



LATE PAYMENTS INSIGHTS 2017

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INTRODUCTION

Late payment is the silent killer of modern business and it's getting worse.

The simple act of not getting paid when you should has an adverse effect on the success of any company. But it's Britain's small and medium sized enterprises – which make up 99% of all UK businesses – that bear the brunt of the problem.

These insights shed a light into sectors, regions and countries that are late payers. Our data challenges the pre-existing conceptions of certain companies as 'villains' of the small supplier community and looks to uncover new findings that go beyond media headlines.

At MarketInvoice, we capture data on every aspect of an invoice. Who it's issued by, where it's issued to and when it's issued. More importantly, we also record when each invoice is contractually due, as well as when it's actually paid. These numbers underpin our lending model at its most basic level.

As a result, we've collected a vast pool of data – over 80,000 individual invoices, issued to companies of all sizes, in over 90 different countries.

These insights look mainly at payment records in 2017. The data in this report highlights a very real, very prevalent issue that affects millions of businesses owners every day. Whilst our data goes some way to illustrate the scale of late payment across the country, real action must be taken to stem the problem at its source. Larger companies must take more responsibility in their position of power with suppliers and change what is currently a damaging culture for UK businesses.

ANIL STOCKER
CO-FOUNDER AND CEO
MARKETINVOICE



KEY FACTS

62%

OF INVOICES
ARE PAID LATE

£21.1B

OUTSTANDING IN LATE
PAYMENTS EVERY YEAR

1/3

OF INVOICES ARE PAID MORE
THAN TWO WEEKS LATE

18

AVERAGE NUMBER OF DAYS
AN INVOICE IS PAID LATE

DATA FROM

OVER

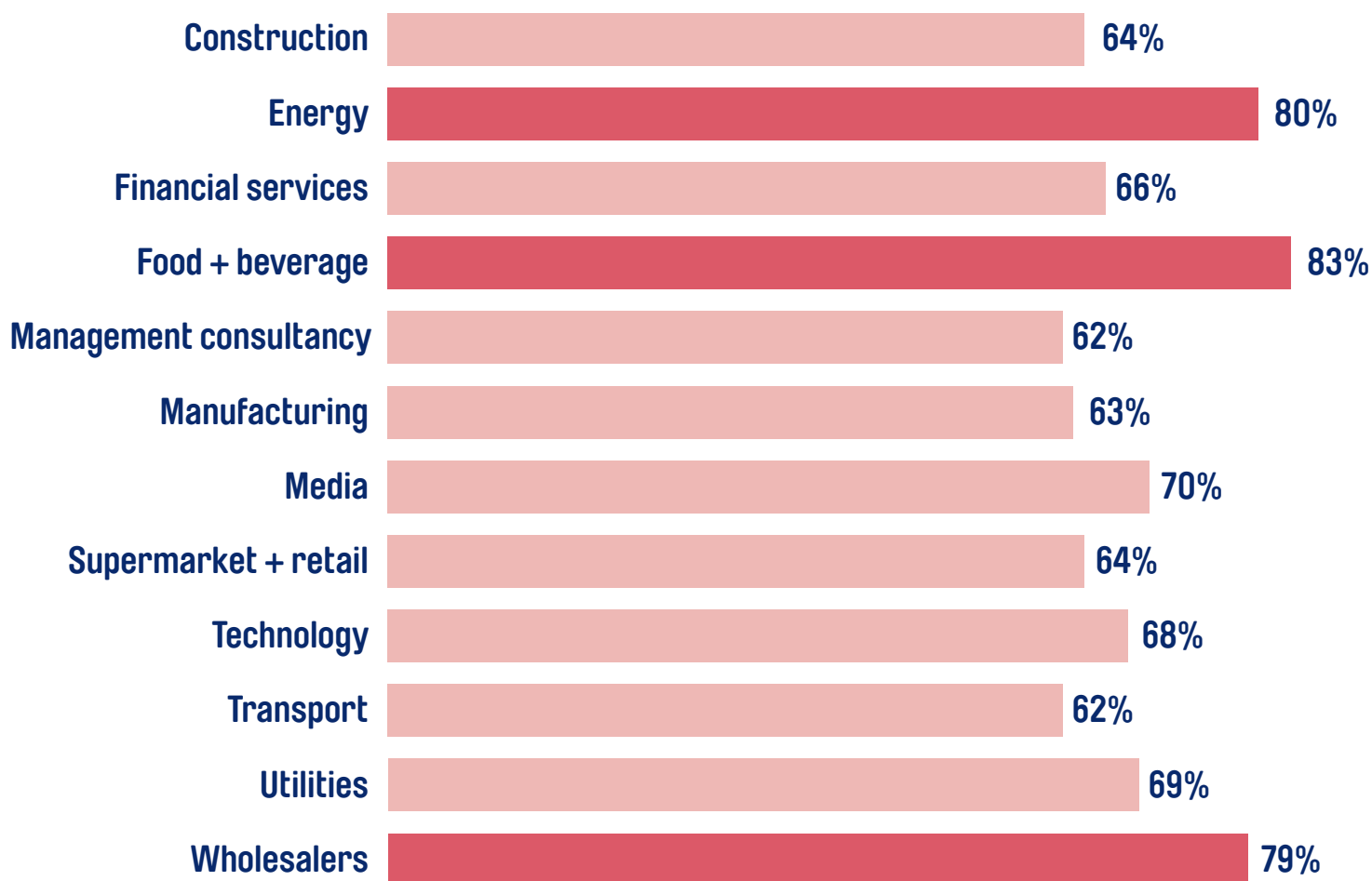
80,000
INVOICES

FROM

93
COUNTRIES

WHICH SECTORS ARE WORST AT PAYING SMES ON TIME?

LATE PAYERS BY SECTOR (% OF INVOICES PAID LATE)



