



Bacs – Late Payment Research

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2007 Late Payment Research

- **500 business interviews with senior financial decision makers**
- **Conducted by Continental Research in September 2007**
- **51% of UK businesses currently experience late payments from business customers from time to time. (vs 59% in 2006)**
- **Equivalent to 636,000 companies experiencing this. (vs 737,000 in 2006)**
- **A higher proportion (69%) of mid/large corporate companies experience late payments. (vs 71% in 2006)**
- **The average amount in late payment that is owed to businesses at any one time is £35,000 (vs £23,000)**
- **Small businesses owed an average £15,000 (£12,000 in 2006) and mid / large corps owed £156,000 (£97,000 in 2006)**

2007 Approximate late payment value that would put a company out of business

- **Average = £222,000**
- **Small business = £119,000**
- **Mid/large corps = £1m**

Mid/large corporates spend more time chasing late payments, more likely to employ someone for this & charge interest

Time spent chasing late payments (total average)	Small	Mid/large
2.6 hrs	2.3 hrs	4.2 hrs
Whether employ someone to chase late payments (total)	Small	Mid/large
21%	16%	43%
Ever charged customers for late payment (total)	Small	Mid/large
15%	14%	21%

Base: all experiencing late payments in 2007

2007 Late Payment Research Summary

- **Fewer businesses express that they have experienced late payments from business customers in 2007 than in 2006**
- **But the average amount of money owed in late payments at any one time has increased significantly from £23,000 to £35,000**
- **The average amount of money owed in late payments at any one time owed to both small and mid/large corporates has also increased year on year**
- **A greater proportion of mid /large corporates than small businesses are likely to have experienced late payments and employ someone to chase late payments and charged interest on late payments**