

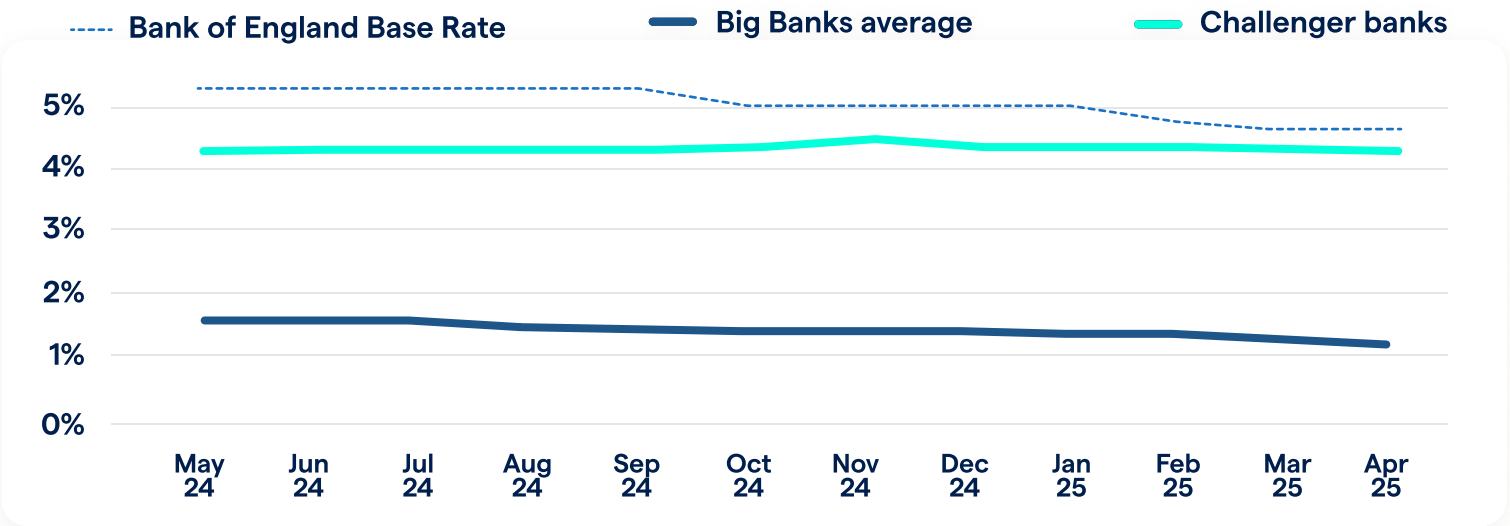
Key takeaways

The difference between savings rates offered by Big Banks vs the top rate from challenger banks now stands at **2.86%**

The average interest rate available to SMEs from the Big Banks has dropped again to **just 1.26%**

The average UK SME with £75,000 of savings is **missing out on £2,143 a year** in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.26%	£946.50
Best rate from challenger banks	4.12%	£3,090
Difference	2.86% (bps)	£2,143.50



Analysis

This month’s data shows the continued failure of the big banks to pass on competitive rates to SMEs, despite a stable Bank of England base rate. It marks the fourth month in a row that the average SME with £75,000 in savings would earn less than £1,000 on average if they banked with one of the high street banks.

The top rate among challenger banks, however, has risen to 4.12%, meaning with for the same amount of savings (£75k), SMEs banking with a challenger could achieve more than £3,000 in interest each year.

This difference between high street and challenger bank rates is a savings gap of 2.86%. For the average SME, this disparity means potential lost earnings of £2,143 a year - money that could otherwise be reinvested into their businesses.

Given that there are more than 5.5 million SMEs in the UK, the cumulative financial impact on local economies remains substantial. The Great British Savings Squeeze Campaign is reinforcing the calls for greater transparency in the business banking market.

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 2024, Allica revealed there was over £4 billion saved in its savings accounts and it had lent over £3 billion to established UK businesses.

Find out more at savingsqueeze.com

Or reach our team at 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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