

After 10 years of positive development: Payment practices in Europe are not showing further improvements

The percentage of payments made on time throughout Europe has been continually increasing since 2007: Today, 78% of all customers pay their invoices within the specified deadline. Companies are nevertheless suffering financial losses. 3% of all outstanding debts cannot be collected and 19% of all invoices are paid too late. The majority of European companies do not expect payment practices to improve in the future.

Hamburg, 19 June 2017 – Payment practices in Europe are currently at a level of 78% of invoices paid on time. After the overall positive developments over the past ten years, this confirms that payment practices have stagnated. The percentage of invoices paid late (19%) and invoices in default (3%) has not been improving or just slightly improving in the last three years. This is the result of the 'European Payment Practices 2017' survey conducted by the independent market research institute Kantar TNS on behalf of the EOS Group. Data was collected from 3,200 companies in 16 countries during the survey carried out this spring for the tenth time in a row.

'A payment default rate of 3% can be very worrying for companies. This may include sums in the billions that companies do not have available to cover their own costs or to invest in their future', says Klaus Engberding, CEO of the EOS Group. In Eastern Europe the average percentage of unpaid invoices was even as high as 4%. Payment practices in Greece, Russia, Romania, Bulgaria and Slovakia (74% of payments made on time) were the worst. Companies in Germany (89%) and Switzerland (82%) show the largest number of payments made on time.

Outlook for the future deteriorates

Payment practices in Europe have been continually improving over the last ten years, albeit only slightly. Looking to the future, 77% of the companies do not expect any further upswing, which means payment practices will remain the same or get worse. Eastern European companies, in particular,

significantly lowered their positive expectations compared to the previous year. The mood in Russia is the most pessimistic. 30% of the companies surveyed expect that payment practices will deteriorate. 'Thanks to the increasing oil prices Russia is moving out of its recession, however structural reforms within the country are still needed to stabilise the economy', states Klaus Engberding. 'However, as of now such reforms are not in sight. The reluctance of businesspeople is understandable'. Negative expectations have also increased by 7% in the United Kingdom compared to the previous year. 'This is not a surprise given the pending Brexit process', the CEO comments. The situation in Spain is more surprising. 'Despite strong growth every fourth person asked assumes that payment practices will still deteriorate. Businesspeople do not see enough stability in the economic upswing', believes Engberding.

Ten years of 'European Payment Practices'

EOS has been conducting the 'European Payment Practices' survey since 2007. The Hamburg company analyses the European economic zone together with independent market research institutes. The focus is on customer payment practices in companies with average revenues of 28 million euro and 180 employees. After starting with four countries EOS continued to expand the survey. 16 countries participated this year. 'The collection of data is very time-consuming. We conduct 200 interviews with decision-makers in accounts receivable management in each country', explains Mark Lammers, Associate Director Kantar TNS. 'We have been collecting high-quality data with this method for ten years now. The market assessments that can be derived from this data have a high significance', Lammers continues.



Further results from the European Payment Practices survey can be found online at:
<http://www.eos-solutions.com/paymentpractices2017>

The EOS Group

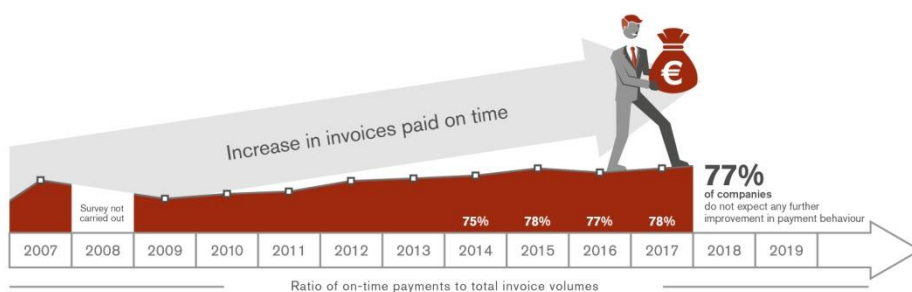
The EOS Group is one of the leading international providers of customised financial services. Its main focus is on receivables management covering three key business segments: fiduciary collection, debt purchase and business process outsourcing. With just under 8,000 employees and more than 60 subsidiaries, EOS offers some 20,000 clients in 28 countries around the world financial security with tailored services in the B2C and B2B segments. Being connected to an international network of partner companies, the EOS Group has access to resources in more than 180 countries. Its key target sectors are banking, utilities and telecommunications, along with the public sector, real estate, mail order and e-commerce. More information: www.eos-solutions.com.

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Positive conclusion: 10 years of European payment behaviour



FACTS ABOUT THE SURVEY

10 years of economic research
22.645 interviews
339.575 minutes of expert knowledge



PROFILE OF RESPONDENTS

Decision-makers in the field of claims management
Active in companies with €28 m. turnover
180 employees

Source: EOS Survey 'European Payment Practices' EOS / Kantar TNS 2017