

Atradius Payment Practices Barometer

# B2B payment practices trends United Kingdom 2025



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## About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **the United Kingdom**.

The survey was conducted between the end of Q1 and the beginning of Q2 2025. The findings should therefore be viewed with this in mind.



# B2B payment practices trends

## Payment delays a major concern amid perfect storm of financial challenges

The payment behaviour of business-to-business (B2B) customers in the United Kingdom has remained largely unchanged in recent months, with payment delays still widespread across the market. 51% of B2B invoices are currently overdue, the consumer durables sector impacted in particular. Bad debts account for 7% of all B2B invoices, continuing to strain the financial health of companies, notably in the agri-food industry.

In response to the continuing issue of payment delays, UK businesses have scaled back the amount of credit offered to B2B customers, which now accounts for 49% of all B2B sales. Alongside this, more than half of companies in our survey have adjusted payment terms for customers. Slightly more flexible payment conditions are evident in the consumer durables sector, a move designed to retain customer loyalty, while the agri-food industry has shortened payment terms, acting prudently to mitigate the risk of bad debts. These adjustments in trade credit policies mean 60% of UK companies have reduced volatility in Days Sales Outstanding (DSO). While this has eased liquidity pressure, transport businesses report they have not been able to unlock cash from receivables as quickly as hoped. Our survey found consistent levels of Days Payables Outstanding (DPO), although this is challenging in the consumer durables sector. To bridge liquidity gaps, three in five UK businesses, primarily in the consumer durables industry, turn to bank loans. Agri-food companies rely mainly on supplier credit to plug cash flow gaps.

To mitigate payment risks associated with B2B trade, around half of UK businesses combine internal provisions with outsourced risk management. This approach is particularly common in the consumer durables sector. The remainder are almost evenly split between those relying primarily on outsourced credit management, mainly in the agri-food industry, and those preferring internal provisions, a strategy more prevalent in the transport sector. This varied approach reflects the broader liquidity challenges faced in today's volatile trading environment and an almost perfect storm of financial challenges.

Key figures and charts on the next page



# Key figures and charts

## United Kingdom

% of the total value of B2B invoices paid on time, overdue and bad debts

(change vs. 2024)



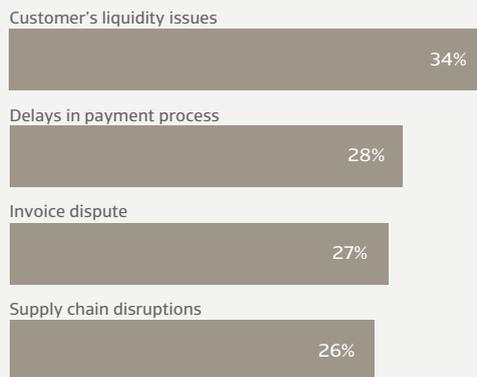
Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025

## United Kingdom

What are the top 4 reasons your B2B customers pay invoices late?

(% of respondents - multiple response)



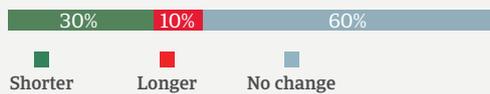
Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025

## United Kingdom

% of respondents reporting changes in Days Sales Outstanding (DSO)\* over the past 12 months

(% of respondents)



\*average amount of time to collect payment after a sale

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025

## United Kingdom

What are the main sources of financing that your company used during the past 12 months?

(% of respondents - multiple response)

- 58% Bank loans
- 57% Trade credit
- 50% Invoice financing
- 50% Internal funds

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025





# Looking ahead

## Widespread mood of uncertainty as companies face liquidity pressures

The outlook on insolvency risk varies notably across industries in our survey of UK companies. Agri-food businesses express the greatest uncertainty, while there is a more balanced mood in the transport sector and some optimism in the consumer durables industry. However, the unpredictable economic and trading landscape, along with the volatility of input costs and demand trends, could increase the financial vulnerability of companies in the months ahead. Uncertainty clearly extends to key areas of working capital management. Many businesses are unsure about the outlook for Days Sales Outstanding (DSO), and there is a general sense that inventory turnover will not improve significantly.

Companies are also increasingly worried that suppliers will demand quicker payments to ease their own liquidity strain, reinforcing concerns about financial vulnerability. Mixed views are expressed about expectations for sales demand and profit margins. A confident mood is found in the consumer durables sector amid anticipation of resilient consumer spending. The agri-food and transport sectors show more caution, reflecting ongoing financial pressures and a heightened focus on cost control and liquidity management. These differences underscore the growing difficulty in forecasting demand, planning production, and allocating resources amid volatile B2B trading conditions. Other concerns are also evident, with the agri-food sector anxious about ongoing geopolitical developments, particularly those affecting trade flows and sustainability requirements. Rising production input costs are the primary concern for consumer durables companies, while increased regulatory demands are placing additional strain on the transport industry.

