

News release

18 July 2022

Over two hundred and sixty billion (that's £260,000,000,000!) of household savings get zero interest

- £1,700 billion in household savings held in a range of savings and current accounts
- A fifth of all easy and instant access balances still receive zero interest even with the Bank of England Rate over 1% higher than this time last year
- Households could be missing out on £250 a year by not moving their savings*

Coventry Building Society's analysis of Bank of England data reveals that a fifth (21%) of balances in easy and instant accounts pay no interest on over a quarter of a trillion pounds (£263.9bn). The total amount of household savings held in easy and instant access, fixed and cash ISA accounts hit £1.7 trillion last month.

The latest statistics from the Bank of England show that household savings slowed in May compared to the previous month suggesting that the amount people can save is being squeezed by inflation and the higher cost-of-living. The data also revealed increases in the amounts going into higher rate easy access and fixed accounts as people shop around now that savings rates are moving higher.

Commenting on the data, Jeremy Cox, Head of Strategy at Coventry Building Society, said: "We're starting to see a real shift in savings habits with some people moving their money to earn better rates. Others are needing to dip into their savings to help cover increases in the cost-of-living, particularly higher energy and food costs.

For more information or additional comment please contact the press office on **0800 121 6868** or email media@thecoventry.co.uk

Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details.

Coventry Building Society. Principal Office: Coventry House, Binley Business Park, Harry Weston Road, Coventry, CV3 2TQ. www.thecoventry.co.uk

“Current account balances have risen significantly over the past few years as many people were able to build their savings during the pandemic. Historic low interest rates during that time meant that there was little incentive for people to move their money.

“Now, a fifth of all easy and instant access savings are sat in current accounts that don’t pay any interest. With five Bank of England Rate increases since December, savers could be missing out on hundreds of pounds worth of interest over the year if they haven’t moved their money to higher paying accounts that still allow same day access.

“The good news for savers is that interest rates are on the way up, with some of the best rates on easy access accounts now paying a rate of 1.25%. Those that have £20,000 worth of cash savings could earn £250 a year and keep the flexibility to take money out when needed. Those who are happy to lock the money away in a bond or notice account, could earn even more.”

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Notes for Editors

*£250 interest earned based on households with £20,000 moving their money from a zero-interest current account into an easy access account paying 1.25%

Click [here](#) for the latest Bank of England Money and Credit statistics for May 2022

Coventry Building Society’s Easy Access ISA (online) (5) account pays 1.25% AER.

Coventry Building Society

Coventry Building Society is the UK’s second largest building society and a top ten UK savings and mortgage provider.

Coventry Building Society is committed to making financial services simple and open for its members. Its website allows savers to compare the Coventry’s savings accounts with similar products across the whole of the market.

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