The Great British Savings Squeeze

Monthly Savings Tracker | 1st November 2025

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Allica Bank

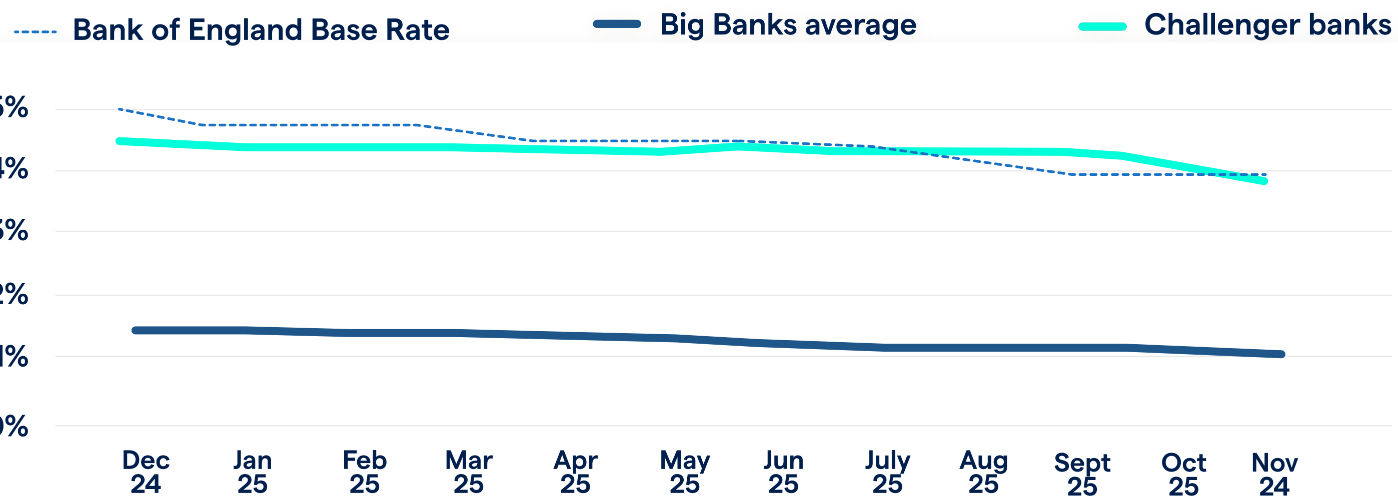
Key takeaways

Businesses are offered almost **3%** higher savings rate by challenger banks.

SMEs are receiving an average interest rate of **just 1.02%** from the big banks – marginally less than in October.

The average UK SME with savings of £75,000 is **missing out on almost £2,221** per year in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.02%	£763.50
Best rate from challenger banks	3.98%	£2,985.00
Difference	2.96%	£2,221.50



Analysis

The latest data suggests that small and medium-sized enterprises (SMEs) are still missing out on stronger savings returns by keeping funds with the major high-street banks. On average, SMEs are earning just 1.02% on deposits held with traditional providers, down slightly from 1.06% a month ago. In contrast, challenger banks are currently offering rates of around 3.98%, creating a difference of nearly three percentage points between the two.

For an SME with £75,000 in savings, that gap translates to around £2,221.50 in lost interest each year by not switching to a higher-paying account.

Although the adjustment to the Bank of England's base rate in late summer has led to a mild softening across the savings market (with another cut expected imminently), competitive rates are still readily available at challenger banks for businesses that take the time to seek them out.

Overall, the findings highlight how important it is for SMEs to stay proactive and review their savings strategies regularly to make sure surplus funds are working as hard as possible.

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.