The Great British Savings Squeeze

Monthly Savings Tracker | 1st October 2025

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Allica Bank

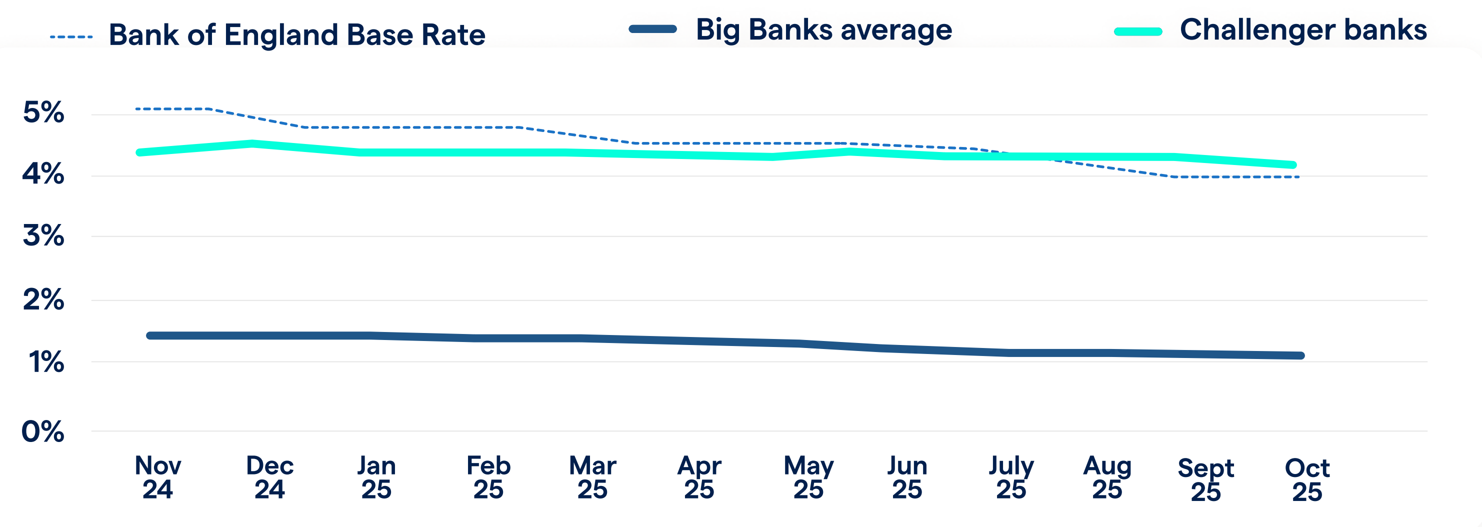
Key takeaways

Businesses are offered up to a **3.07%** higher savings rate by challenger banks.

SMEs are receiving an average interest rate of **just 1.06%** from the big banks – marginally less than in September.

The average UK SME with savings of £75,000 is **missing out on almost £2,300** per year in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.06%	£798
Best rate from challenger banks	4.13%	£3,097.50
Difference	3.07%	£2,299.50



Analysis

The latest figures highlight that small and medium-sized enterprises (SMEs) are still facing a wide gulf between savings rates offered by traditional high-street banks and those provided by challenger banks. At present, SMEs are receiving an average of just 1.06% on deposits held with the major banks, a small dip from last month's 1.08%. In comparison the best rate from challenger banks now stands at 4.13%, leaving a gap of just over 3 percentage points.

For an SME with £75,000 saved, this difference equates to £2,300 in forgone annual interest by remaining with a high-street provider rather than moving funds to a challenger bank.

Although the Bank of England's recent base rate adjustment has contributed to a slight easing in savings rates across the market, the data shows that competitive offers are still available for small and medium-sized businesses prepared to look for them.

These findings underline the continued value for SMEs of regularly reviewing their savings arrangements in order to avoid leaving money on the table.

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.