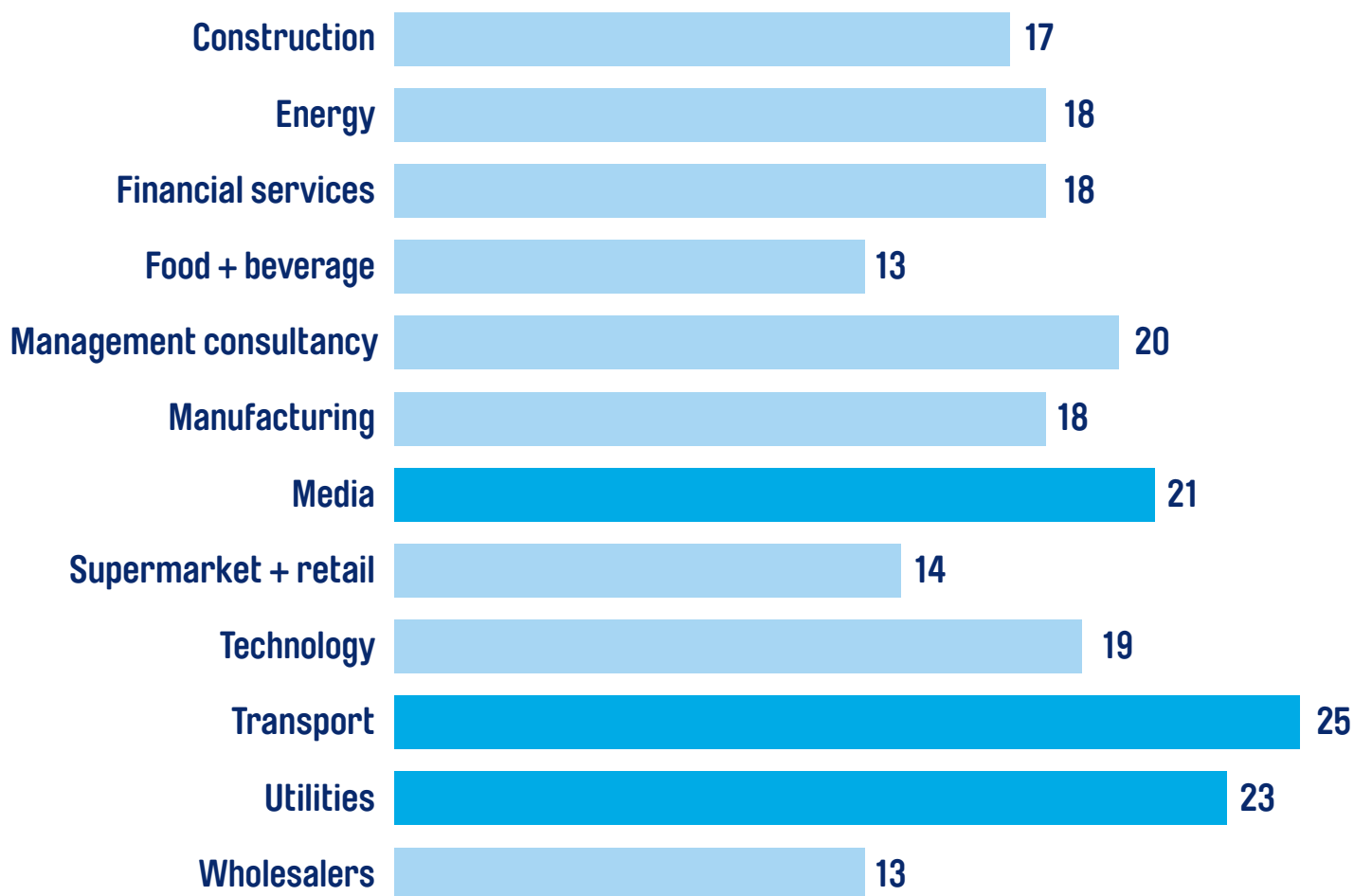
ANALYSIS

SMEs supplying goods and services across a range of industries have challenges getting paid on time but Food & Beverage, Energy and Wholesale sectors are notable late payers.

We see signs that late payment is getting more common across other sectors too however. Since the last MarketInvoice analysis (2016 'State of Late Payments Report'), the Technology industry in particular looks to be getting worse at paying suppliers.

HOW LATE ARE COMPANIES GETTING PAID?

LATE PAYERS BY SECTOR (AVERAGE DAYS LATE FOR PAYMENT)

