The difference between the two now stands at 3.29 percentage points, meaning SMEs keeping surplus cash with a traditional high-street provider could still be missing out on a considerably stronger return elsewhere.

For an SME with £75,000 in savings, this gap translates to £2,466 in additional annual interest if the money was moved from the average big-bank rate to the top challenger rate. For SMEs holding larger cash balances, the difference becomes even more significant. A business with £500,000 in savings would earn £4,410 at the average big-bank rate, compared with £20,850 at the top challenger rate – a difference of £16,440 a year. This demonstrates how even relatively small differences in savings rates can translate into substantial sums when applied to larger business deposits.

With the average rate offered by the big banks remaining unchanged for seven consecutive months, the findings underline the continued importance of SMEs regularly reviewing their savings arrangements, shopping around and making sure their savings are working as hard as possible.

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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The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 1st October 2026

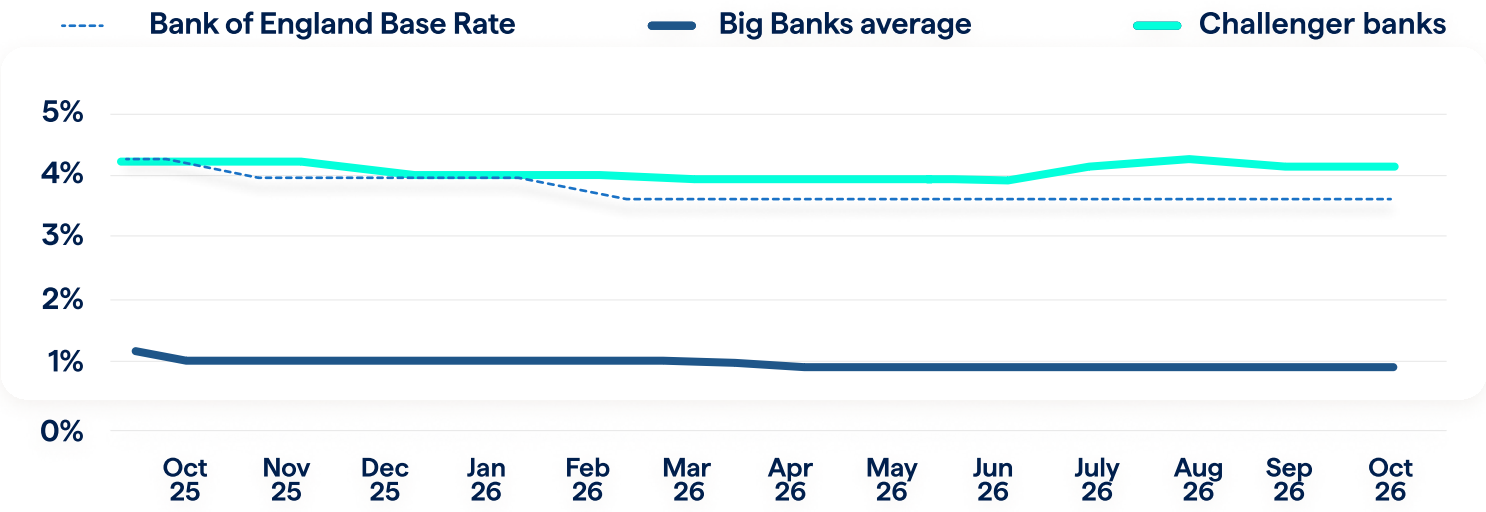
Key takeaways

SMEs are receiving an average interest rate of just 0.88% from the big banks – unchanged for the seventh consecutive month.

Businesses are offered up to a 3.29% higher savings rate by challenger banks.

The average UK SME with savings of £75,000 is missing out on £2,466 per year in interest from their bank.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	0.88%	£661.50
Best rate from challenger banks	4.17%	£3,127.50
Difference	3.29%	£2,466



Analysis

The latest figures show that SMEs continue to face a significant gap between the savings rates offered by the major high-street banks and those available from challenger banks. The average rate offered by the big banks remains at just 0.88% – marking the seventh consecutive month with no change – while the best challenger rate has edged up slightly to 4.17%, a marginal increase of 0.01 percentage points.