



# Atradius Payment Practices Barometer

International survey of B2B payment behaviour  
Western Europe – key survey results

## Survey design for Western Europe

### Survey objectives

Atradius conducts annual reviews of international corporate payment practices through a survey called the “Atradius Payment Practices Barometer”. In this report focusing on Western Europe, which is part of the 2017 edition of the Atradius Payment Practices Barometer, companies from 13 countries (Austria, Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, Spain, Sweden, Switzerland and the Netherlands) have been surveyed.

Using a questionnaire, Conclusr Research conducted a net of 2,769 interviews. All interviews were conducted exclusively for Atradius, without any combination of topics.

### Survey scope

- Basic population: companies from 13 countries (Austria, Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, Spain, Sweden, Switzerland and the Netherlands) were monitored. The appropriate contacts for accounts receivable management were interviewed.
- Selection process – Internet survey: companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact and for quota control was conducted at the beginning of the interview.
- Sample: N=2,769 people were interviewed in total (approximately n=200 people per country). In each country a quota was maintained according to four classes of company size.
- Interview: Web-assisted personal interviews (WAPI) of approximately 15 minutes duration. Interview period: Q1 of 2017.

### Sample overview – Total interviews = 2,769

Country (n=2,769)	n	%
Austria	206	7.4%
Belgium	225	8.1%
Denmark	215	7.8%
France	207	7.5%
Germany	218	7.9%
Great Britain	217	7.8%
Greece	200	7.2%
Ireland	217	7.8%
Italy	219	7.9%
Spain	210	7.6%
Sweden	213	7.7%
Switzerland	208	7.5%
The Netherlands	214	7.7%
Turnover (n=2,769)	n	%
Micro-enterprises	1,018	36.8%
SMEs (Small/Medium enterprises)	1,474	53.2%
Large enterprises	277	10.0%
Economic sector (n=2,769)	n	%
Manufacturing	679	24.5%
Wholesale / Retail / Distribution	744	26.9%
Services	1,346	48.6%

It may occur that the results are a percent more or less than 100%. This is the consequence of rounding off the results. Rather than adjusting the outcome so that it totalled 100%, we have chosen to leave the individual results as they were to allow for the most accurate representation possible.

## Western Europe – key survey results

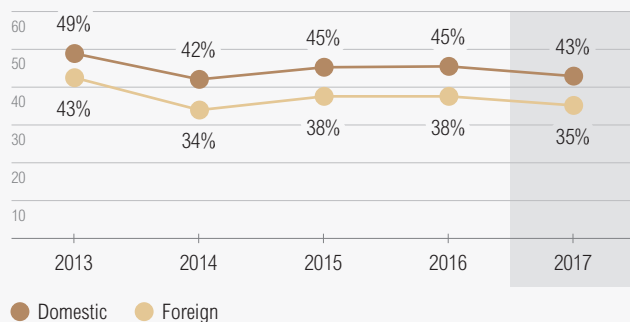
With a minor 2% decline forecast, the 2017 insolvency outlook for advanced markets is stable. However, tighter access to financing and political uncertainty are putting pressure on businesses. This may be the reason why most respondents in Western Europe seem more inclined to sell on cash terms - despite the potential for losing sales to competitors offering credit terms.

### Sales on credit terms

The use of credit terms for B2B sales by respondents in Western Europe decreased slightly compared to 2016, stressing the challenging business environment and increasing concerns of suppliers about being paid.

- On average, 42.6% of the sales to domestic B2B customers were transacted on credit. This is significantly higher than the 35.1% of sales made on credit to foreign B2B customers.
- All Western European countries surveyed seem to be more inclined to sell on credit terms to domestic B2B customers than to foreign B2B customers.
- Respondents from Denmark (56.4%), Greece (52.1%) and Ireland (48.2%) were the most open to selling on credit. Despite this, both Denmark and Greece saw a decline in their sales on credit compared to 2016. Ireland on the other hand, saw a modest increase.
- Respondents in Austria and Germany (26.5% each), and Switzerland (28%), had the lowest average percentage of sales made on credit terms in 2017.

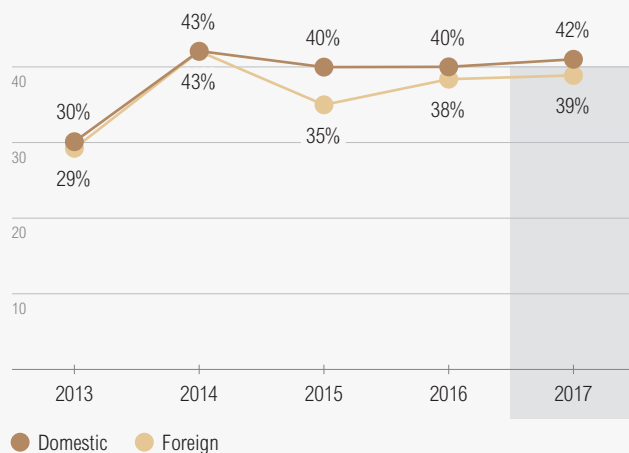
### B2B sales on credit in Western Europe (%)



Sample: companies interviewed (active in domestic and foreign markets)  
Source: Atradius Payment Practices Barometer – Spring 2017

More information in the [Statistical appendix](#)

### Past due B2B receivables in Western Europe (avg. %)



Sample: companies interviewed (active in domestic and foreign markets)  
Source: Atradius Payment Practices Barometer – Spring 2017

More information in the [Statistical appendix](#)

### Overdue B2B invoices (%)

The percentage of overdue B2B invoices in Western Europe (41%) increased slightly compared to 2016 (39%), pointing to increased volatility.

- 91.4% of respondents in Western Europe (2016: 92.4%) reported late payments from their domestic B2B customers. This resulted in an average of 41.9% of domestic invoices remaining unpaid past the due date.
- At 84.2%, the frequency of late payments from foreign B2B customers is in line with 2016 levels. On average, 39.4% of foreign invoices remained unpaid past the due date.
- In Western Europe, late payments were most frequently reported in Switzerland (domestic 97%, foreign 93.9%) and least frequently in Sweden (domestic 81%, foreign 71.4%).
- Greece (51.6%) seems to be the country most impacted by late payments of invoices from domestic B2B customers. This is also reflected in the country's DSO figure, which averaged 60 days, the longest in the region (Western Europe: average of 44 days).
- The highest average percentage of overdue invoices from foreign B2B customers was registered in Great Britain (49.9%). Despite this, the country has an average DSO figure (31 days) significantly below the regional average and the 2016 level (59 days), which may reflect greater efficiency in collecting high value invoices.

## Payment duration (average days)

Compared to 2016, average payment terms granted by respondents in Western Europe remained almost stable. However, payment delays from domestic B2B customers increased, indicating a slowdown in the speed of payment.

- In 2017, payment terms granted by respondents in Western Europe averaged 32 days.
- With the exception of Greece (54 days), Italy (50 days) and Spain (45 days), all Western European countries surveyed granted payment terms of around 30 days or less from the invoice date.
- Greece has seen the biggest changes, with average payment terms extended by 10 days.
- With the exception of France, all countries in Western Europe saw an increase in payment delays from domestic B2B customers. This suggests that they may be more exposed to domestic than to foreign payment risks. The average payment delay from foreign B2B customers remained stable.
- In Greece, the average domestic payment delay is 47 days (11 days longer compared to 2016). Greek respondents have to wait 13 days (one week longer compared to 2016) for foreign past due invoices to be paid.
- A marked increase in payment delays was also observed in Great Britain (around one week longer for both domestic and foreign B2B customers).



More information in the [Statistical appendix](#)



## Key payment delay factors

B2B customers of respondents in Western Europe delayed their payments most often because of liquidity issues but also for reasons unrelated to creditworthiness.

- Like in 2016, B2B customers of respondents in Western Europe delayed payments most often due to insufficient availability of funds (43.5%), their buyers' intentional use of outstanding invoices as a form of financing (26.1%) and the complexity of the payment procedure (24.4%).
- Italy (77.6%) and Greece (75%) are the countries most impacted by late payments due to domestic customers' insufficient funds. Foreign payment delays driven by liquidity issues were reported most often in Austria (47.3%).
- Danish respondents experienced delays because of insufficient availability of funds the least often (domestic 21.4%, foreign 11.4%). However, they were the most concerned about the complexity of the payment procedure (domestic 27.2%, foreign 37.7%) and their buyers' use of outstanding invoices as a form of financing (domestic 42.2%, foreign 34.2%).
- The perception that B2B customers intentionally use outstanding invoices for their financial advantage was also shared by Sweden (domestic 40%, foreign 39.7%).