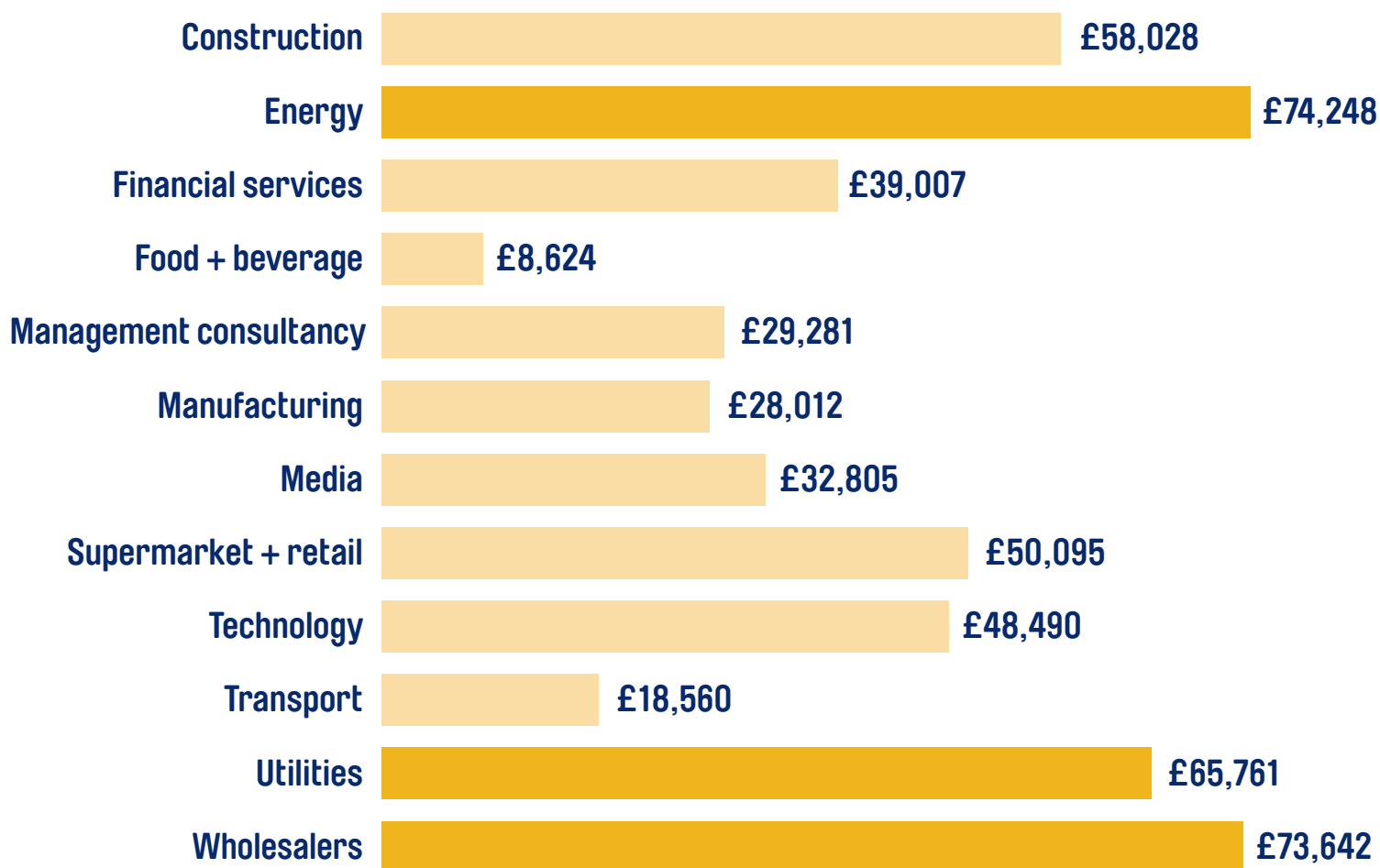


ANALYSIS

When certain industries do miss the due date of an invoice, they tend to miss it by some margin. The Transport sector takes, on average, the longest time to pay. These, typically, tend to logistics and distributions businesses and so potentially are impacted by further delays in their supply chain.

HOW LARGE ARE THE INVOICES THAT AREN'T PAID ON TIME?

LATE PAYERS BY SECTOR (AVERAGE FACE VALUE OF OVERDUE INVOICES)

