

Fixed Saver Account Guide

Lock in a higher rate with 12-month fixed savings

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Starling Bank's Fixed Saver account offers a higher interest rate in exchange for locking your money away for 12 months. If you have savings you won't need immediate access to and want to maximise your returns, this account could help you achieve better growth on your money.

What is Fixed Saver?

Fixed Saver is a 1-year fixed-rate savings account offered by Starling Bank. You deposit money into the account and agree not to access it for 12 months. In return, you earn a fixed interest rate of 3.80% AER/gross for the entire term.

Unlike Easy Saver, which allows you to withdraw money anytime, Fixed Saver requires you to commit your funds for the full year. The trade-off is a higher interest rate, making it suitable for money you're certain you won't need in the short term.

Key Features

Fixed interest rate: Earn 3.80% AER/gross on your savings for the full 12-month term. This rate is guaranteed for the entire period, regardless of changes to the Bank of England base rate.

Deposit range: You can save between £2,000 and £1 million in your Fixed Saver account.

No access until maturity: Your money is locked away for 12 months. You cannot make withdrawals or add additional funds during this period.

Automatic maturity options: When your Fixed Saver matures after 12 months, you can choose what happens to your money: move it to your current account, transfer it to another savings product, or open a new Fixed Saver term.

FSCS protected: Your eligible deposits are protected by the Financial Services Compensation Scheme up to £85,000 per person.

How to Open a Fixed Saver

You can open a Fixed Saver account through the Starling app if you have a personal current account:

Step 1: Navigate to the Spaces section in your Starling app.

Step 2: Select "Fixed Saver" from the savings options.

Step 3: Choose how much you want to deposit (minimum £2,000, maximum £1 million).

Step 4: Review the terms and confirm your deposit.

The money will be transferred from your current account into your Fixed Saver, where it will remain for 12 months. Your interest will start accruing immediately.

Understanding Interest Payments

With Fixed Saver, interest is calculated daily on your balance and paid as a lump sum when your account matures after 12 months. This means you won't see monthly interest payments like you would with Easy Saver, but you'll receive all your earned interest in one payment at the end of the term.

For example, if you deposit £5,000 at 3.80% AER: After 12 months, you would earn approximately £190 in interest. Your total balance at maturity would be £5,190.

Who is Fixed Saver Best For?

Fixed Saver is ideal if you: have savings you definitely won't need for at least 12 months, want a higher interest rate than instant-access accounts offer, are looking to lock in a rate and protect against potential rate decreases, or have specific savings goals with a timeframe beyond one year.

However, Fixed Saver is not suitable if you might need access to your money before the 12 months are up, as you cannot make early withdrawals.

Comparing with Easy Saver

Fixed Saver: Higher interest rate (3.80% AER), no access for 12 months, requires minimum £2,000 deposit, interest paid at maturity.

Easy Saver: Lower interest rate (3.00% AER), instant access anytime, no minimum deposit, interest paid monthly.

Many customers use both products strategically – keeping emergency funds and short-term savings in Easy Saver for flexibility, while locking longer-term savings in Fixed Saver for better returns.

Tax Considerations

Starling pays gross interest on Fixed Saver, meaning they don't deduct tax. You may need to pay tax on your interest depending on your Personal Savings Allowance:

Basic rate taxpayers: £1,000 tax-free per year. Higher rate taxpayers: £500 tax-free per year. Additional rate taxpayers: £0 tax-free.

If your total interest across all savings accounts exceeds your allowance, you'll need to declare and pay tax on the excess, typically through your self-assessment return. Starling provides interest statements through the app to help with your tax reporting.

Tips for Using Fixed Saver

Only deposit money you're absolutely certain you won't need for 12 months. Consider keeping some accessible savings in Easy Saver as well.

Consider laddering your savings – instead of putting all your money in one Fixed Saver, you could open multiple accounts at different times. This way, different portions mature at different intervals, giving you regular access to portions of your savings.

Set a calendar reminder a few weeks before your Fixed Saver matures to decide what you want to do with the funds – reinvest, move to current account, or explore new savings options.

Compare rates periodically. While your money is locked in, you can't switch, but you can plan ahead for what to do when your term ends.

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This document is for portfolio demonstration purposes.