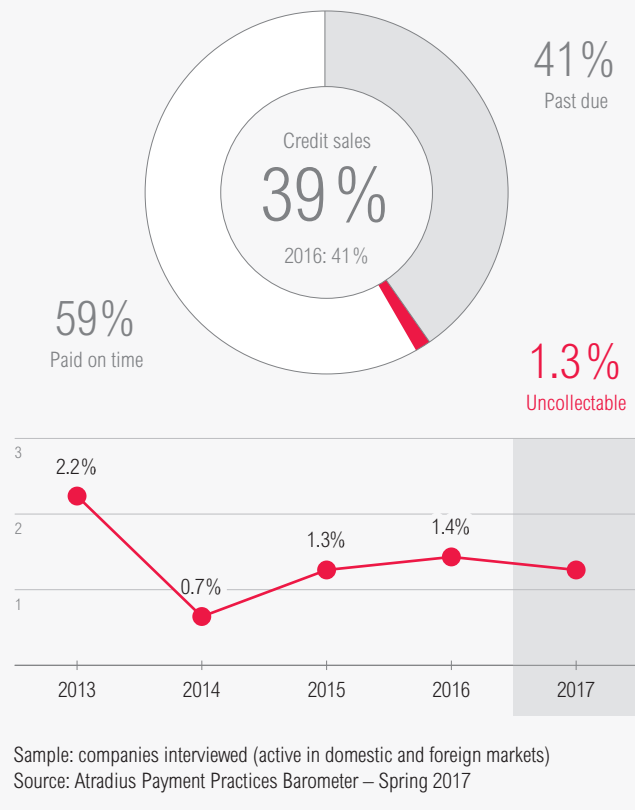
## Protection of business profitability

Around 18% of respondents in Western Europe plan to do more to protect their businesses from the impact of Brexit, the slowdown in Asia and US protectionism.

- Respondents in Western Europe appear to be well aware of the payment default risks that come with selling on credit. 48.3% reported they will continue using their current mix of credit management tools.
- 18% said they will increase their usage of credit management tools, mostly by increasing checks on buyers' creditworthiness (23.5%) and by monitoring buyers' credit risk (19%).
- Increasing checks on buyers' creditworthiness (24.4%), monitoring buyers' credit risk (20.9%) and increasing bad debt reserves (17.2%) were the most frequently mentioned practices employed by respondents in Western Europe to protect their businesses against the impact of Brexit.
- The management tools chosen by the most Western European respondents in respect to the impact of US protectionism were checking buyers' creditworthiness (25.1%) and monitoring buyers' credit risk (22%).
- The slowdown in Asia seems to be the least likely to prompt Western European respondents to increase protection and use of credit management tools.



## Uncollectable B2B receivables in Western Europe (% of total value of B2B receivables)



More information in the [Statistical appendix](#)

## Uncollectable receivables

The proportion of B2B receivables reported by Western European respondents as uncollectable is 1.3%, under the level reported in 2016 (1.4%).

- Domestic receivables were written off as uncollectable slightly more often than foreign ones. However, with the exception of Greece and Italy, the average percentage of uncollectable domestic receivables was around 1% or less in all countries.
- In Greece, the proportion of uncollectable receivables (1.2%) was significantly higher than the regional average. However, it was lower than one year ago (1.8%).
- Uncollectable domestic receivables in Western Europe originated most often in the construction, consumer durables, and business services sectors.
- B2B receivables were reported to be uncollectable mainly because the customer went bankrupt or out of business (58.3%, slightly down from 59.3% in 2016).
- Respondents reported that write-offs were also due to one or more of the following reasons: high costs of pursuing debtors (24.6%), failure of collection attempts (24.3%), debts being too old (23.1%) and the inability to locate the customer (23%).

Read more in the Global Collections Review by Atradius Collections available on 24th October 2017.

## Payment practices by industry

An overall deterioration in payment behaviour is expected by 26% of respondents in Western Europe over the coming 12 months.

- Respondents in Western Europe extended the most lenient payment terms to B2B customers in these sectors: construction materials (39 days from the invoice date), machines, paper and textiles sectors (each with 38 days). The shortest payment terms were granted to B2B customers in financial services (27 days).
- Compared to 2016 (average 20 days), payment terms have been extended significantly for B2B customers in the textile sector (up 18 days). Despite the extended payment terms, customers in the textiles sector take the longest to settle their payments (around 71 days).
- The most frequently cited reason for late payment of invoices was insufficient availability of funds (around 50% of respondents). Customers' intentional use of outstanding invoices for financial advantage (30%) and disputes over the quality of goods (14%) were most often reported by customers in the machines and paper industries.
- Most respondents in Western Europe (58%) don't expect changes in the payment behaviour of their B2B customers over the next 12 months. More respondents (26%) are expecting deterioration than improvement (7.6%) in the payment behaviour of their B2B customers over the same time frame.



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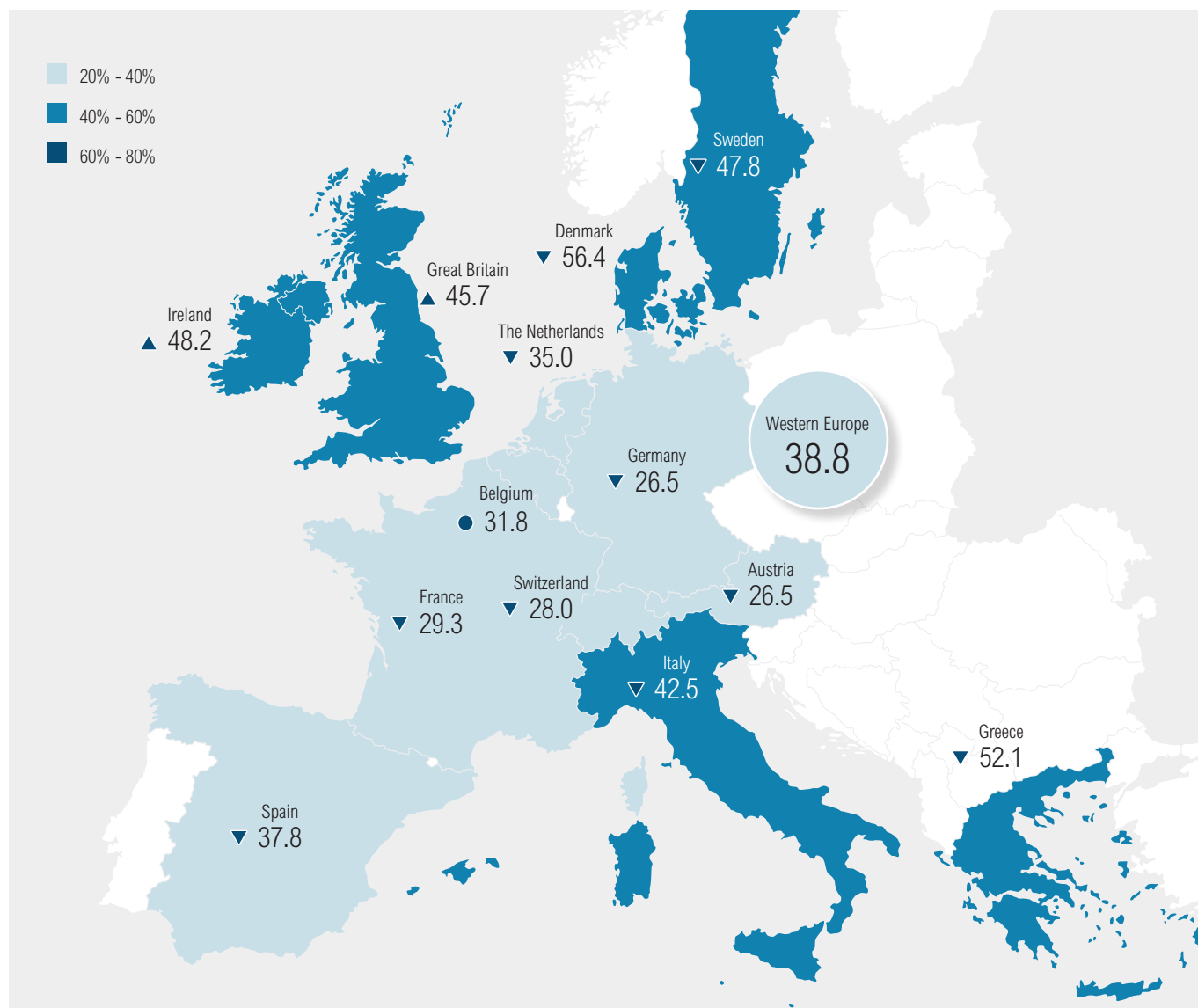
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## Western Europe: proportion of total B2B sales made on credit (domestic and foreign)