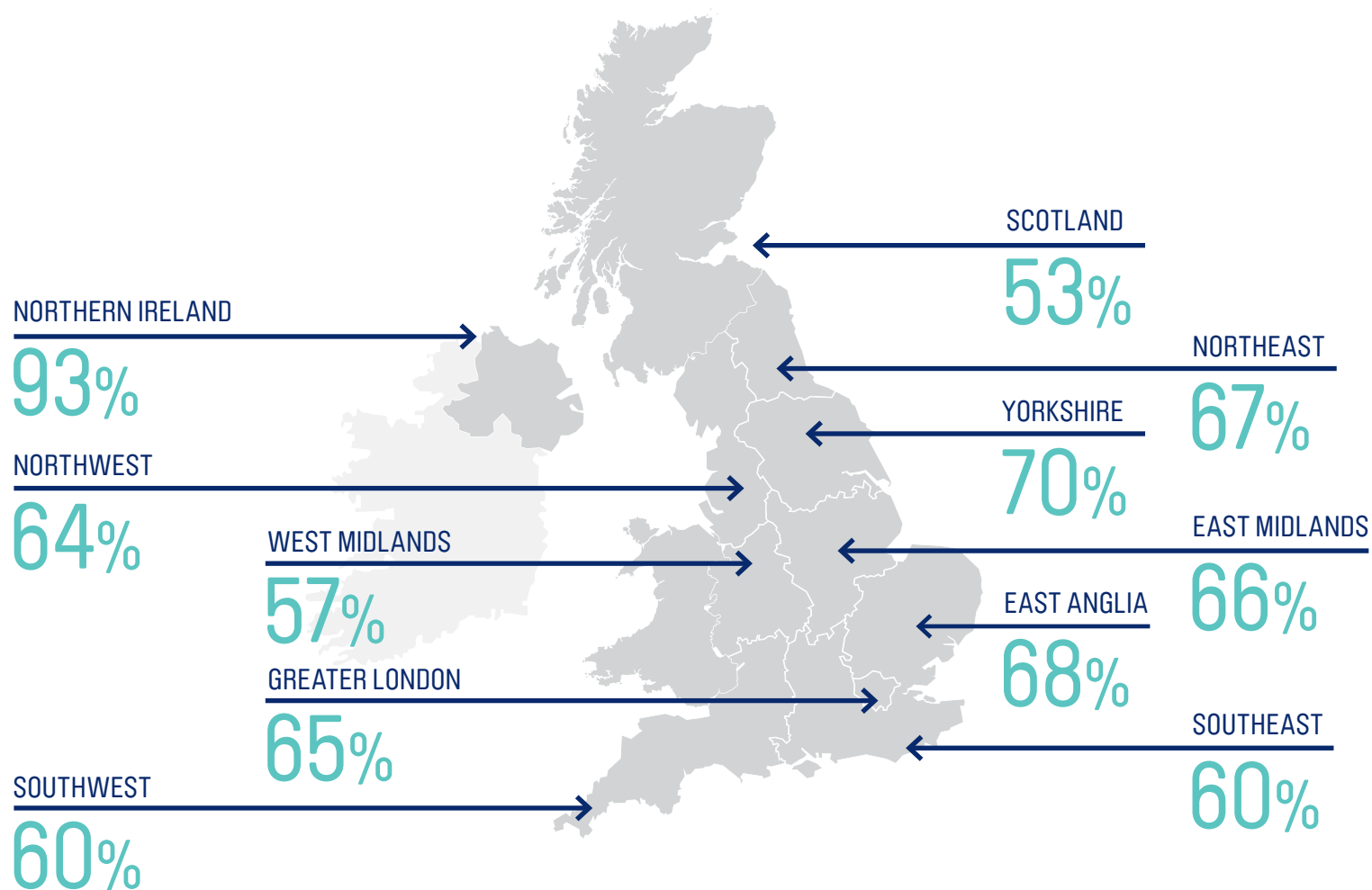


ANALYSIS

The unpaid invoice sizes that companies wait on vary hugely across industry. When a relatively small invoice is unpaid this can be an inconvenience, but those waiting for payment from Wholesale and Energy sectors, in particular, can face significant short falls until they are paid.

LATE PAYERS BY GEOGRAPHY UK BY REGION

