

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 1st March 2026



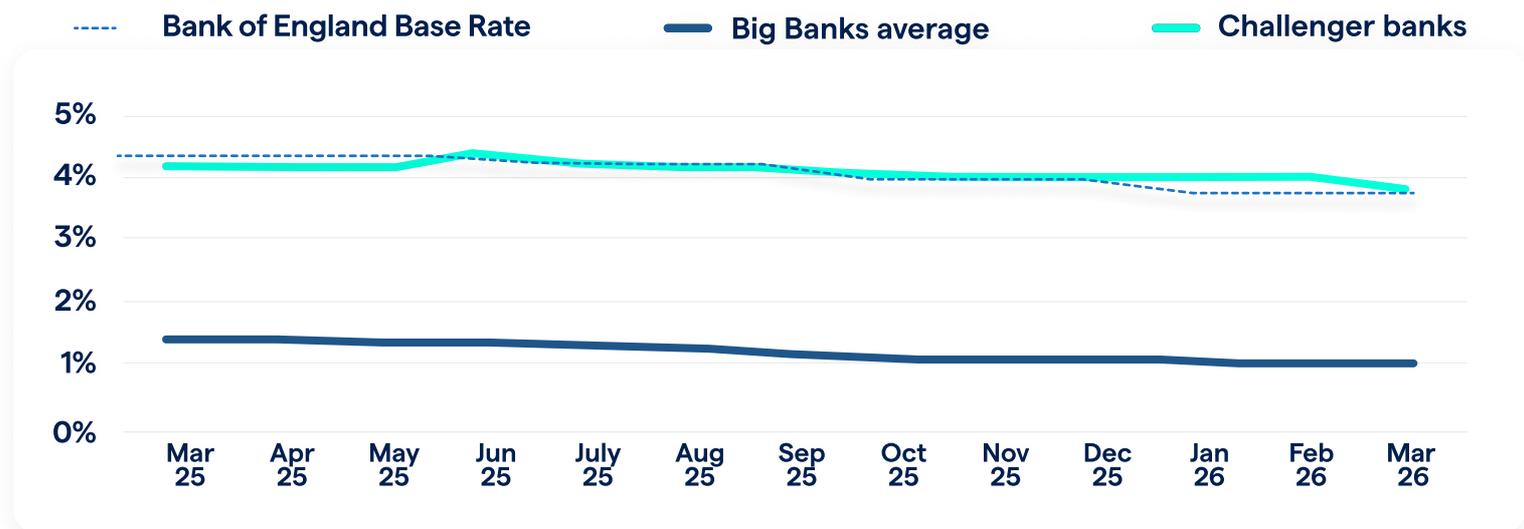
Key takeaways

The interest gap has gotten slightly smaller - down to 2.85% - as challenger banks also reduce their interest rates in line with the base rate.

SMEs are still missing out on thousands, with a £75,000 deposit losing **£2,134.50 a year** by staying with a Big Bank.

On a larger deposit of **£500,000**, established businesses could now be missing out on **£14,250**.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	0.97%	£730.50
Best rate from challenger banks	3.82%	£2,865
Difference	2.85%	£2,134.50



Analysis

The gap between the rates offered by high-street banks and challenger banks remains significant this month. Big Banks are offering an average of 0.97%, while the best challenger rate stands at 3.82%. This represents a 2.85 percentage-point difference, a slightly smaller gap than previous reports as challenger banks also reduce their interest rates in line with the Bank of England base rate.

For established businesses, this continues to translate into meaningful lost earnings. A business with £75,000 on deposit makes £730.50 with a Big Bank, compared with £2,865 at challenger rates, a difference of £2,134.50. For those with £500,000 in savings, the gap increases to £14,250, reflecting the compounding impact for larger balances.

This month's figures follow the same trend observed across recent editions, where Big Bank rates have remained below or around 1%, while challenger banks continue to offer materially higher returns. The gap therefore continues to highlight the opportunity for established businesses to improve their savings outcomes by researching which account offers the best returns and features, and being willing to shop around.

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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