The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 1st September 2026

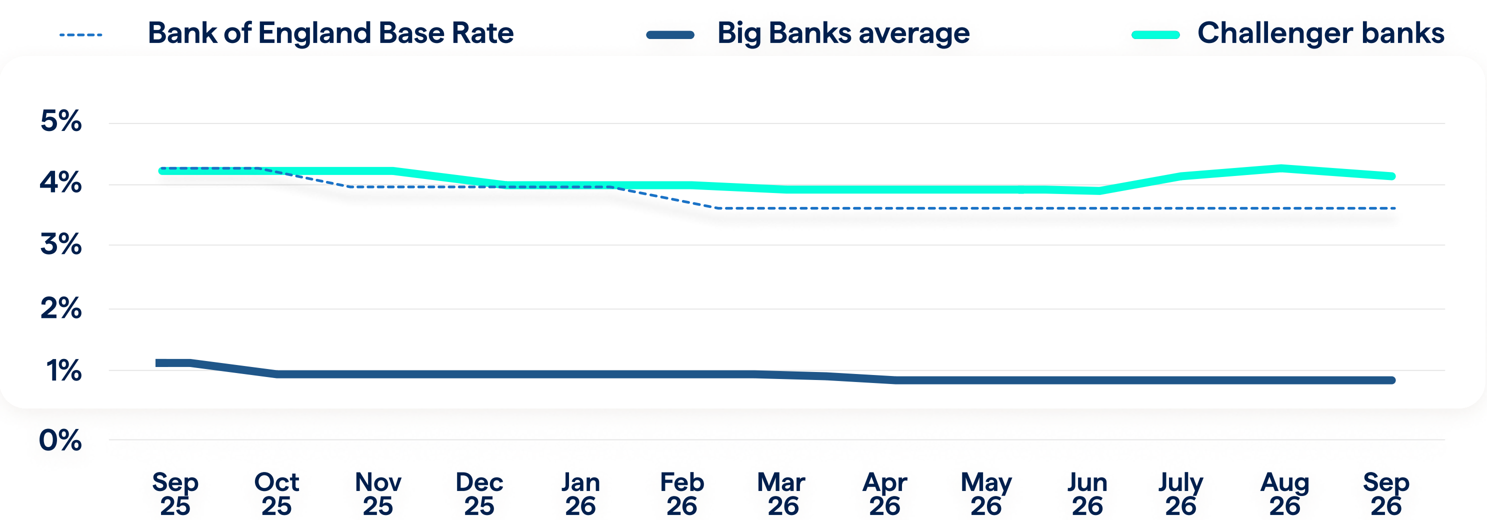
Key takeaways

SMEs have now gone six months without seeing any movement in the average savings rate offered by the big banks.

SMEs are receiving an average interest rate of just 0.88% from the big banks, compared with a best challenger rate of 4.16%.

The average UK SME with savings of £75,000 is missing out on £2,458.50 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	4.26%	£3,195
Difference	3.38%	£2,533.50



Analysis

The latest data shows that small and medium-sized enterprises (SMEs) have now gone half a year 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 4.16%.

The gap between the two has narrowed slightly to 3.28 percentage points, but this is not because the big banks have improved the rates they offer SMEs. Instead, it reflects a small change in the best challenger rate available on the market. For businesses keeping their cash with the big banks, nothing has changed.

For an SME with £75,000 in savings, the difference remains significant. Keeping that cash with a big bank would earn just £661.50 in annual interest on average, compared with £3,120 at the best challenger rate – a difference of £2,458.50 a year. For a more established SME with £500,000 in savings, the difference rises to £16,390.

The findings underline the continued importance of SMEs regularly reviewing where they keep their surplus cash. Even as rates move elsewhere in the market, six months of no movement from the big banks means businesses that do not 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.