The Great British Savings Squeeze

Monthly Savings Tracker | 1st August 2026

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Allica Bank

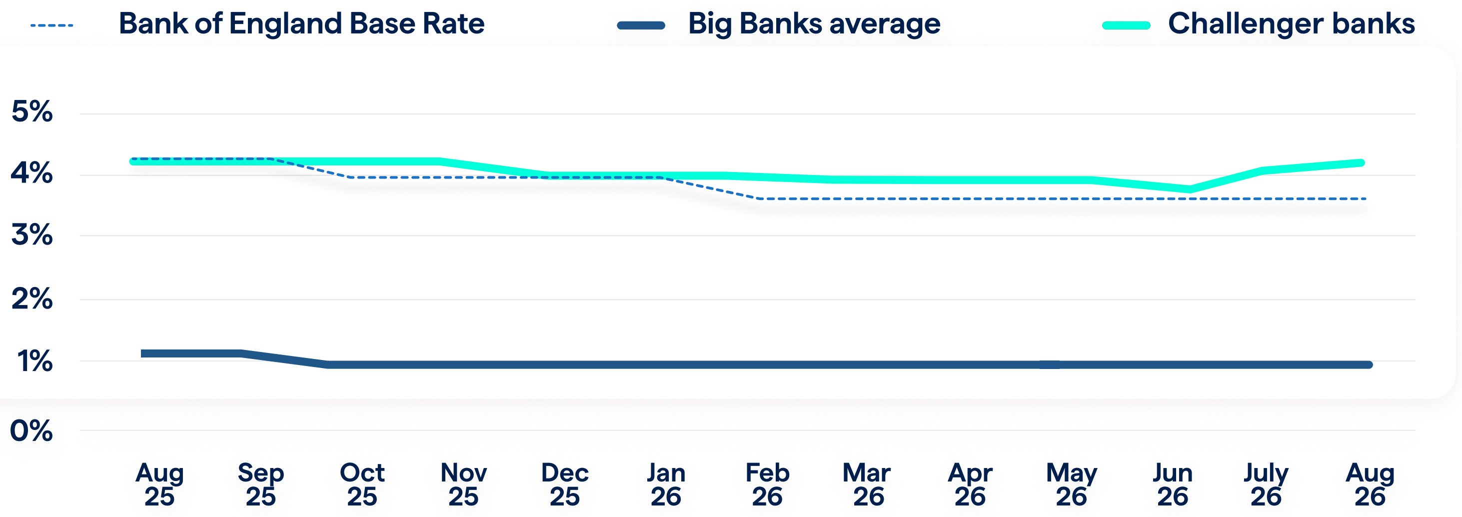
Key takeaways

Businesses are offered 3.38% higher savings rates by the top challenger bank compared to the Big Banks - the gap is continuing to widen.

SMEs are receiving an average interest rate of just 0.88% from the big banks – unchanged for the fifth consecutive month.

The average UK SME with £75,000 in savings is missing out on £2,533.50 per year in interest by staying with a high street bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	0.88%	£661.50
Best rate from challenger banks	4.26%	£3,195
Difference	3.38%	£2,533.50



Analysis

The latest figures show that the gap between the savings rates offered by the UK's biggest banks and challenger banks has widened again, leaving SMEs continuing to miss out on significant returns from their surplus cash. For the fifth consecutive month, the average interest rate offered by the major high street banks has remained at just 0.88%, while the best rate available from challenger banks has increased to 4.26%. This leaves a difference of 3.38 percentage points between the two - up from 3.27% last month.

For an SME with £75,000 in savings, remaining with a traditional high street bank means earning just £661.50 in annual interest, compared with £3,195 from the top challenger rate — a difference of £2,533.50 every year.

The disparity becomes even more striking for larger businesses. An SME with £500,000 held in savings would earn £16,900 more annually by moving to a leading challenger bank. With competitive rates still available across the market, these findings reinforce the importance of regularly reviewing business savings arrangements to ensure surplus cash is delivering the strongest possible return.

Overall, this month's findings highlight that the savings market remains heavily skewed against businesses that stay with traditional providers. With millions of SMEs across the UK holding surplus cash, ensuring those funds are earning a competitive return could unlock billions of pounds that could be reinvested back into businesses and the wider economy. The latest figures serve as another reminder that taking the time to review business savings can deliver a substantial financial benefit.

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 announced it held over £4 billion in its savings accounts and had lent over £3 billion to established businesses across the UK.

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.