



Late payment of bills cuts €37m off profits every day

by Tony Glover

THE British have one of the worst records in Europe for late payment of suppliers, with money owing in the UK amounting to €59.5bn (£40bn, \$76bn).

But although British companies and individuals are among the worst offenders, the problem is endemic across Europe and is even more chronic in Germany, which has the worst record for uncollected debts, accounting for €69bn, equivalent to that of the UK and the Netherlands, the other two worst offenders, combined.

A survey of Europe's top 1,000 publicly quoted companies due to be released this week by business advisory firm the Customer Value Group, reports that €37m in profits evaporates every day as 24% of outstanding invoices go unpaid and uncollected.

The UK is the third worst country in Europe for non-payment. British business have an average wastage of 28% of accounts receivable in the form of unpaid overdue invoices, with France and Spain the best-performing of Europe's largest economies.

Of the top eight economies, only Germany (32%) and Holland (37%) have worse figures. Throughout the whole of Europe, the most efficient country for debt collection is Austria and the worst is Norway (40%). The worst sector for unpaid bills is utilities, with €27bn of overdue debt across Europe. Of this, €16.2bn is in dispute or at risk of dispute.