

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Alica Bank

Monthly Savings Tracker | 1st May 2026



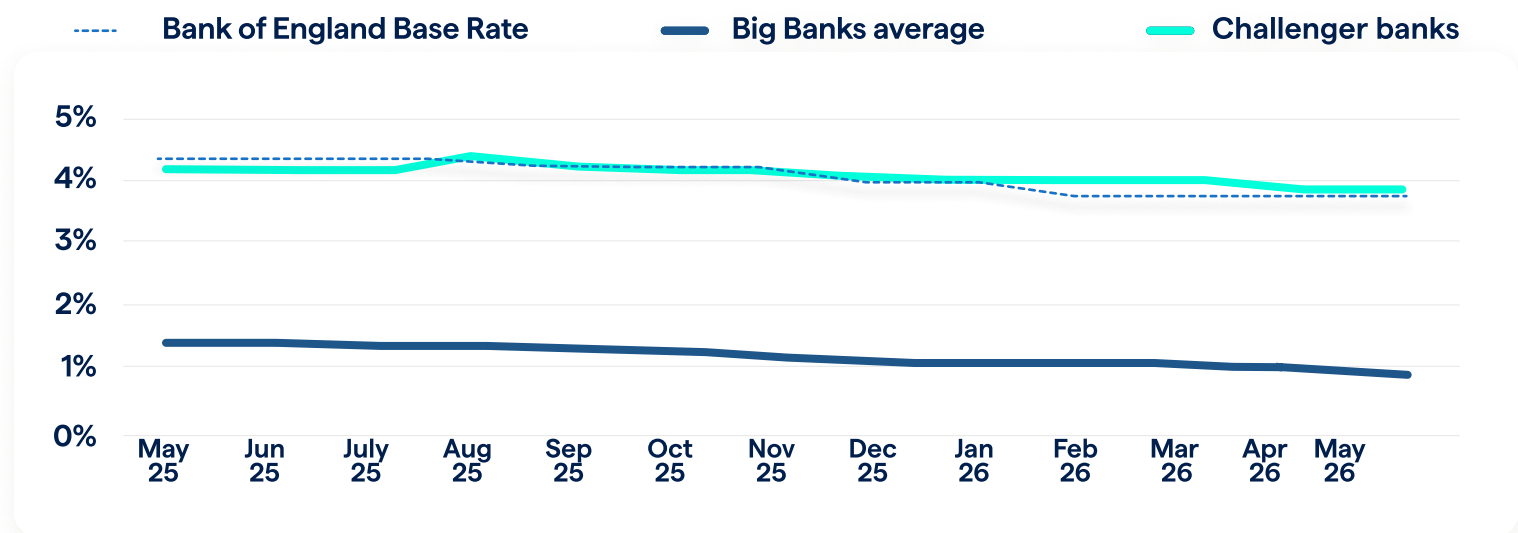
Key takeaways

The savings gap has once again widened, to 3.02%, as challenger banks increased their savings rates.

The average savings rate offered by Big Banks has not moved since last month, staying at 0.88%.

The 3.02% savings rate difference translates to a difference of £2,325 for an SME with £75k on deposit.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	0.88%	£660
Best rate from challenger banks	3.90%	£2,925
Difference	3.02%	£2,265



Analysis

This month's data shows a familiar pattern continuing — but with an important shift beneath the surface. While the average interest rate offered by big high street banks remains stubbornly flat at 0.88%, challenger banks have nudged their best available rates higher, with the best possible rate on the market now 3.90%, widening the savings gap yet again.

As a result, SMEs that keep cash on deposit with traditional banks continue to earn significantly less interest than those that actively review their options. A business with £75,000 in savings could earn £2,265 more per year by securing a competitive challenger rate, while those holding £500,000 on deposit could be missing out on £15,100 annually.

The persistence of this gap in interest rates underscores the importance for SMEs of regularly reviewing where they hold their cash. While challenger banks continue to offer materially higher returns on instant access savings, many established businesses remain with providers offering sub-1% rates. Until this gap begins to close, the cost of inaction for SMEs is likely to remain substantial, but that there are also significant gains to be made for businesses willing to research their options and switch savings provider.

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

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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