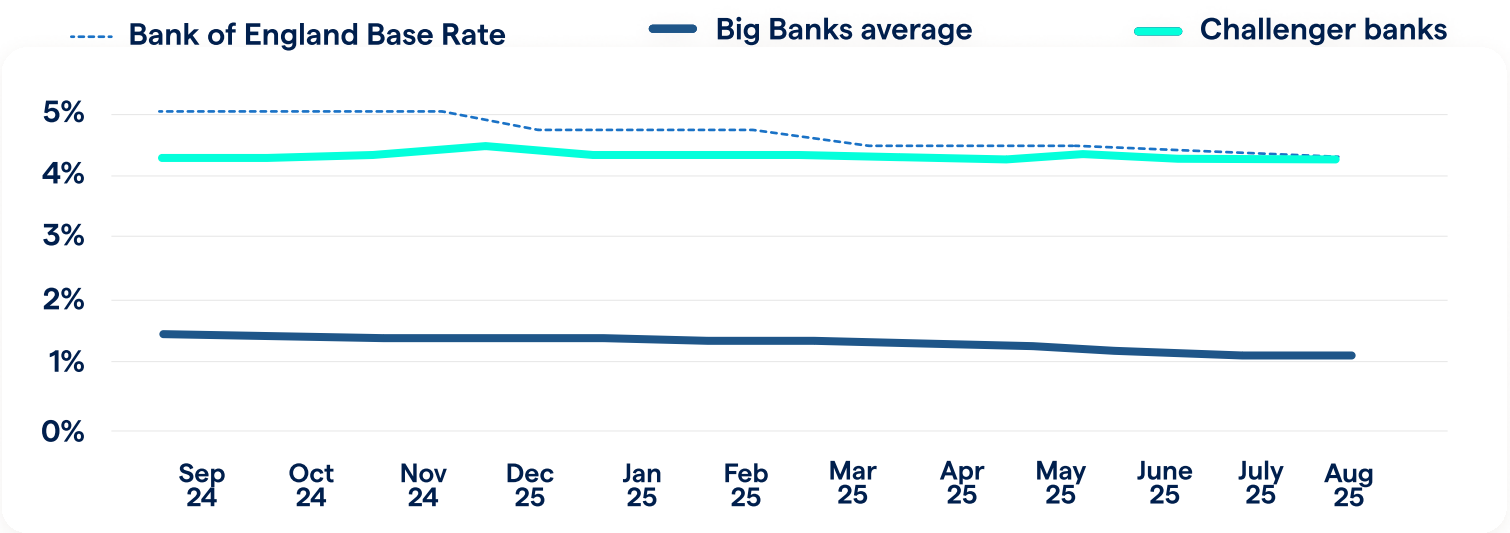


Key takeaways

- Businesses are offered up to a **3.11%** higher savings rate by challenger banks
- SMEs are receiving an average interest rate of **just 1.09%** from the big banks – further reduced from July.
- The average UK SME with savings of £75,000 is **missing out on £2,329** per year in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.09%	£820.50
Best rate from challenger banks	4.20%	£3,150
Difference	3.11%	£2,329.50



Analysis

The summer is flying by, but things haven't improved for SMEs saving with the big high street banks. For SMEs with the average amount of savings in the bank (£75,000), their total annual interest will only amount to £820 if they keep this cash in an account with the main high street names.

Meanwhile this same cash could be earning 3.11% more if saved with a challenger - that's a total of £3,150 a year.

The difference between the two is a staggering £2,329 - a figure that gets even higher if businesses have above £75,000 saved in the bank.

Financial markets are expecting the Bank of England to reduce interest rates later this month. And while this will likely impact savings rates offered by banks across the board, the incumbents typically use BoE cuts as an excuse to further slash their already poor rates.

With more than 5.5 million SMEs in the UK who could be affected by plummeting rates, it 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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