

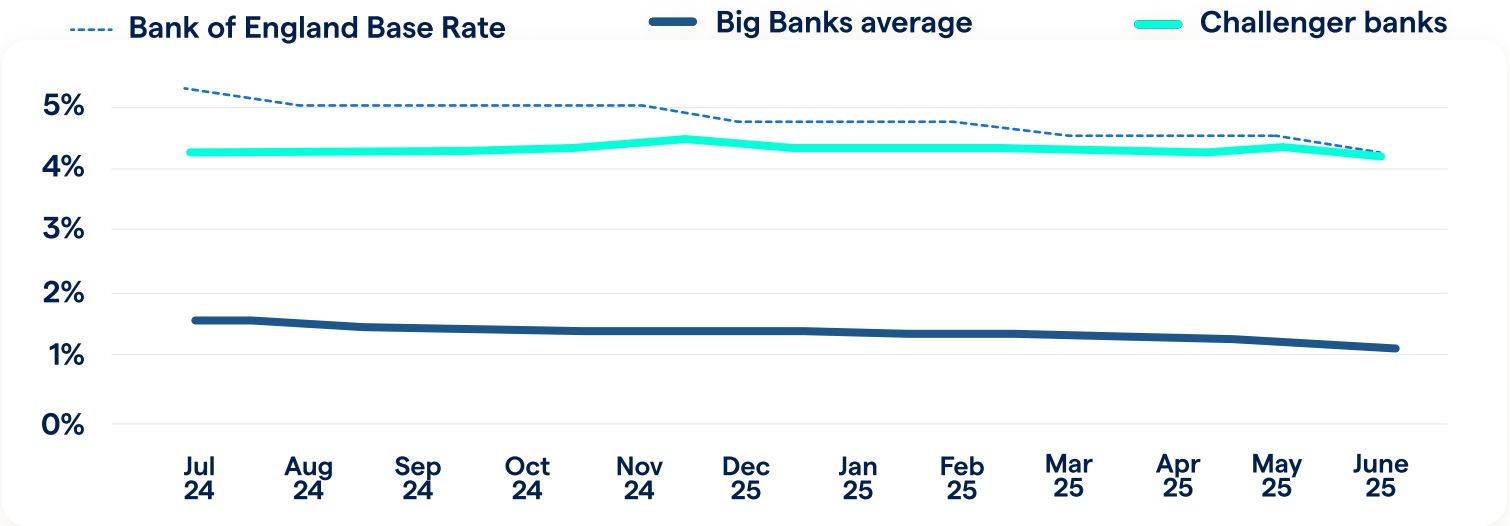
Key takeaways

The difference between savings rates offered by Big Banks vs the top rate from challenger banks stands at **3.03%**

The average interest rate available to SMEs from the Big Banks has dropped again to **just 1.15%**

The average UK SME with £75,000 of savings is **missing out on £2,274 a year** in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.15%	£861
Best rate from challenger banks	4.18%	£3,135
Difference	3.03%	£2,274



Analysis

The Bank of England base rate has dropped twice this year and now sits at 4.25%. Unsurprisingly, we have seen the average SME savings rate from big banks follow suit, dropping three months in a row to just over 1%.

In comparison, the top savings rate SMEs can get from a challenger bank remains at over 4%, having reduced slightly this month, following a small jump in May.

The gap in interest now sits at 3%, which is not good news for the UK's hard working SMEs saving with the big banks. It means that the average SME with £75,000 in an instant access account with one of the traditional high street banks is making an average of just £861 per year in interest. The same cash would generate £3,135 if saved today with the top challenger rate.

This is a big discrepancy, and with more than 5.5 million SMEs in the UK, there are a huge number of businesses missing out on a significant amount of interest each year. This is cash which could be directly reinvested into absorbing rising costs, hiring, buying equipment or funding new growth initiatives.

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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