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

## By industry / by business size

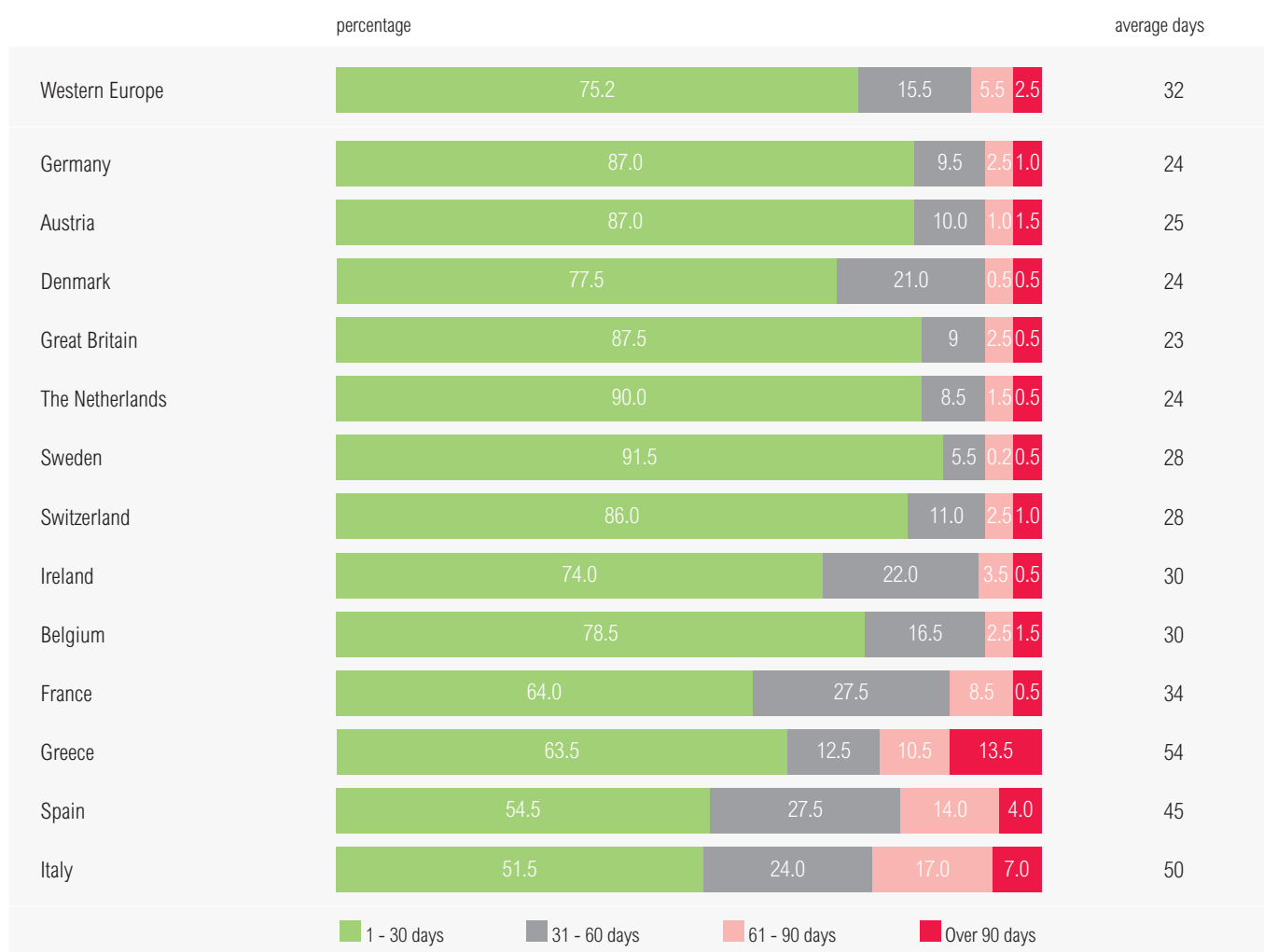
Western Europe	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Domestic	45.9	44.8	39.7	35.8	47.0	44.0
Foreign	39.1	34.0	33.2	30.4	36.0	38.9

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017



## Average payment term recorded in Western Europe (average days – domestic and foreign)



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

## By industry / by business size

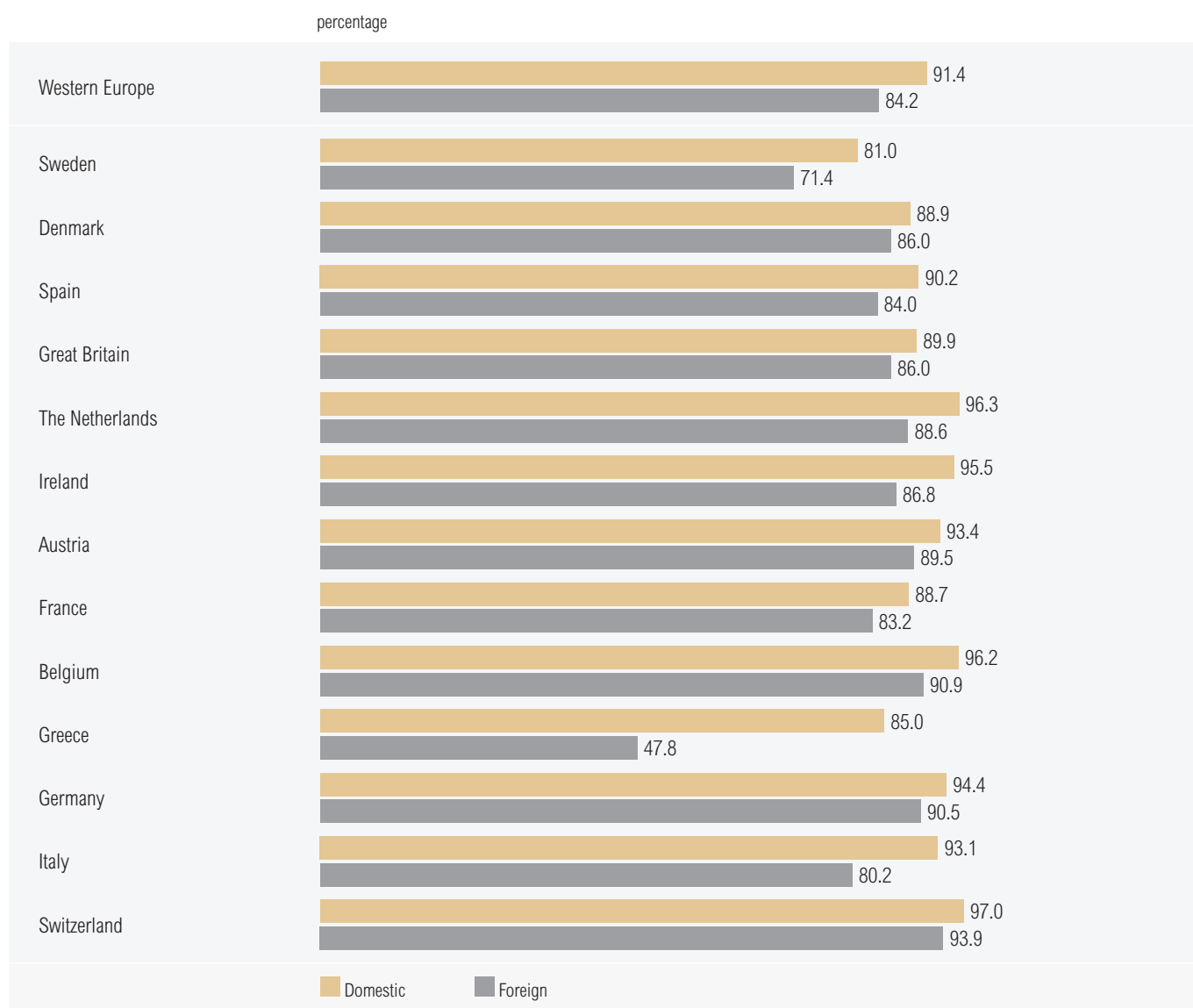
	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
0 to 30 days	65.4%	64.9%	80.5%	83.6%	66.7%	63.9%
31 to 60 days	23.7%	25.3%	14.2%	10.9%	24.2%	26.0%
61 to 90 days	8.5%	5.4%	3.8%	3.7%	6.1%	7.6%
Over 90 days	2.4%	4.4%	1.5%	1.8%	3.0%	2.5%
Average days	36	35	29	28	34	36

