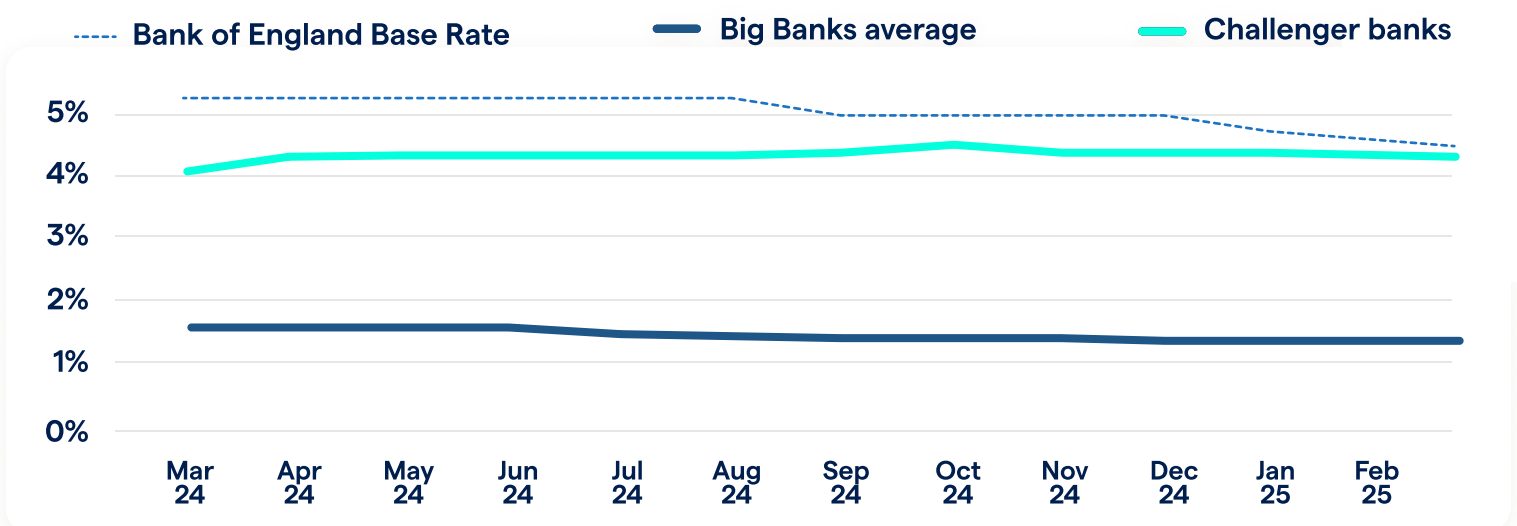
Key takeaways

The savings gap has increased since last month and is now standing at **2.83%**

The average interest rate available to SMEs from the Big Banks has reduced again this month to **just 1.28%**

The average UK SME with £75,000 of savings is **missing out on £2,121 a year** in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.28%	£961.50
Best rate from challenger banks	4.11%	£3,082.50
Difference	2.83% (bps)	£2,121



Analysis

The gap in savings rates offered to SMEs by Big Banks and challenger banks has marginally widened in the last month. British high street banks now offer an average interest rate of 1.28% on small business savings, down from 1.33%.

In contrast, the top rate offered by challengers was 4.11%.

This discrepancy means that the average British SME (with £75,000 in the bank) is losing out on up to £2,121 a year if they bank with one of the UK's biggest banks. A more established SME with £1,000,000 in savings could be earning £28,300 more on their interest if they banked with the top challenger.

The cumulative effect of this cannot be ignored; given that there are around 5.5 million SMEs in the UK, the Big Banks are withholding a staggering sum from not just from small businesses, but also the wider economy.

The Great British Savings Squeeze campaign is calling for greater market transparency so that SMEs can see proper returns on their hard-earned cash, with local economies benefitting as a result.

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 it has lent over £2.6 billion to established UK businesses.

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

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