

# The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE  
Supported by Allica Bank

Monthly Savings Tracker | 1st April 2026



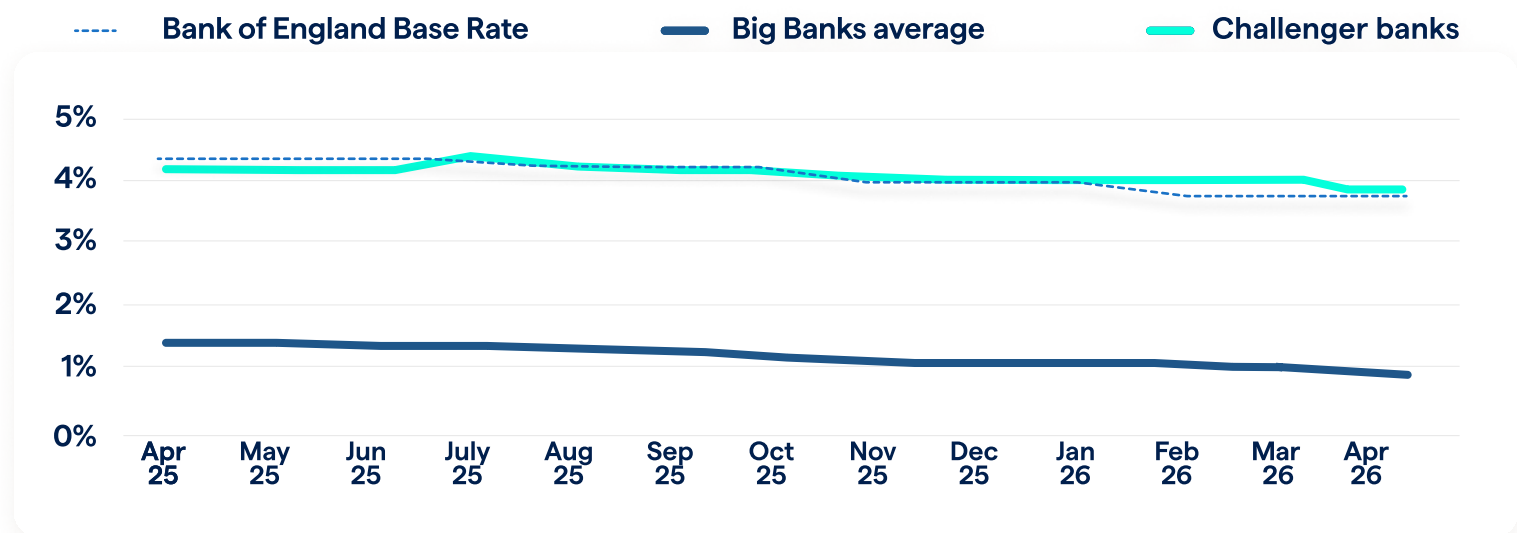
## Key takeaways

The savings gap has widened again, as high street banks continue to cut rates in line with the Bank of England base rate.

SMEs are now offered an average of just 0.88% AER with the Big Banks.

The best rate available by a challenger has increased slightly, to 3.85%.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	0.88%	£660
Best rate from challenger banks	3.85%	£2,887.50
Difference	2.97%	£2,227.50



## Analysis

This month's data shows that the gap between savings rates offered by high street banks and challenger banks has widened, driven largely by further rate reductions from the big banks.

The average interest rate offered by major high street banks has now fallen to just 0.88%, extending the downward trend seen over recent months. In contrast, challenger banks have maintained

comparatively strong rates, and even increased slightly, with the best offers currently standing at 3.85%. This has pushed the difference between the two to 2.97 percentage points.

For an established business with £75,000 held in an instant access account, this gap results in £2,227.50 in lost interest each year by remaining with a traditional provider. The impact is far more pronounced for businesses holding larger cash reserves: an established business with £500,000 on deposit is now missing out on £14,850 annually.

Despite wider movements in the interest rate environment, these figures highlight that competitive savings rates remain available to SMEs willing to review where their surplus cash is held. As high street banks continue to reduce rates, the cost of inaction for established businesses continues to grow.

## 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](https://savingssqueeze.com)

Or reach our team at [savingssqueeze@allica.bank](mailto: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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