PROPORTION OF INVOICES PAID LATE TO LOCAL BUSINESSES IN THE UK (2017)



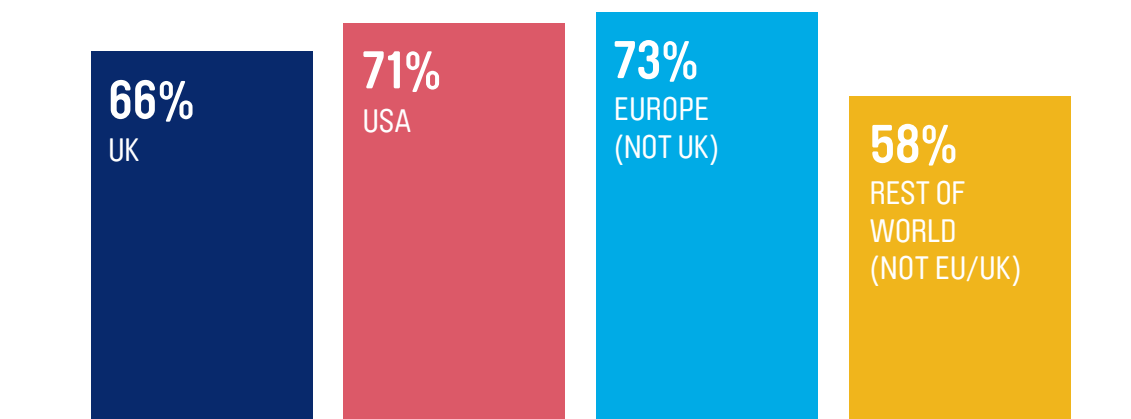
ANALYSIS

2017 has seen a significant increase in late payments to businesses across most of the UK regions.

The Southwest has seen the most significant increase from our last report, which had them as the most promptly paid region with 45.2% invoices being paid on time.

HOW ARE NON-UK COMPANIES AT PAYING ON TIME?

