

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 1st July 2024

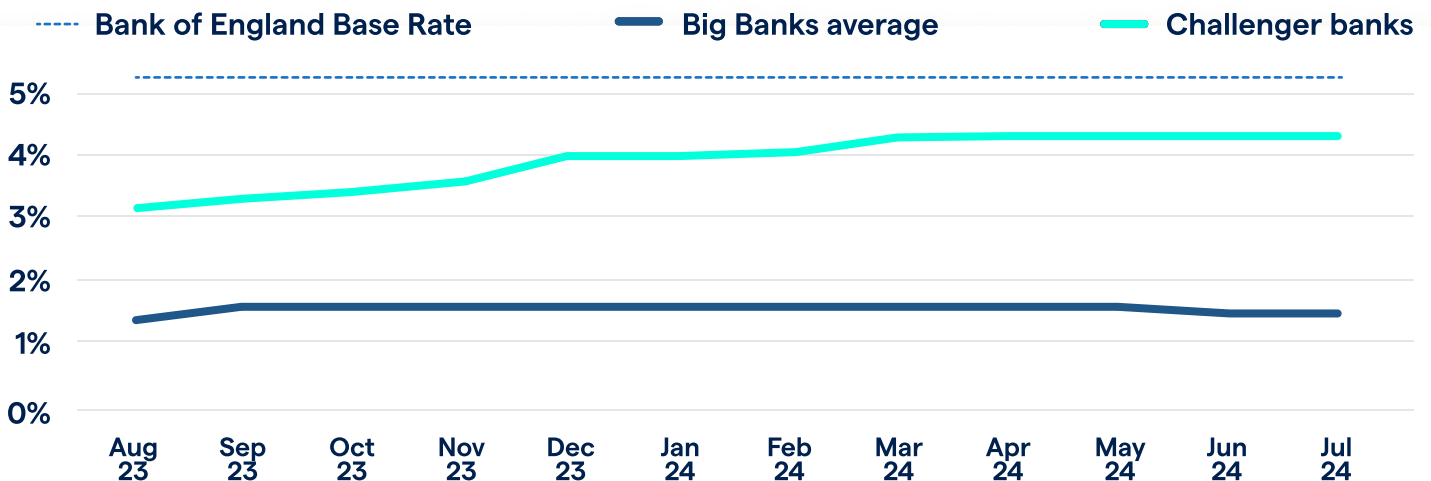
Key takeaways

Businesses are offered up to **2.88% more** on their savings by challenger banks.

The average interest rate available from the Big Banks is **just 1.45%**.

Big banks offer **£2,157 less interest to each SME** with £75k of savings compared to challenger banks.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.45%	£1,091
Best rate from challenger banks	4.33%	£3,248
Difference	2.88% (bps)	£2,157



Analysis

The latest data shows that SMEs banking with the UK's biggest banks are still being shortchanged on their savings interest – to the tune of £2,157 a year.

British high street banks are still offering an average rate of just 1.45% to established business on their savings. This is the lowest average savings rate seen in this market since August 2023, when rates were sitting at 1.29%.

In comparison, challenger banks today are offering rates of up to 4.33% on the same cash.

For established SMEs across the UK – who often have significantly more than £75,000 saved in their bank – the cost of keeping this cash in a low interest account could add up to a staggering sum. While for those small businesses feeling the pinch, an extra £2,000 might just help them to survive a difficult period.



“Allica’s goal is to help SMEs succeed and make the most of their hard-earned cash, which is why we are calling for a shake-up to the business savings market. It’s a tough time to be an SME in the UK and the last thing small business owners need is to be shortchanged on their savings - many without even knowing it.

“Our Monthly Savings Tracker measures the extent to which SMEs are being ripped off on their savings. We hope that by continuing to track and spread the word we can help change things for the better and get SMEs the banking they deserve.”

Richard Davies, CEO at Allica Bank

About the Monthly Savings Tracker

The Monthly Savings Tracker will be published monthly to monitor how the big six banks change the rates they’re offering to SMEs over time. This is then compared to the best rates available on the market from challenger banks.

It is a follow-up to original research by Allica Bank, The Great British Savings Squeeze, published in October 2023.

About The Great British Savings Squeeze petition

Small businesses lose out on £7.5 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.

Find out more at savingssqueeze.com

Or reach our team at 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’ ‘Business Easy Access Savings’ best-buy tables at moneyfactscompare.co.uk.

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