

# The Great British Savings Squeeze

**GREAT BRITISH SAVINGS SQUEEZE**  
Supported by Alica Bank

Monthly Savings Tracker | 9th January 2025

**Alica Bank**

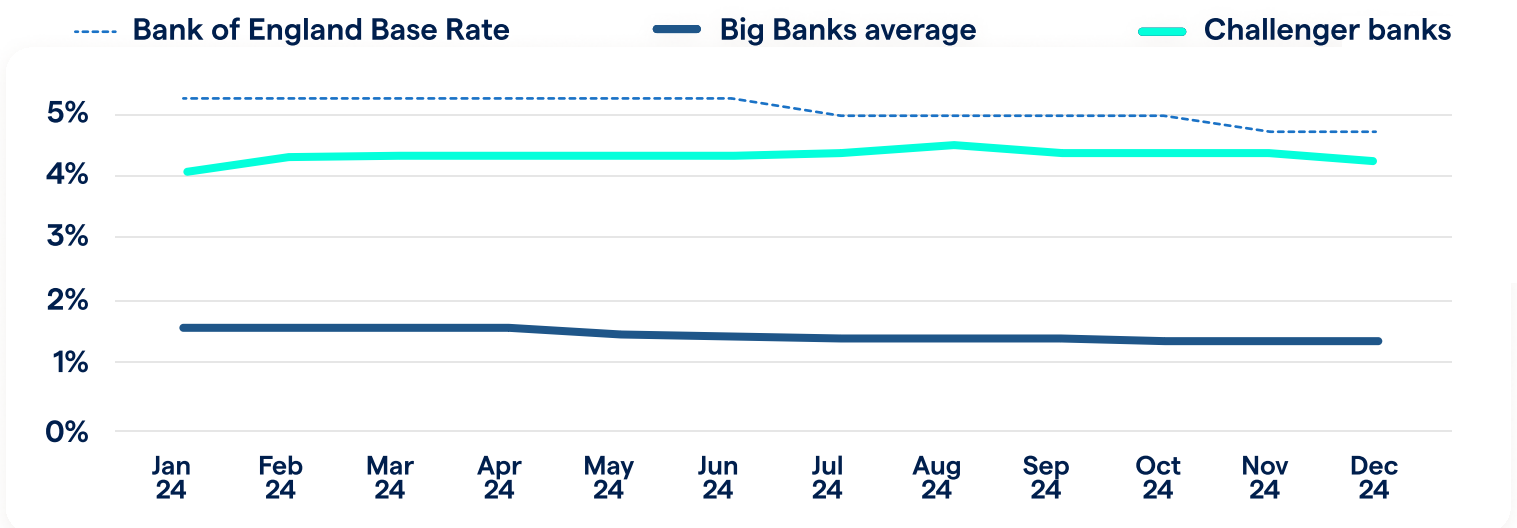
## Key takeaways

Businesses are offered up to **2.77% more** on their savings by challenger banks.

The average interest rate available to SMEs from the Big Banks is **just 1.33%**

The typical SME with £75,000 of savings is **missing out on £2,080.50** a year in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.33%	£994.50
Best rate from challenger banks	4.10%	£3,075
Difference	2.77% (bps)	£2,080.50



## Analysis

The latest data, which tracks interest rates offered to British SMEs on their savings, shows that the average rate offered by big, high street banks has reduced slightly this month to 1.33%.

The best rate offered by challenger banks on the same cash has also decreased slightly in January (from 4.37% to 4.10%) though remains strong in comparison.

This big difference in interest rates can quickly add up. For the average SME with £75,000 of savings, it's the equivalent of an extra £2,080.50 in interest each year. For a larger, more established SME that might have £500,000 in excess cash, it could equal up to £13,870 in lost savings interest.

Many business owners may not realise they are not getting the most out of their savings. This is often because well-known banks are able to rely on their brand recognition and trust to disguise a lack of transparency in the business savings market and continue giving SMEs poor deals.

If this effect is multiplied across all the SMEs in the UK, then we can see that Big Banks are withholding a staggering sum from not just small businesses, but also from wider local economies.

## 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 savingsqueeze.com](https://www.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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