MONTHLY SAVINGS TRACKER · 1 NOVEMBER 2026

Allica Bank

The Great British Savings Squeeze

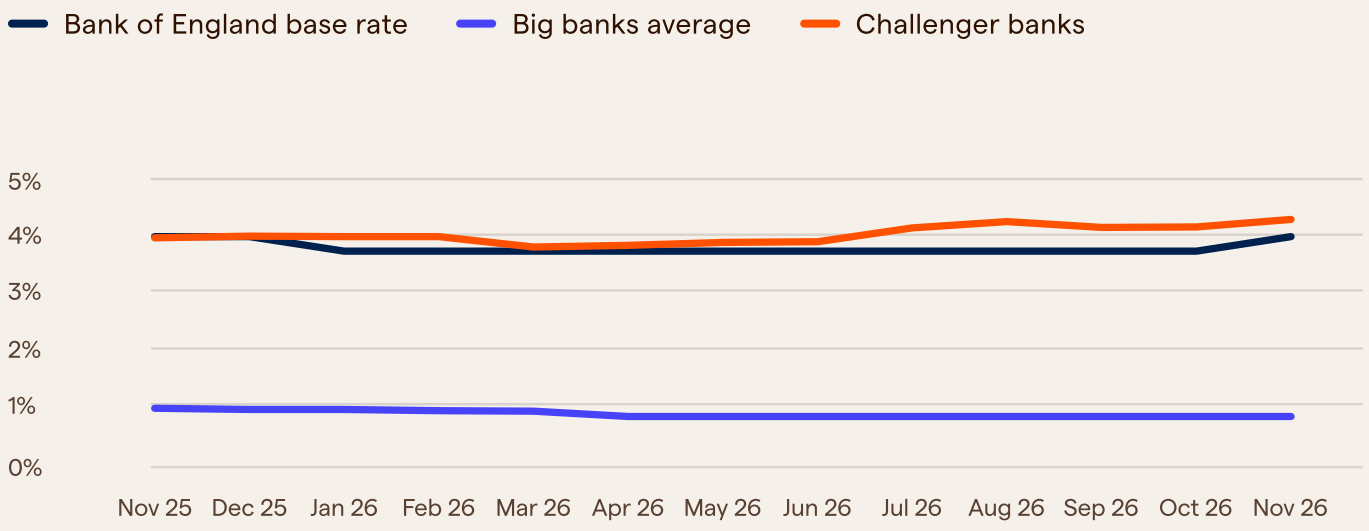
Key takeaways

0.88%
average savings rate from the big banks, unchanged for eight months

4.00%
new Bank of England base rate, yet to be reflected in big bank SME rates

£2,563.50
a year in interest the average SME with £75,000 is missing out on

	INSTANT ACCESS (AER)	INTEREST EARNED ON £75K
Average offered by the big banks	0.88%	£661.50
Best rate from challenger banks	4.30%	£3,225
Difference	3.42%	£2,563.50



Analysis

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The latest data shows that SMEs have now gone eight consecutive months without seeing any movement in the average savings rate offered by the major high-street banks. The average rate remains at just 0.88%, while the best rate available from a challenger bank currently stands at 4.30%.

This comes after the Bank of England raised the base rate from 3.75% to 4.00%. While higher rates would typically begin to filter through to savings products, the big banks are yet to respond, leaving SMEs with no benefit from the change. In contrast, some challenger offerings now sit above the new base rate, and the best rate has risen by 0.13 percentage points since last month. This has pushed the gap between the two to 3.42 percentage points, up from 3.29% in October.

For an SME with £75,000 in savings, keeping that cash with a big bank would earn just £661.50 in annual interest on average, compared with £3,225 at the best challenger rate – a difference of £2,563.50 a year. For a more established SME with £500,000 in savings, the difference rises to £17,090.

With the big banks showing no sign of passing on the rise in the base rate, these findings underline the importance of SMEs regularly reviewing where they keep their surplus cash. Businesses that don't shop around could continue to miss out on thousands of pounds in additional interest each year.

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 announced it held over £4 billion in its savings accounts and had lent over £3 billion to established businesses across the UK.

Find out more at 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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