PROPORTION OF 2017 INVOICES PAID LATE



AVERAGE EUROPE PAYDAY

AVERAGE UK PAYDAY

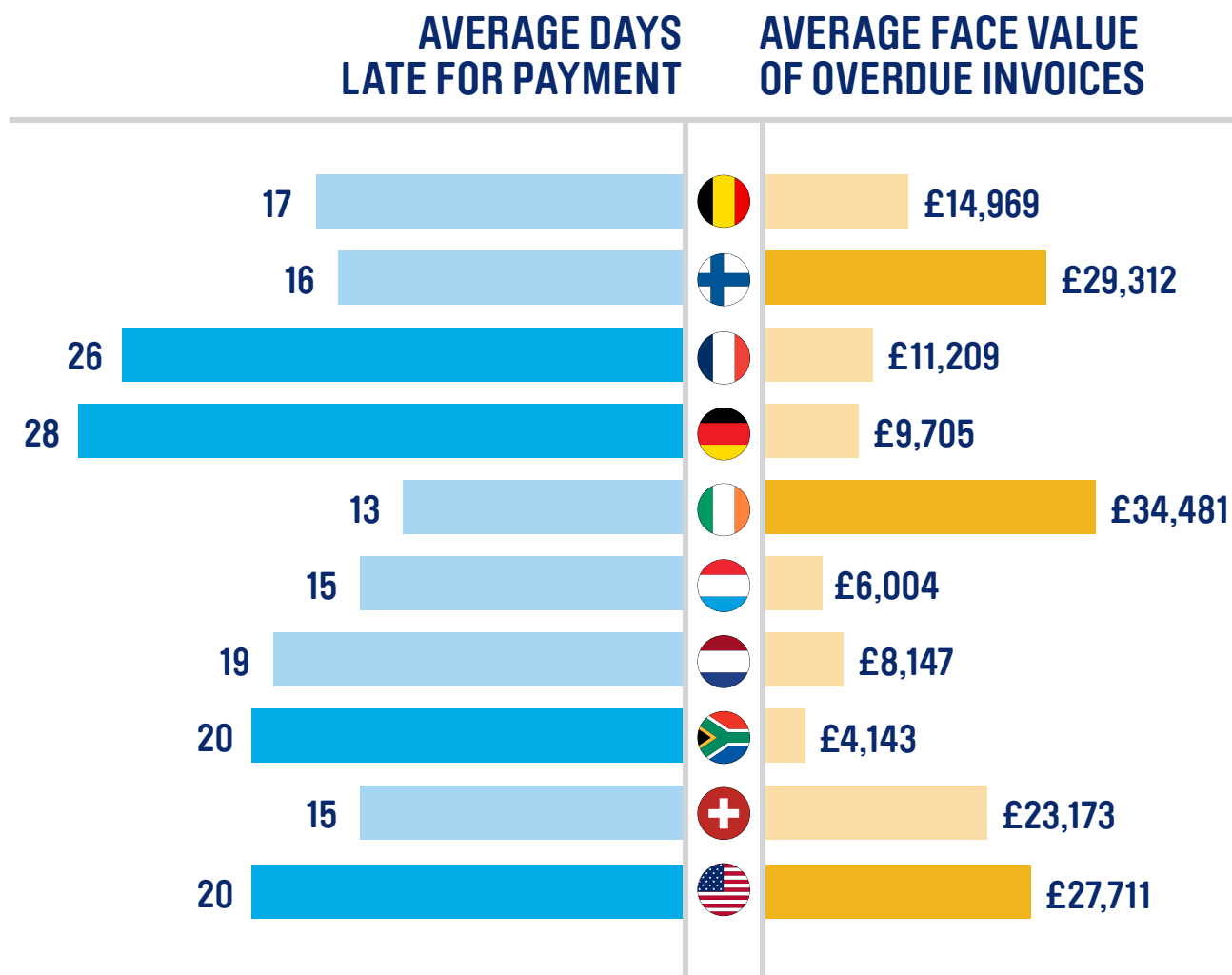
9 vs 18
DAYS LATE DAYS LATE

ANALYSIS

While UK companies often pay invoices late, those in the USA and continental Europe are even more likely to delay payment.

However, the UK still takes twice as long to pay UK suppliers than our counterparts in Europe. We can only wait to see the impact of Brexit on these trends.

LATE PAYERS GLOBAL



ANALYSIS

This chart illustrates late payment details for the top ten countries where UK businesses export to.

Overall, German companies take the longest to settle payment, but UK businesses might feel more of a squeeze from Irish debtors who tend to have higher amounts outstanding.

-  Belgium
-  Finland
-  France
-  Germany
-  Ireland
-  Luxembourg
-  Netherlands
-  South Africa
-  Switzerland
-  United States



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