

# Interest rates we pay on cash



Here are the interest rates we currently pay on cash you hold in AJ Bell accounts.

We usually change our rates from time to time. These rates have applied since 1 April 2024.

## Cash held in a SIPP or Junior SIPP

Cash balance	Gross interest rate for this tier only	Interest rate (AER) for this tier only
£0–£10,000	3.20%	3.24%
Above £10,000–£100,000	3.70%	3.75%
Above £100,000	3.95%	4.01%

## Cash held in a SIPP in drawdown

Cash balance	Gross interest rate for this tier only	Interest rate (AER) for this tier only
£0–£10,000	3.45%	3.49%
Above £10,000–£100,000	3.95%	4.01%
Above £100,000	4.45%	4.52%

## Cash held in a Stocks and shares ISA, Lifetime ISA or Junior ISA

Cash balance	Gross interest rate for this tier only	Interest rate (AER) for this tier only
£0–£10,000	2.50%	2.52%
Above £10,000–£100,000	2.85%	2.88%
Above £100,000	3.50%	3.55%

## Cash held in a Dealing account

Cash balance	Gross interest rate for this tier only	Interest rate (AER) for this tier only
£0–£10,000	1.95%	1.96%
Above £10,000	2.45%	2.47%

### What is gross interest, and AER?

Gross interest is interest paid in full – that is, without any tax being deducted on your behalf.

AER stands for Annual Equivalent Rate. It tells you how much interest you'd earn in one year, taking into account compounding interest payments. This makes it easier to compare interest rates across different accounts.

## When do you pay interest?

We pay your interest quarterly, in arrears – at the end of March, June, September and December. Once we've paid your interest, you'll see a gross interest payment appear on your cash statement – you'll see this added to your cash statement within three working days of the end of the quarter.

If you request to transfer or close your account during the quarter, we'll pay interest from the start of the quarter to the date we receive your request to transfer or close your account.

Interest you earn in ISAs and SIPPs is free from UK income tax. Interest you earn in Dealing accounts is paid gross, without any tax deducted – that means you're responsible for paying HMRC any tax due on interest that exceeds your Personal Savings Allowance. Remember, how you're taxed will depend on your circumstances and tax rules can change.

If you don't want to receive interest payments for any reason, please email [help@ajbell.co.uk](mailto:help@ajbell.co.uk) to let us know.

## How do the tiers work?

Each tiered interest rate applies to the cash in that specific tier. Let's say you had £120,000 cash in a SIPP or Stocks and shares ISA, £10,000 of this money would earn the '£0–£10,000' interest rate, the next £90,000 would earn the 'Above £10,000–£100,000' interest rate while the final £20,000 would earn the 'Above £100,000' interest rate.

If you had £25,000 cash in a Dealing account, £10,000 of this money would earn the '£0–£10,000' interest rate, while the remaining £15,000 would earn the 'Above £10,000' interest rate.

If you hold cash in more than one AJ Bell account (e.g. a SIPP and a Dealing account), we'll consider your accounts separately when we calculate the tiered interest.

## When would I receive the SIPP in drawdown interest rates?

When you start accessing your pension via drawdown you will receive the drawdown interest rates on all of the cash held in your SIPP.

You'll receive the drawdown interest rates for the full quarter in which you access your SIPP providing that we've received and processed your request by the end of the quarter. Please keep in mind that it can take ten working days to process a request to access your SIPP.

Please note that if you access your SIPP via a pension lump sum (UFPLS) you'll continue to receive the SIPP interest rates as shown in the first table above.

## Interest rates explained

AJ Bell receives interest payments from banks based on the combined cash balances held for customers across all accounts. The amount we receive will vary depending on the total cash balances held, and on market interest rates. We put some of these payments towards the interest rates we pay you, as shown in the tables above, and the rest towards keeping our custody and dealing charges as low as possible.

We hold your cash with a range of carefully selected banks – using multiple banks increases the level of protection provided for your cash. [Find out more](#) about the banks we use and how your cash is protected.

In the future, we expect to receive interest payments from banks between 1.15% below and 0.15% above the Bank of England base rate for cash held in a SIPP, and between 0.10% below and 0.15% above the Bank of England base rate for cash held in an ISA or Dealing account: keep in mind though that these rates may be higher or lower when interest rates are volatile.

Want to see what interest we paid in the past? See our list of our [previous interest rates](#).