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017



## Western Europe: percentage of respondents reporting late payment by B2B customers (domestic and foreign)



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

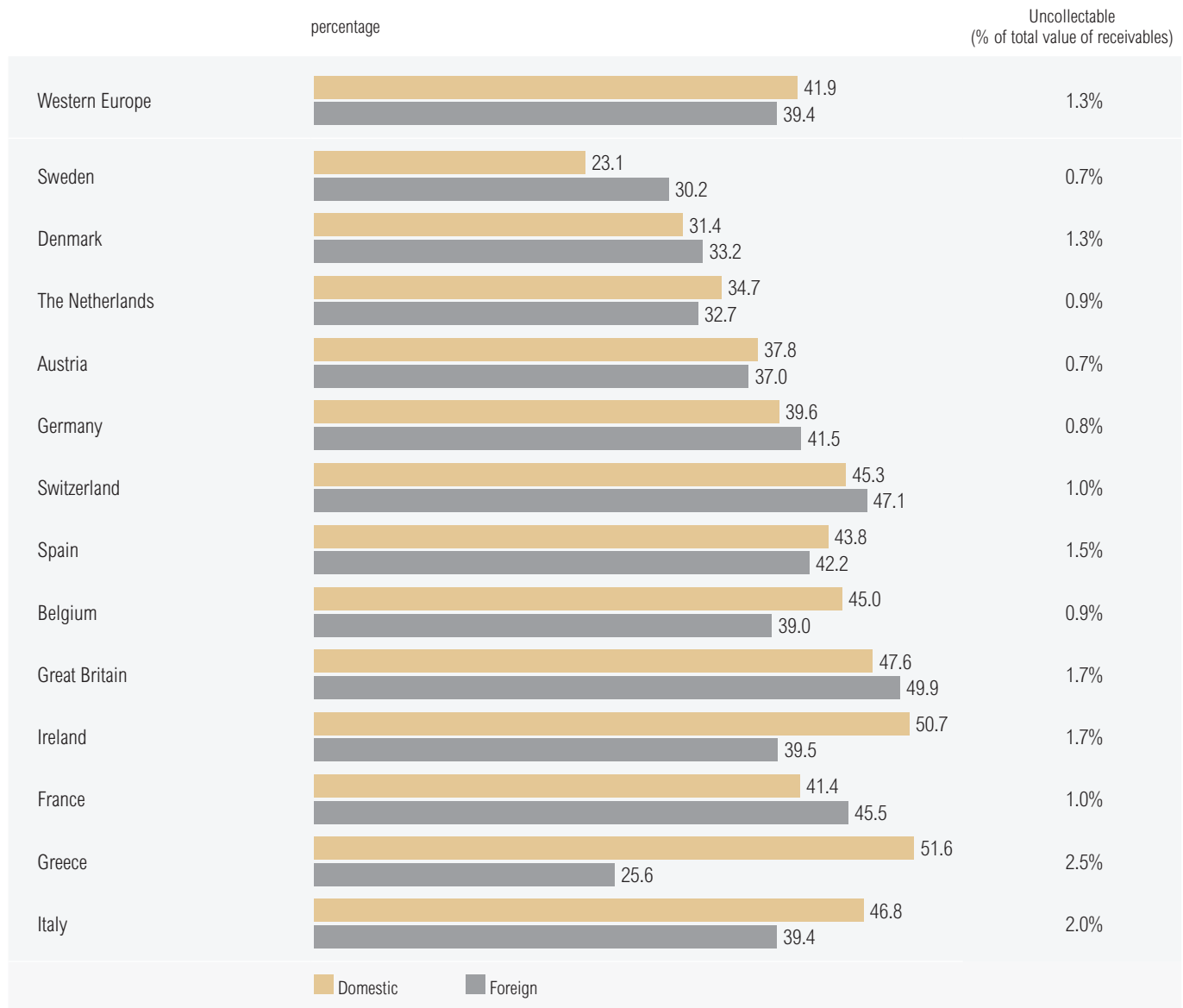
## By industry / by business size:

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Paid on time	7.2%	9.1%	9.4%	13.7%	7.1%	4.7%
Paid late	92.8%	90.9%	90.6%	86.3%	92.9%	95.3%

Sample: companies with customers on credit

Source: Atradius Payment Practices Barometer – Spring 2017

## Western Europe: proportion of domestic and foreign past due B2B invoices



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

## By industry / by business size

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Domestic overdue	44.2%	45.1%	38.2%	36.4%	43.8%	45.2%
Foreign overdue	42.6%	41.4%	35.2%	34.1%	39.9%	43.1%
Domestic uncollectable	1.1%	1.4%	0.8%	0.7%	1.3%	1.0%
Foreign uncollectable	0.4%	0.3%	0.2%	0.1%	0.4%	0.6%

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017



## Western Europe: main reasons for payment delays by domestic B2B customers

	Insufficient availability of funds	Dispute over quality of goods delivered or service provided	Goods delivered or services provided do not correspond to what was agreed in the contract	Complexity of the payment procedure	Inefficiencies of the banking system	Incorrect information on invoice	Buyer using outstanding debts / invoices as a form of financing	Formal insolvency of the buyer (example: liquidation, receivership, bankruptcy)	Invoice was sent to wrong person
Western Europe	52.6%	16.5%	13.3%	18.2%	12.8%	12.2%	28.2%	13.1%	7.5%
Denmark	21.4%	25.3%	11.7%	27.3%	17.5%	10.4%	42.2%	9.1%	7.1%
Sweden	37.2%	11.0%	11.7%	20.0%	12.4%	12.4%	40.0%	5.5%	15.9%
Great Britain	42.7%	20.1%	26.2%	24.4%	20.1%	13.4%	23.8%	9.2%	4.3%
Germany	45.8%	25.1%	17.3%	16.8%	11.2%	15.6%	27.4%	17.3%	5.6%
France	48.4%	19.1%	20.4%	15.9%	13.4%	12.7%	15.9%	14.0%	9.6%
Spain	52.4%	11.3%	12.5%	20.8%	10.1%	16.7%	28.0%	16.7%	8.9%
The Netherlands	52.8%	13.8%	8.8%	18.9%	6.3%	14.5%	35.9%	12.6%	8.8%
Belgium	53.1%	17.2%	14.1%	16.2%	13.5%	18.2%	27.1%	17.7%	7.3%
Austria	56.1%	23.1%	12.1%	15.0%	9.3%	10.4%	31.8%	17.3%	8.1%
Switzerland	56.1%	12.8%	16.5%	20.7%	6.1%	12.8%	21.3%	15.9%	11.6%
Ireland	59.3%	18.1%	13.2%	22.0%	16.5%	13.7%	26.4%	10.4%	9.3%
Greece	75.0%	3.4%	2.0%	9.5%	20.3%	1.4%	28.4%	6.8%	0.7%
Italy	77.7%	12.2%	5.3%	10.6%	10.1%	5.3%	21.8%	14.9%	1.6%

### Industry

Manufacturing	48.7%	24.5%	17.1%	17.4%	13.1%	16.2%	27.2%	12.3%	5.2%
Wholesale / Retail / Distribution	54.1%	17.2%	16.7%	17.0%	12.2%	9.7%	30.1%	10.4%	5.9%
Services	53.9%	11.8%	9.3%	19.3%	12.9%	11.5%	27.7%	15.1%	9.7%

