Treasury Committee
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Debbie Crosbie
Chief Executive Officer
Nationwide
Via email

10 May 2023

Dear Ms Crosbie,

Interest rates on instant access savings accounts

Following an oral evidence session with some of the retail banks and correspondence exchanged with them,[1] the Treasury Committee is currently looking at the wider market and in particular the interest rates earned by consumers on instant access savings accounts.

Nationwide Group has reported

- profits before tax of around £1.6 billion in 2022, an increase of 94 per cent on the just over £0.8 billion in 2021,[2] and
- a net interest margin (a measure of the difference between the interest Nationwide pays to savers and the interest it receives from borrowers) of 1.26 per cent, an increase of 4 per cent, or 5 basis points, from 1.21 per cent in 2021.[3]

The Bank of England has increased the base rate from 0.25 per cent in January 2022 to 4.25 per cent currently. The interest rate on the Nationwide 'instant access saver' account for deposits is 1.25 per cent. Please could you therefore answer the questions below:

1. How does Nationwide determine how increases in the base rate are passed on to its savers?

2. Why is the interest rate on its 'instant access saver' account so much lower than the base rate?

3. How does Nationwide communicate with its consumers, in particular those with large balances in their 'instant access saver' account, to make them aware of what could be more suitable, higher rate savings options available to them?

We would be grateful for a response on these points by 24 May 2023. In line with our usual practice, we would expect to publish this letter and your response on our website.

Yours sincerely,



Harriett Baldwin MP
Chair of the Treasury Committee

[1] https://committees.parliament.uk/work/7262/retail-banks/publications/
[2] Annual Report & Accounts 2022 | Nationwide
[3] Annual Report & Accounts 2022 | Nationwide