

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Alica Bank

Monthly Savings Tracker | 1st July 2026



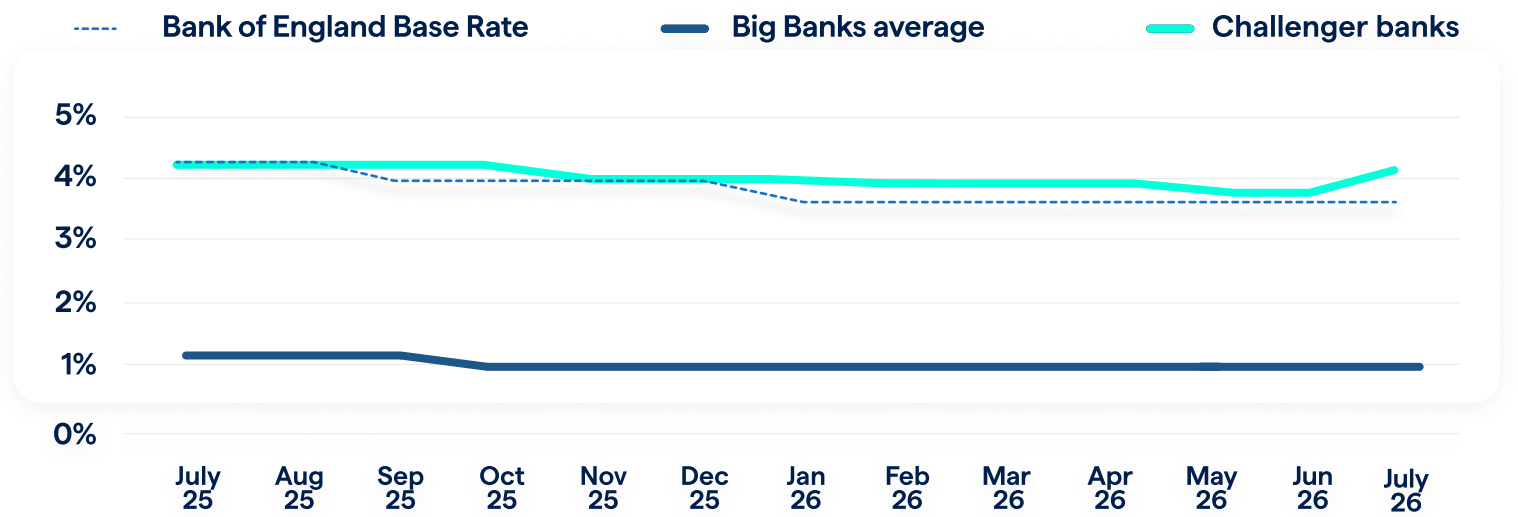
Key takeaways

The savings gap has continued to widen to 3.27% as challenger banks raise their available interest rates.

The average savings rate offered by Big Banks has stayed the same for the fourth month in a row, at 0.88%.

For businesses holding £500,000, staying with a high street bank could now cost them over £16,000 annually.

| | Instant access (AER) | Interest earned on £75k deposit |
|----------------------------------|----------------------|---------------------------------|
| Average offered by the Big Banks | 0.88% | £661.50 |
| Best rate from challenger banks | 4.15% | £3,112.50 |
| Difference | 3.27% | £2,451 |



Analysis

This month's data highlights a clear shift in the dynamics of the SME savings market, with challenger banks increasing rates while high street banks remain static.

The average rate offered by big banks has held at 0.88%, continuing a pattern seen in the previous four months where returns remain persistently low. In contrast, challenger banks have increased the top easy-access rate to 4.15%, widening the gap between the two to 3.27 percentage points. This is a

significant jump since last month, when the best rate on offer was 3.91%. For SMEs, this divergence has a material and growing financial impact. A business holding £75,000 in savings would earn just £661.50 annually with a high street provider, compared to £3,112.50 with a leading challenger bank. This results in a difference of £2,451 per year — a significant amount for established businesses, and a difference that could be easily recouped by moving money to a challenger bank.

The impact becomes even more pronounced for larger businesses. At a £500,000 deposit level, firms are now missing out on £16,350 in annual interest, demonstrating how the cost of inertia scales with the size of deposits.

Overall, the data reinforces a consistent theme seen month on month: while competitive rates remain readily available in the market, many SMEs are still not benefiting from them. The continued low rates offered by the high street banks, coupled with increasingly competitive challenger offerings, highlights the importance for businesses to actively review where they hold their savings to ensure they are maximising returns on surplus cash.

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](https://savingsqueeze.com)

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