

# COVID-19 cash confusion among business savers

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Business owners are being urged to be "proactive and do research" when it comes to looking for best rates on savings accounts amid the pandemic.

The call comes as Redwood Bank research has found that only 35 per cent of small business owners say they know the rate of interest they are currently receiving on their business savings accounts.

The survey, carried out by the Challenger Bank, has shown the current economic environment has left many business owners unsure of the best approach to take when it comes to looking after their money.

In the last few weeks, eight per cent of business owners surveyed have moved their cash savings to try to secure a better rate of interest. This comes as interest rates on savings accounts have been falling since the Bank of England cut its base rate to 0.1% in March this year.

In addition, just over one in 10 (11 per cent) of business owners say they plan to move all their savings in the future, and 13 per cent intend to move some of them.

Overall, only 37 per cent of those interviewed say they have not moved their savings and have no plans to do so. When asked why, 63 per cent said it was because all rates on savings accounts were so low it was not worth doing.

Furthermore, 10 per cent admitted that if they moved their savings accounts from their current provider it would affect the terms and conditions of their current account. Some six per cent said they did not know how to find a better savings account.

Redwood has shown it is committed to savers, and currently offers an interest rate of one per cent on balances of between £10,000 and £1 million. Interest can be paid monthly or annually.

Gary Wilkinson, CEO and Co-Founder of Redwood Bank, said: "There is a huge disparity between the interest paid on different business deposit savings accounts. COVID-19 has had a significant impact on small and medium sized enterprises (SMEs) and we can see from our findings that there's also a lot of confusion around what to do for the best when it comes to savings.

"Given the strain that SMEs are currently under at the moment because of the lockdown, it's vital that businesses protect their cash reserves as much as they can. We urge business owners to be proactive and research savings accounts online to find the best possible rate, because at the moment many providers are paying little more than zero per cent interest."

Redwood Bank offers secured SME mortgages for business owners, as well as for experienced commercial and residential property investors.

Despite all staff members adhering to social distancing rules and working from home, Redwood Bank continues to deliver fast and efficient mortgage decisions to help its business customers seize property opportunities and also offers competitive business savings accounts.

For further information, visit [www.redwoodbank.co.uk](http://www.redwoodbank.co.uk).

## **Notes to editors**

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Redwood Bank commissioned Consumer Intelligence to interview 240 SME owners/senior executives/managers who have oversight of their company's/employer's cash savings. The interviews were conducted online between May 7 and 18, 2020.

**Redwood Bank** was launched in August 2017, becoming Britain's newest business bank for SMEs and completing its 'mobilisation' phase just over four months after securing its initial banking licence in April 2017. Redwood Bank offers secured SME mortgages for business owners, as well as for experienced commercial and residential property investors. It delivers fast and efficient mortgage decisions to help its business customers seize property opportunities and also offers competitive business savings accounts. Redwood Bank was founded by Jonathan Rowland and Gary Wilkinson. It has a unique private-public ownership structure in which Warrington Borough Council has a one-third stake.