### Business size

Micro- enterprises	58.3%	7.7%	5.7%	15.6%	9.7%	5.4%	29.9%	10.4%	6.3%
SMEs	50.3%	19.7%	16.7%	18.9%	14.3%	14.7%	28.0%	14.0%	7.8%
Large enterprises	47.2%	27.5%	18.8%	23.1%	14.0%	20.5%	24.0%	17.0%	10.0%

Sample: all interviewed companies (active in domestic markets)

Source: Atradius Payment Practices Barometer – Spring 2017

## Western Europe: main reasons for payment delays by foreign B2B customers

	Insufficient availability of funds	Dispute over quality of goods delivered or service provided	Goods delivered or services provided do not correspond to what was agreed in the contract	Complexity of the payment procedure	Inefficiencies of the banking system	Incorrect information on invoice	Buyer using outstanding debts / invoices as a form of financing	Formal insolvency of the buyer (example: liquidation, receivership, bankruptcy)	Invoice was sent to wrong person
Western Europe	34.6%	18.5%	17.0%	30.7%	20.4%	14.9%	24.0%	9.9%	8.7%
Denmark	11.4%	14.0%	19.3%	37.7%	31.6%	16.7%	34.2%	8.8%	7.9%
Sweden	26.0%	15.1%	6.9%	26.0%	26.0%	13.7%	39.7%	2.7%	11.0%
France	29.1%	17.5%	15.5%	26.2%	24.3%	16.5%	17.5%	10.7%	8.7%
Great Britain	31.3%	23.2%	31.3%	35.7%	20.5%	17.0%	19.6%	9.8%	2.7%
Spain	31.8%	22.4%	15.0%	30.8%	10.3%	14.0%	28.0%	6.5%	15.0%
Belgium	34.4%	15.3%	20.6%	31.3%	19.9%	15.3%	29.0%	9.9%	11.5%
Ireland	37.3%	19.8%	13.5%	34.1%	22.2%	16.7%	19.1%	7.9%	10.3%
Germany	37.8%	23.6%	21.3%	27.6%	16.5%	15.8%	26.8%	10.2%	4.7%
The Netherlands	39.8%	17.2%	10.8%	31.2%	19.4%	16.1%	21.5%	10.8%	14.0%
Italy	40.2%	14.5%	12.8%	23.1%	16.2%	8.6%	15.4%	5.1%	5.1%
Switzerland	40.5%	17.2%	19.0%	33.6%	23.3%	16.4%	14.7%	15.5%	8.6%
Greece	43.3%	6.7%	0.0%	40.0%	13.3%	3.3%	23.3%	3.3%	0.0%
Austria	47.3%	22.9%	16.8%	26.7%	18.3%	15.3%	26.7%	18.3%	9.2%

### Industry

Manufacturing	37.6%	21.0%	18.9%	29.2%	18.2%	17.5%	25.9%	10.3%	7.5%
Wholesale / Retail / Distribution	33.3%	22.0%	21.0%	28.5%	19.6%	12.4%	21.8%	10.0%	8.3%
Services	33.1%	14.3%	12.9%	33.1%	22.4%	14.7%	24.0%	9.5%	9.8%

### Business size

Micro-enterprises	38.5%	11.7%	10.2%	27.2%	16.6%	9.4%	20.8%	8.3%	4.5%
SMEs	31.9%	19.0%	17.5%	32.4%	21.6%	15.3%	24.0%	9.5%	10.1%
Large enterprises	41.5%	25.0%	23.5%	27.5%	19.5%	20.5%	28.0%	13.5%	8.0%

Sample: all interviewed companies (active in foreign markets)

