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Give savers a rate rise: It's time for greedy banks to shell out and reward savers NOW as interest rates go up

- The Bank of England upped the base rate from 0.1 per cent to 0.25 per cent
- But inflation currently roaring away like a Christmas log fire at 5.1 per cent
- 'Give savers a rate rise' campaign to ensure savers benefit from 0.15 per cent rise

By [JEFF PRESTRIDGE FOR THE MAIL ON SUNDAY](#)

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Savers have paid a heavy price over the past 14 years as various Governments have sought to rescue the country from financial and economic crises brought about by corporate greed and, of course, coronavirus – the scourge that refuses to go away.

To borrow a popular idiom, savers have suffered the equivalent of death by a thousand cuts, their income payments savaged as the Bank of England (encouraged by Governments red, blue and in between) has taken an axe to interest rates to safeguard the economy.

But maybe (a big maybe), the tide is about to turn for the country's army of downtrodden savers.



Further 'modest' increases in the base rate are likely in the new year, but will banks follow?

Savers that embrace all ages –ranging from the young, keen to put together a deposit for a new home, through to the elderly, who depend upon their cash savings to top up their retirement income.

Last week, the Bank of England did what we thought it would do four weeks ago and pushed up the base rate, from 0.1 per cent to 0.25 per cent.

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Further 'modest' increases are likely in the months ahead as Threadneedle Street attempts to bring inflation – currently roaring away like a Christmas log fire at 5.1 per cent – under control.

We've been here before in the past 14 years – for example, the two rate rises of late 2017 and August 2018 – only to see interest rates come crashing down again as a result of another financial emergency.

So savers mustn't get too carried away into believing that last week's increase marks a guaranteed glorious new dawn. But there is a shaft of light at the end of a dark tunnel.

Irrespective of how quickly the base rate rises in the coming months, what is essential is that in the coming days, the country's leading banks – which we bailed out in 2008 – play fair by savers.

This is why, today, we are launching our 'Give savers a rate rise' campaign.

Our four crucial demands are straightforward:

- There can be no procrastination when it comes to banks passing on the rise in the base rate to savers with variable interest paying accounts. Indeed, increases should all be backdated to December 16.

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- The full 0.15 percentage point increase should be passed on to savers by the major banks. Indeed, nothing less and in instances where rates on specific accounts have already been cut to the bone, something more on top of the 0.15 percentage increase in the base rate.
- All savers should be notified of the increases in writing – and be clearly told about any similar accounts that offer a more compelling rate of interest.
- Savers should also be informed that it might pay them to shop around for a better rate offered by a rival bank or building society. We're not lone wolves in calling for a fairer deal for savers. A number of former Government Ministers, including Vince Cable, Steve Webb and Ros Altmann, are all backing our campaign – as are advocates championing the best interests of pensioners (see below).

One of those advocates is Anna Bowes, co-founder of the rate scrutineer Savings Champion. In an impassioned plea she calls for banks 'to do the right thing' and support savers.

Dennis Reed, a director of pensioner pressure group Silver Voices, accuses the banks of 'making a mint out of savers for years'.

Meanwhile the former Pensions Minister Ros Altmann says that at the very least the banks should pass on the full 0.15 percentage point increase in the base rate to 'long-suffering savers'. Absolutely.

Steve Webb, a Pensions Minister in David Cameron's Coalition Government, says savers 'have faced a hostile environment for most of the past decade and it's time they were given a break'. Again, spot on.

Although it is early days, the omens (sadly) do not look good. The banks appear to be very much in parsimonious mood – Scrooge-like.

On Friday, The Mail on Sunday asked all of the country's biggest banks – Barclays, HSBC, Lloyds, NatWest and Santander – when they would be pushing up savings rates. We also asked them by how much and when.

Do you think your bank is giving you a raw deal on savings? Email

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