

The Great British Savings Squeeze

GREAT BRITISH SAVINGS SQUEEZE
Supported by Allica Bank

Monthly Savings Tracker | 2nd August 2024

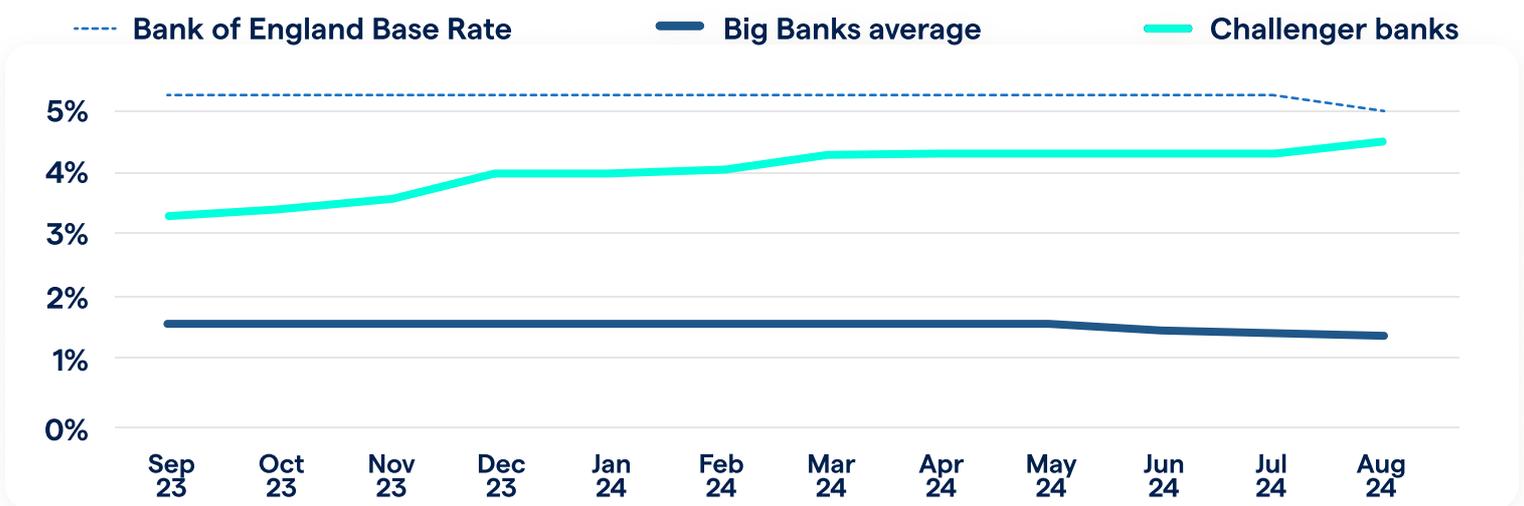
Key takeaways

Businesses are offered up to **3.01% more** on their savings by challenger banks.

The average interest rate available from the Big Banks is **just 1.39%**.

Big Banks offer **£2,256 less interest to each SME** with £75k of savings compared to challenger banks.

	Instant access (AER)	Interest earned on £75k deposit
Average offered by the Big Banks	1.39%	£1,044
Best rate from challenger banks	4.40%	£3,300
Difference	3.01% (bps)	£2,256



Analysis

The latest data, which tracks interest rates offered to British SMEs, shows that the big, high street banks are still offering an average rate of just 1.39% to small businesses on their savings. In comparison, challenger banks are offering rates of up to 4.40% on the same cash.

Well-known banks are able to lean on their brand recognition and a lack of transparency in the business savings market to continue giving SMEs a poor deal.

This month's data shows that the average SME with £75,000 of savings who is banking with one of the big banks is missing out on £2,256 a year in extra interest.

For businesses with £1 million in the bank, this missing interest adds up to more than £30,080 annually.



“Our data has shown a significant and continued gap between the rates SMEs are offered by challenger banks and their larger, incumbent competitors. For more established SMEs especially, who will have larger amounts of cash on the balance sheet, this difference can have a massive impact. In today's high-cost environment, this could be the difference between adding an extra member of staff, or investing in new equipment.

“As the UK economy stabilises after years of uncertainty, there's little excuse I can see for this continued poor treatment of SMEs and their savings from our biggest high street banking names. And with the BoE lowering base rates yesterday, we'll be keeping a close eye to see if the disparity improves.

Richard Davies, CEO at Allica Bank

About the Monthly Savings Tracker

The Monthly Savings Tracker will be published monthly to monitor how the big six banks change the rates they're offering to SMEs over time. This is then compared to the best rates available on the market from challenger banks.

It is a follow-up to original research by Allica Bank, The Great British Savings Squeeze, published in October 2023.

About The Great British Savings Squeeze petition

Small businesses lose out on £7.5 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.

[Find out more at savingssqueeze.com](https://www.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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