

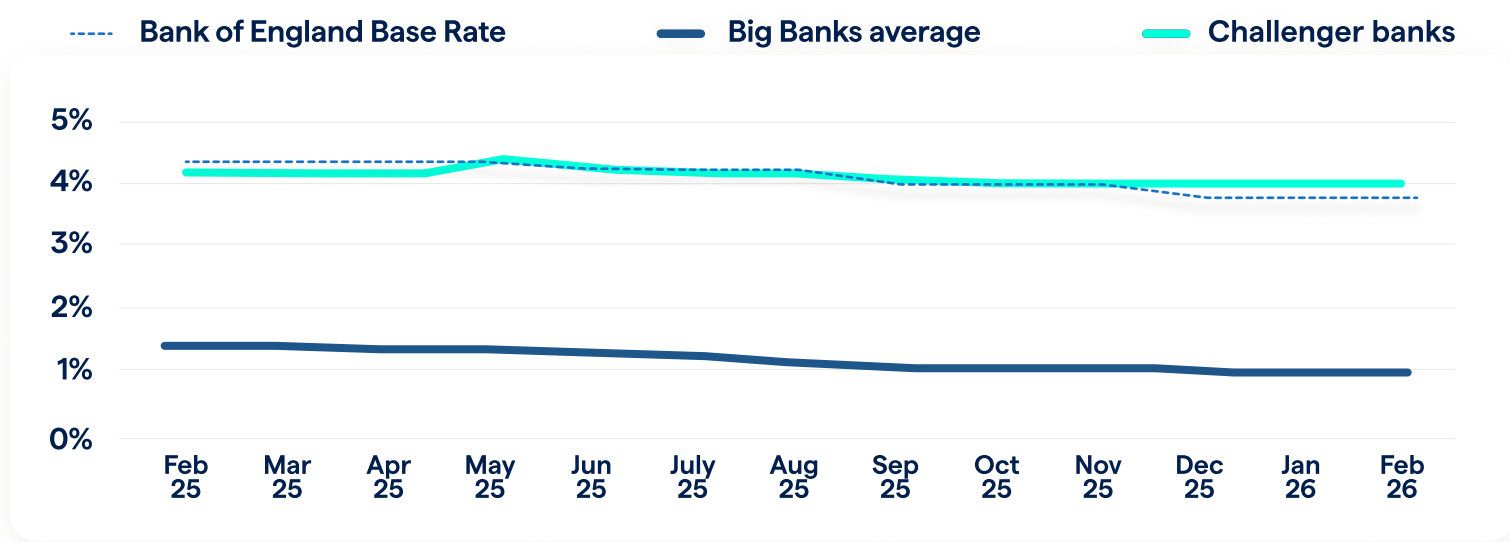
Key takeaways

The interest gap has widened to **3.02%**, driven by big banks lowering rates after December's base rate cut.

SMEs are still missing out on thousands, with a £75,000 deposit losing **£2,268 a year** by staying with a big bank.

On a larger deposit of **£500,000**, established businesses could now be missing out on **£15,100**.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	0.98%	£732
Best rate from challenger banks	4.00%	£3,000
Difference	3.02%	£2,268



Analysis

This month's data shows a slight widening in the savings gap between big banks and challenger banks, driven largely by reductions in high-street rates following December's Bank of England base rate cut. While the base rate movement has prompted traditional lenders to further decrease the rates available to established SMEs to an average of just 0.98% , the best rate available from a

challenger bank is still 4.00%, maintaining attractive savings returns for savvy businesses choosing the top rate.

The real-world impact of this disparity is substantial. An SME with £75,000 on deposit misses out on £2,268 every year by keeping funds with a big bank, and this gap increases dramatically for those holding larger cash reserves. For example, businesses with £500,000 in savings now miss out on £15,100 annually — a meaningful amount that could be reinvested into growth, staffing, equipment, or operational resilience.

Overall, the persistence and even widening of the SME savings penalty underscores the importance of awareness, education, and proactive financial decision-making. Challenger banks continue to provide a vital alternative for established businesses seeking better value from their savings.

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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