

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 February 2026.

Account	Cash balance	Interest rate (AER) for this tier
SIPP and Junior SIPP	£0–£100,000 Above £100,000	2.05% 2.40%
SIPP in drawdown	£0–£100,000 Above £100,000	2.65% 3.15%
Stocks and shares ISA Lifetime ISA Junior ISA	All cash balances	1.75%
Dealing account	£0 - £2,000 Above £2,000	0.75% 0.00%

What is AER?

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 SIPPAs 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 to let us know.

How do you calculate interest?

We calculate interest daily, based on the cleared cash in your account. Keep in mind that buying and selling investments affects how much cleared cash you have – which can change our interest calculations.

For example, if you sell one investment and then quickly buy another, our platform lets you use the proceeds from the sale straight away – even before the cash has settled in your account. During this time, the interest we calculate will be lower.

How do the tiers work for a SIPP and Dealing account?

Each tiered interest rate applies to the cash in that specific tier.

Let's say you had £125,000 cash in a SIPP, £100,000 of this money would earn the '£0–£100,000' interest rate, while the remaining £25,000 would earn the 'Above £100,000' interest rate.

For a Dealing account, you'll earn the '£0–£2,000' interest rate on the first £2,000 of cash held – anything above that won't receive interest.

See examples of how the tiers work for a SIPP

Below are examples of how interest would be calculated for cash held in each tier.

£50,000 cash in a SIPP

Tier	AER applied to your cash	Interest you'll receive
£0 - £100,000	The full balance of £50,000 receives 2.05% AER interest	£1,025.00 per year (Calculation: £50,000 x 0.0205)
Above £100,000	There is no interest payable for this tier	£0.00
Total interest per year		£1,025.00

£125,000 cash in a SIPP

Tier	AER applied to your cash	Interest you'll receive
£0 - £100,000	The first £100,000 receives 2.05% AER interest	£2,050.00 per year (Calculation: £100,000 x 0.0205)
Above £100,000	The remaining £25,000 receives 2.40% AER interest	£600.00 per year (Calculation: £25,000 x 0.0240)
Total interest per year		£2,650.00

The above examples are based on £50,000 and £125,000 and assume no extra money is added or withdrawn from the SIPP in the year. The tables show examples of the interest earned annually based on the AERs – actual interest earned will be calculated by applying a blended gross interest rate to your cash balance based on the cash that falls into each tier. Interest will be paid to your account quarterly in arrears, at the end of March, June, September and December.

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 account 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 0.50% 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 than this during periods of sustained base rate changes.

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