

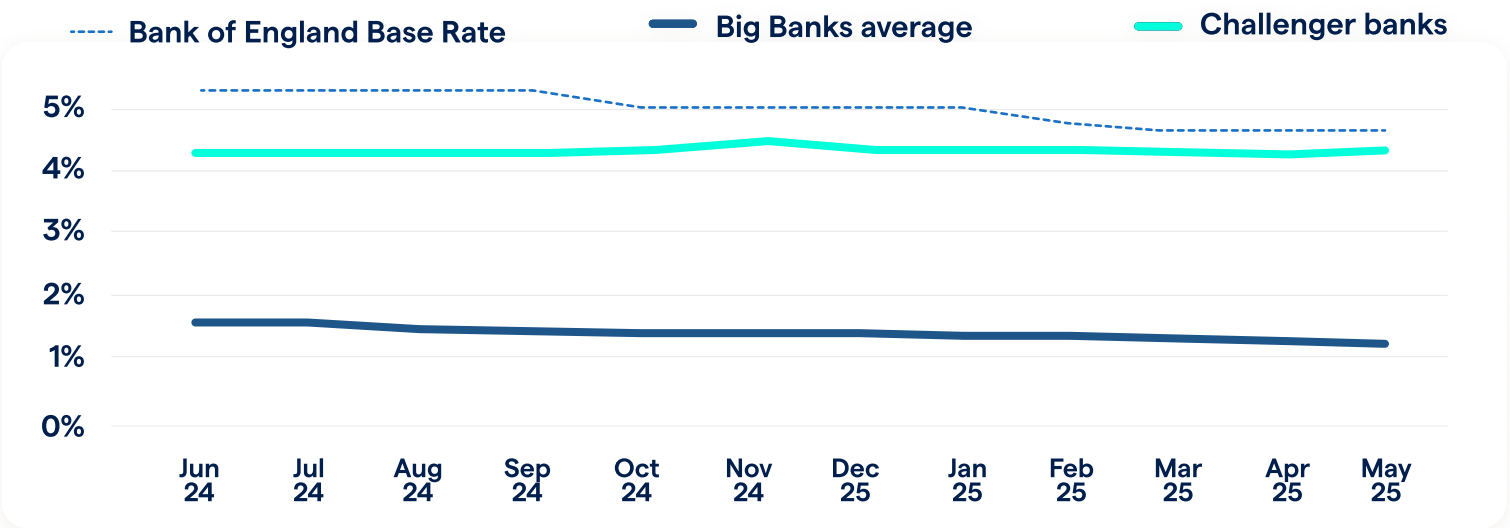
Key takeaways

The difference between savings rates offered by Big Banks vs the top rate from challenger banks has grown to **3.10%**

The average interest rate available to SMEs from the Big Banks has dropped again to **just 1.21%**

The average UK SME with £75,000 of savings is **missing out on £2,326 a year** in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.21%	£906
Best rate from challenger banks	4.31%	£3,232.50
Difference	3.10% (bps)	£2,326.50



Analysis

May's figures highlight the persistent failure of the UK's biggest banks to offer competitive savings rates to SMEs. The average interest rate offered by the big six banks has now dropped to just 1.21%, despite the Bank of England holding the base rate steady at 4.5%. This marks the fifth consecutive month that SMEs with £75,000 in savings would earn under £1,000 annually if banking with a high street provider.

Meanwhile, the top rate available from challenger banks has climbed to 4.31%, pushing the interest gap to 3.10%. That translates to a potential £2,326.50 in lost savings per year for the average SME—funds that could be reinvested into hiring, equipment, or growth initiatives.

The big banks continue to lag behind, offering rates 3.29 percentage points below the BoE base rate, compared to a 0.19-point gap from the top challenger rate. With over 5.5 million SMEs in the UK, this widening savings gap underscores the importance of shopping around and raises further questions about fairness and transparency in the business banking sector.

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 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.

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