Source: Atradius Payment Practices Barometer – Spring 2017



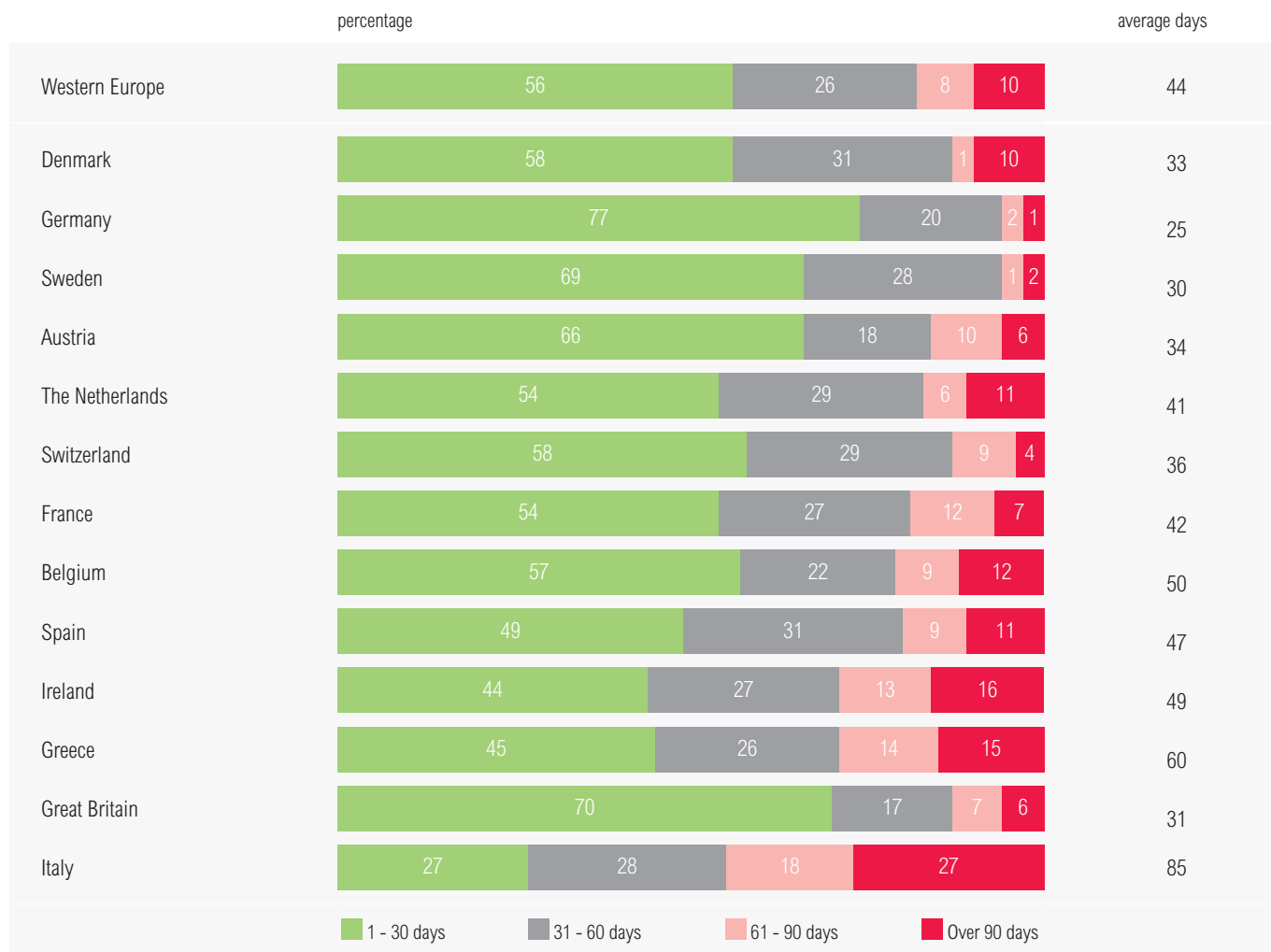


SURVEY DESIGN

SURVEY RESULTS

STATISTICAL APPENDIX

## Average DSO recorded in Western Europe



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

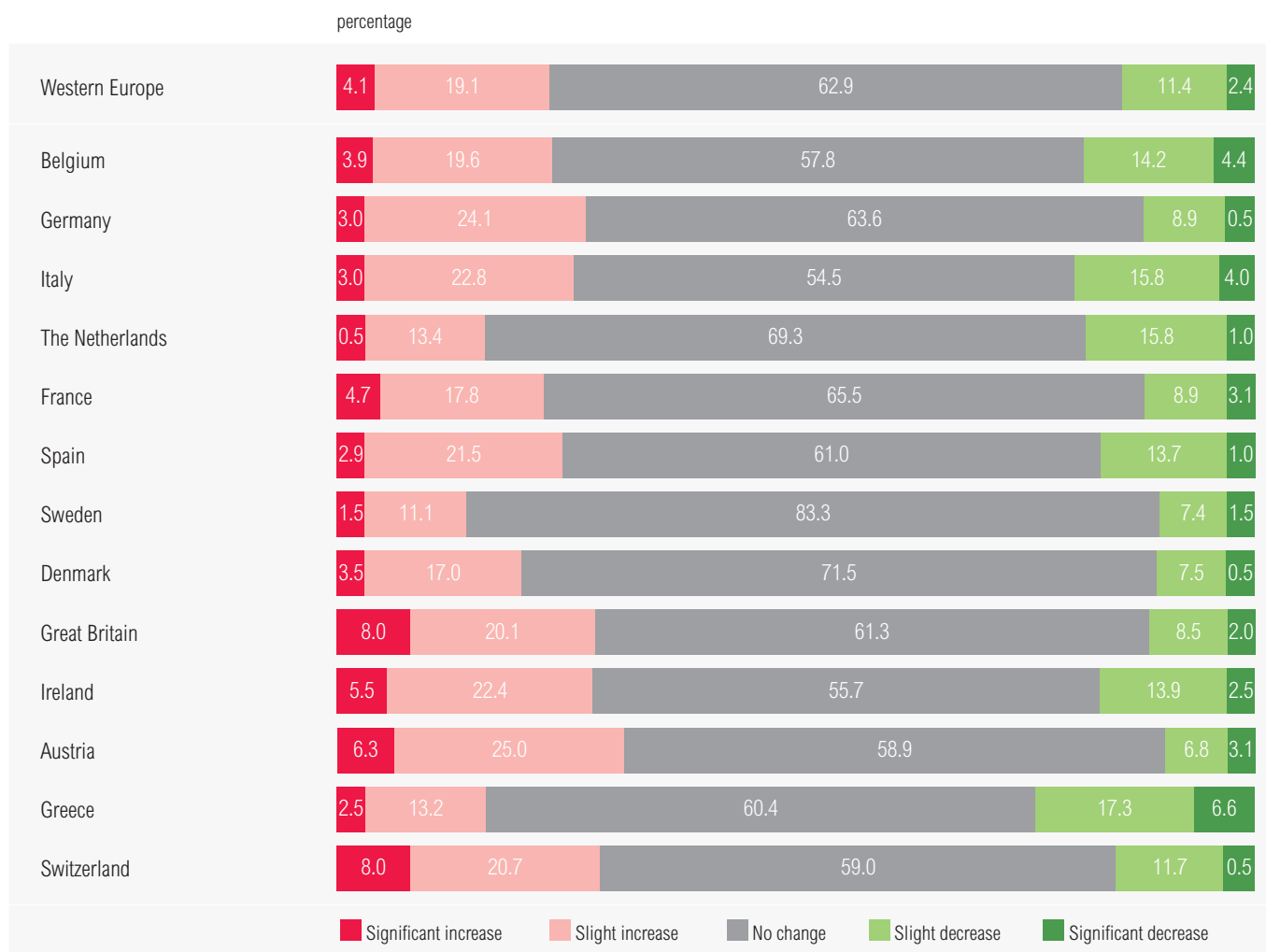
## By industry / by business size

Industry			Business size		
Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
45	48	40	39	45	45

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

## Western Europe: expected DSO trend over the next 12 months



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

## By industry / by business size

	Industry			Business size		
	Manufacturing	Wholesale / Retail / Distribution	Services	Micro-enterprises	SMEs	Large enterprises
Significant increase	5.6%	4.8%	2.8%	2.3%	4.8%	6.4%
Slight increase	20.5%	22.7%	16.4%	14.5%	22.6%	16.7%
No change	59.0%	57.6%	68.0%	71.1%	58.5%	58.3%
Slight decrease	12.7%	11.8%	10.5%	10.0%	11.7%	15.2%
Significant decrease	2.2%	3.1%	2.2%	2.1%	2.5%	3.4%

Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

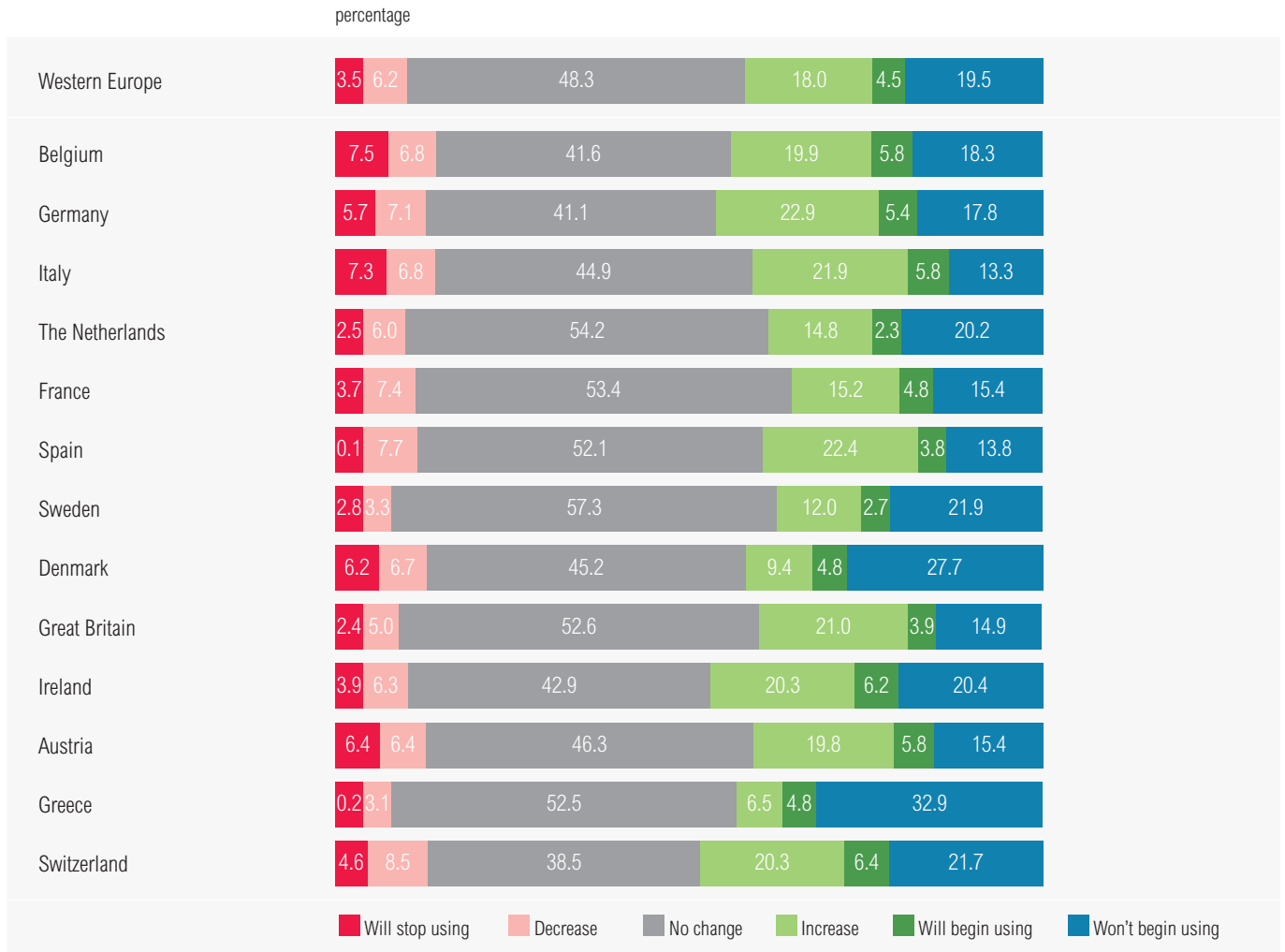


## Western Europe: intention of adjusting credit management practices

SURVEY DESIGN

SURVEY RESULTS

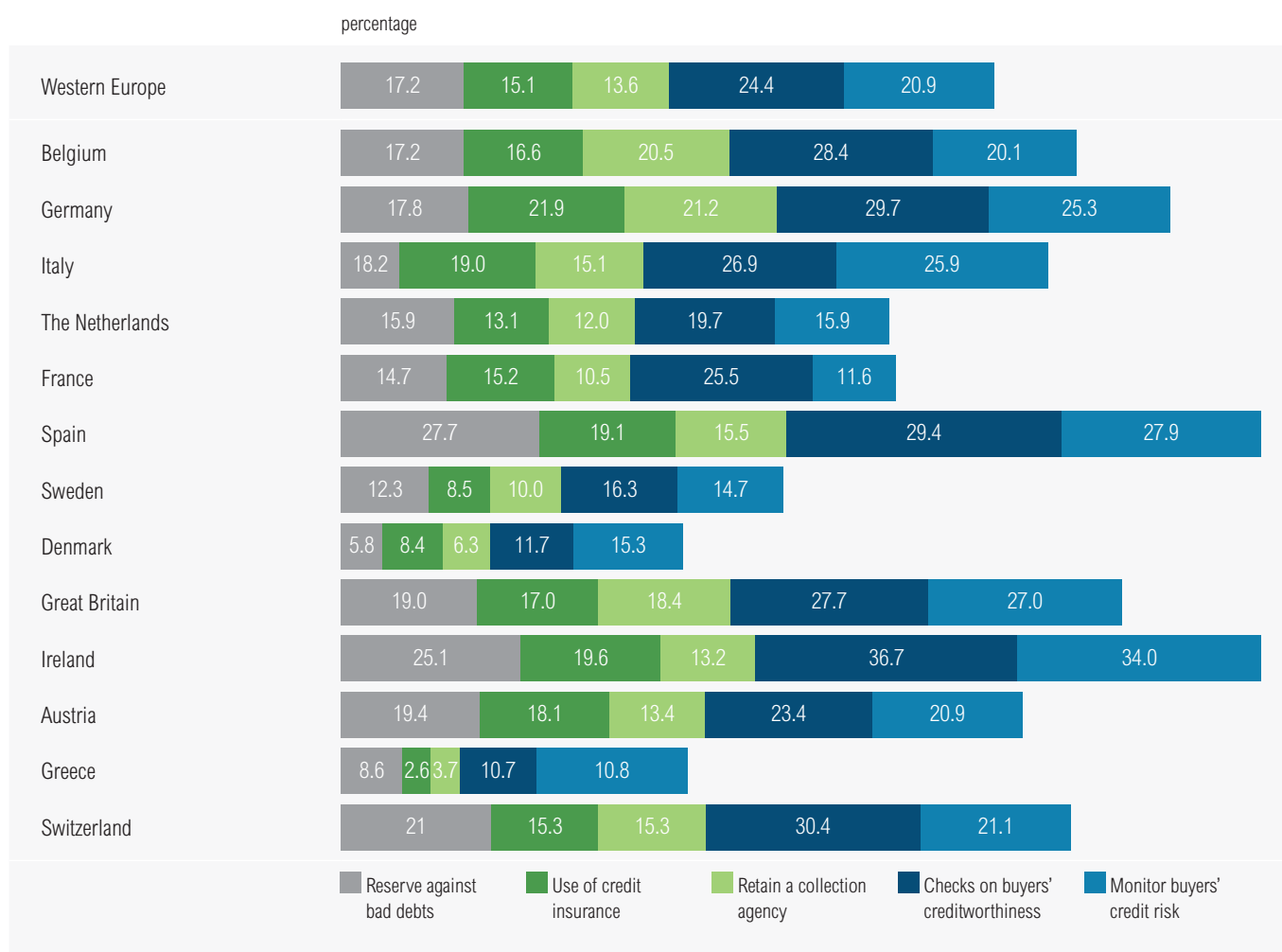
STATISTICAL APPENDIX



Sample: all interviewed companies

Source: Atradius Payment Practices Barometer – Spring 2017

## Western Europe: respondents reporting intention to increase their use of credit management tools to protect themselves against the potential impact of Brexit



Sample: all interviewed companies (active in domestic and foreign markets)

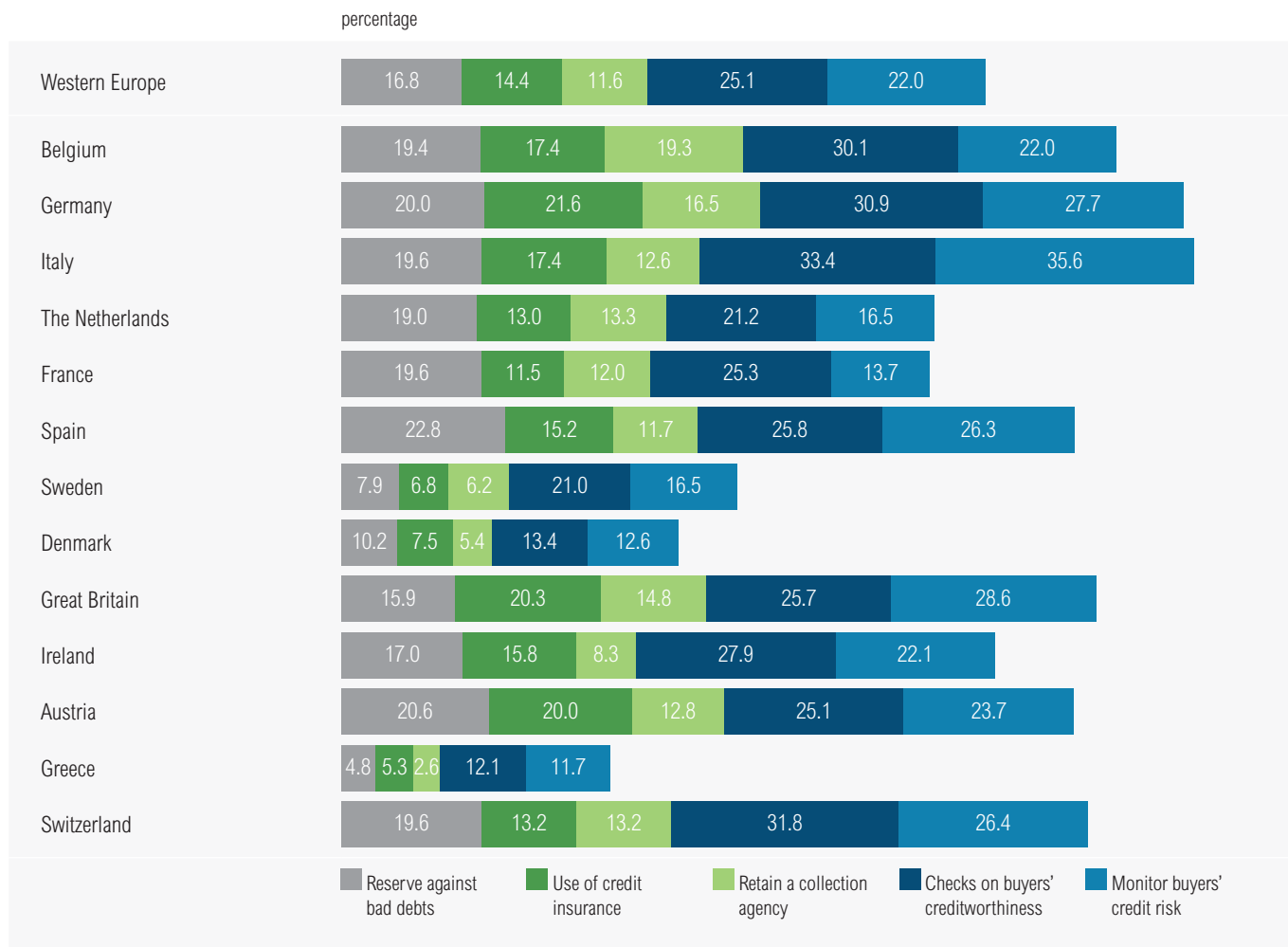
Source: Atradius Payment Practices Barometer – Spring 2017

Find out more about how Atradius can support your [credit insurance](#) requirements.

Find out more about how we can support your [collections](#) requirements in your local market.



