

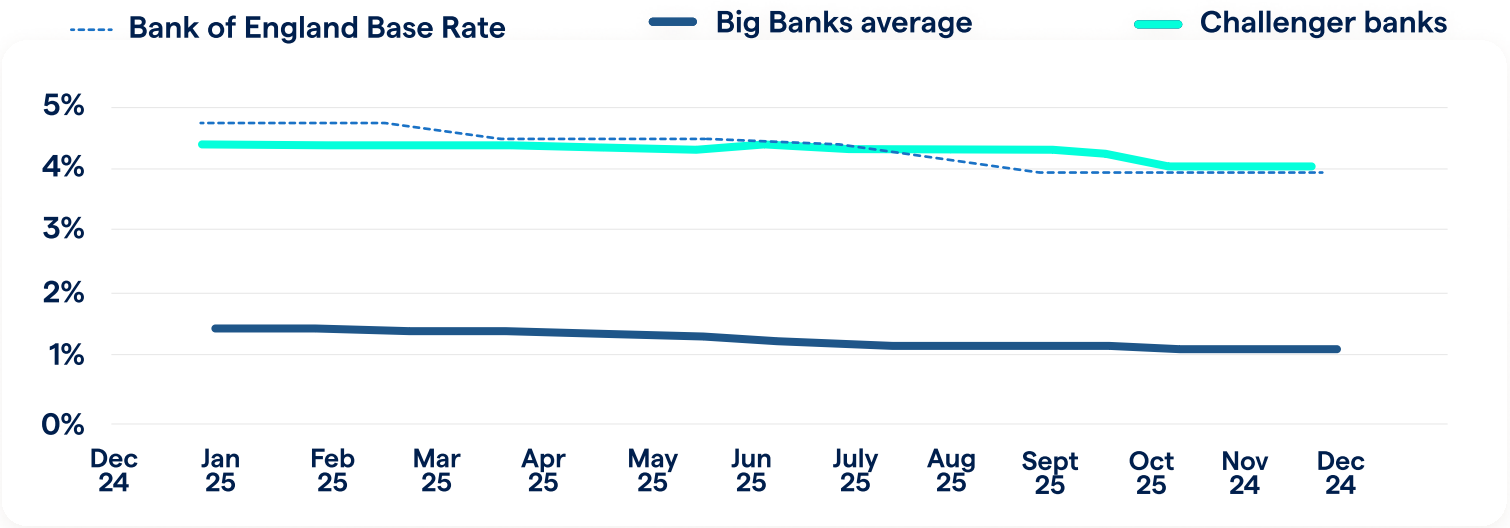
### Key takeaways

Businesses are offered **3% higher savings rate** on their cash by challenger banks

SMEs are receiving an average interest rate of **just 1%** from the big banks – the lowest we’ve seen all year

The average UK SME with savings of £75,000 is **missing out on £2,260** per year in interest from their bank

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1%	£747
Best rate from challenger banks	4.01%	£3,007.50
Difference	3.01%	£2,260.50



### 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% on deposits held with traditional providers - this is the lowest rate we’ve tracked all year, down from an average of 1.33% in January. Rates offered by challenger banks have also dropped since January (going from 4.10% to 4.01%) but remain consistently higher across the board.

For an SME with £75,000 in savings this December, keeping the cash with an incumbent bank will earn you on average £2,260.50 less in a year than if this money was saved with the top challenger rate. For SMEs with even more in savings, the lost interest mounts up quickly if not switched to a higher-paying account.

This has been the theme across 2025 as Allica Bank has tracked savings rates this year. 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](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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