## Western Europe: respondents reporting intention to increase their use of credit management tools to protect themselves against the potential impact of US protectionism



Sample: all interviewed companies (active in domestic and foreign markets)

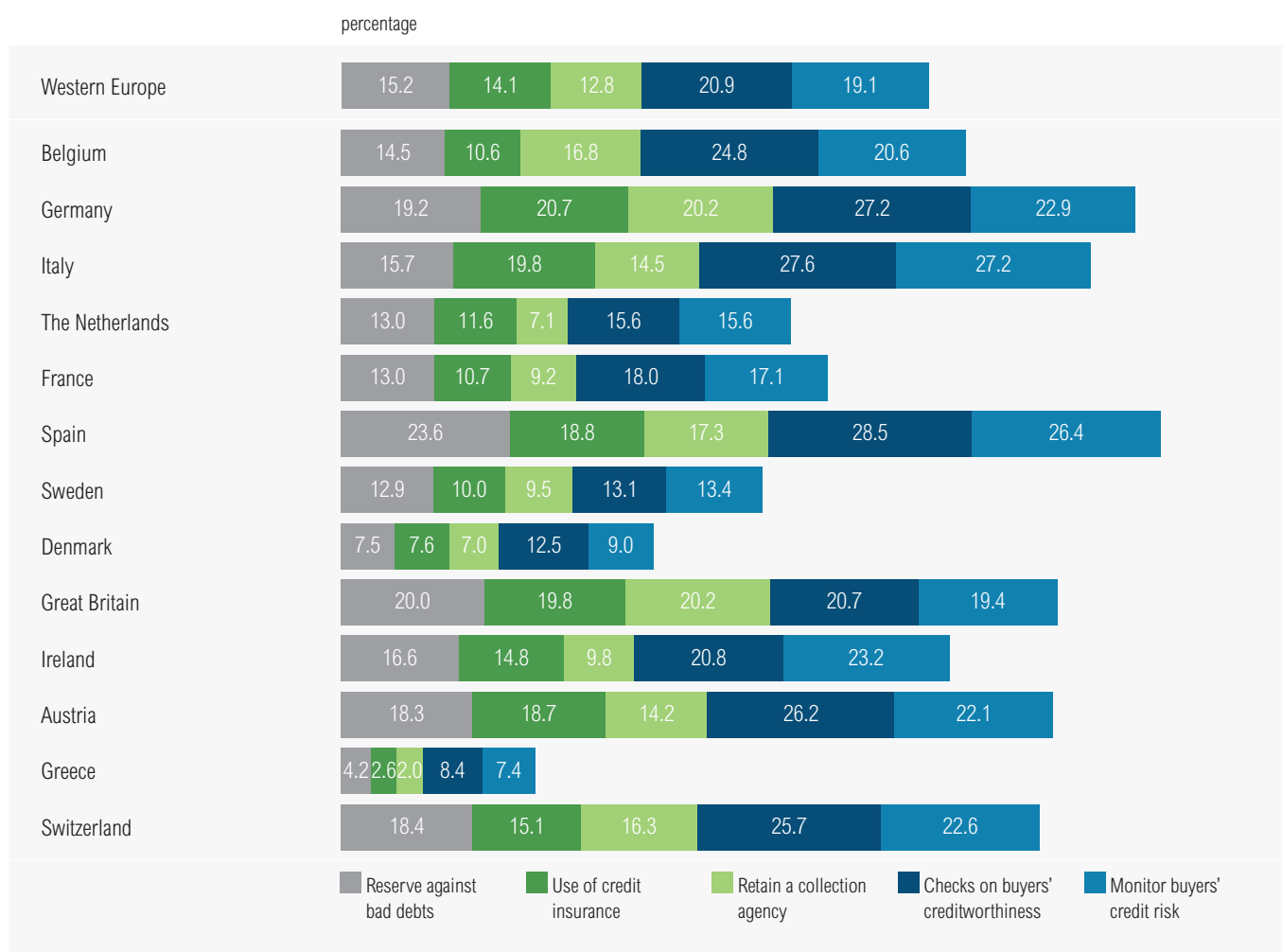
Source: Atradius Payment Practices Barometer – Spring 2017

Find out more about how Atradius can support your [credit insurance](#) requirements.

Find out more about how we can support your [collections](#) requirements in your local market.



## Western Europe: respondents reporting intention to increase their use of credit management tools to protect themselves against the potential impact of the slowdown in Asia



Sample: all interviewed companies (active in domestic and foreign markets)

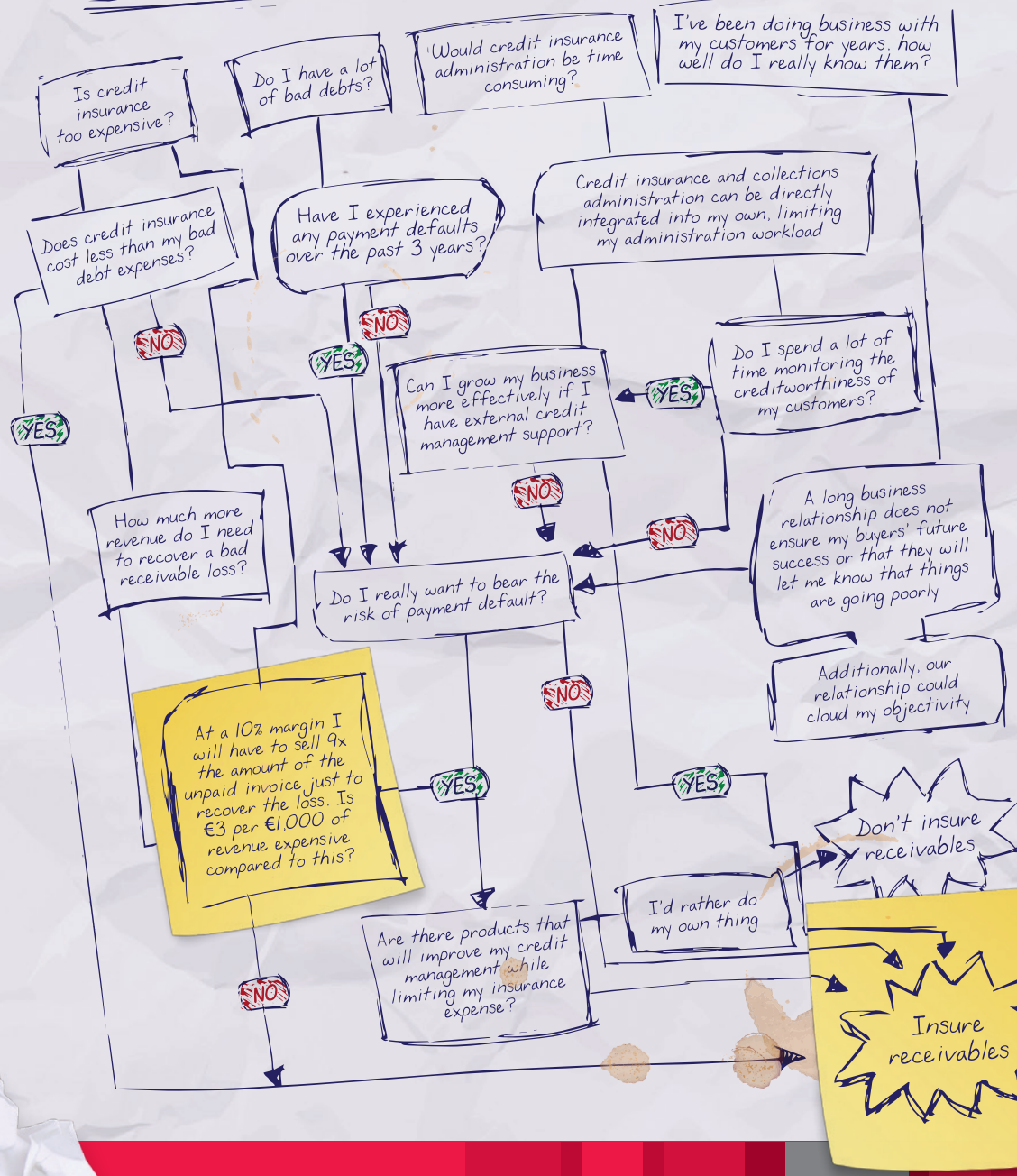
Source: Atradius Payment Practices Barometer – Spring 2017

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# Don't overcomplicate your decision about whether to use credit insurance

## SHOULD I INSURE MY RECEIVABLES?



credit insurance | debt collection | business information

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