Amid an unpredictable economic landscape nearly 80% of UK businesses report they are planning to rely on both internal provisions and outsourced credit management. This combined approach suggests a high awareness of payment risk and a need for robust financial protection. Sector-specific strategies vary, with consumer durables companies most proactive and diversified in their risk management strategies. Transport businesses anticipate growing reliance on outsourced payment risk management, while the agri-food sector is more inclined towards adopting hybrid risk mitigation approach.



# Key industry insights

## Agri-food

Most UK companies in the agri-food sector report an increase in sales made on credit compared to the previous year, with 52% of sales to B2B customers now transacted on credit. Payment terms have remained mostly unchanged, but when adjustments are made, they tend to be more relaxed. Our survey found that 47% of B2B invoices are overdue, while bad debts affect an average 10% of B2B invoices, signalling ongoing collection issues. Against this backdrop, managing working capital remains a particular challenge, with slow-moving inventory and difficulty in freeing up cash from receivables.

To ease liquidity, many companies delay supplier payments, although, over-reliance on this strategy risks damaging supplier relationships. While supplier credit is crucial for bridging liquidity gaps, businesses must balance its use to avoid long-term negative impacts. Looking ahead, 43% of companies expect insolvency risk to increase amid economic uncertainty and geopolitical developments affecting trade and supply chains. Environmental concerns are prompting companies to adopt sustainability practices, but these initiatives also add to financial strain. To mitigate risks, businesses plan on adopting a hybrid approach to payment risk management, combining internal provisions and outsourced credit management strategies, indicating a more risk-averse approach to future financial challenges.

### United Kingdom - Agri-food

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025



# United Kingdom - Agri-food

## Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

43%

Trade credit

36%

Bank loans

34%

Internal funds

30%

Invoice financing

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

43%

Increase

37%

Remains as current

20%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

50%

Ongoing geopolitical developments

49%

Sustainability practices

47%

Increasing regulations

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom - 2025





# Key industry insights

## Consumer durables

With nearly 50% of their B2B sales made on credit, UK consumer durables businesses have become more cautious in offering credit in recent months. Alongside this shift, most companies have kept payment terms unchanged, opting for consistent payment policies. While the proportion of late payments has remained stable, affecting 54% of B2B invoices, companies report a decrease in bad debts. This suggests better collection efficiency, which is also reflected in a noticeable improvement in Days Sales Outstanding (DSO). The change helps offset the challenge of cash flow constraints caused by slow-moving stock, which otherwise prevents freeing up of cash.

At the same time, however, many suppliers are requesting quicker payments to mitigate their own liquidity risks. This creates additional pressure on businesses, requiring them to bridge liquidity gaps, often through bank borrowing or supplier credit, while still maintaining strong supplier relationships. Looking ahead, companies in this sector are concerned about rising production input costs, which affect operational and investment decisions. As part of their risk mitigation strategy, many plan to increase reliance on internal provisioning. Outsourcing credit management is also on the rise, though, as businesses seek more flexibility in the face of economic uncertainty.

### United Kingdom - Consumer durables

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)

Managing volatility of financing costs

34%

Handling economic shifts impacting customer payment

34%

Cash flow disruptions

30%

Maintaining customer relationships

29%

Balancing customer terms with financial stability protection

26%

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025



# United Kingdom - Consumer durables

## Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

83%

Bank loans

73%

Trade credit

73%

Internal funds

69%

Invoice financing

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

10%

Increase

84%

Remains as current

6%

Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

57%

Rising production input costs

49%

Sustainability practices

43%

Ongoing geopolitical developments

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom - 2025





# Key industry insights

## Transport

Our survey finds that nearly half of B2B trade in the transport sector is transacted on credit, and that most businesses have kept payment terms unchanged. In some cases, these terms were relaxed and used as part of a strategy to maintain strong customer relationships and support ongoing sales, particularly in the face of a challenging business environment. Overdue invoices remain a significant concern, however, with nearly half of B2B sales on credit affected by payment delays. Bad debts account for 6% of total B2B sales on credit. Companies have responded with more efficient collection strategies, which has reduced fluctuations in Days Sales Outstanding (DSO). Slow-moving inventory remains a challenge, tying up liquidity, but despite this, businesses have kept supplier payment cycles at the same pace, reflecting a strategic effort to avoid disruptions to supply chains.

This approach increases reliance on external financing tools to manage liquidity challenges, and companies look to bank loans, trade credit, and invoice financing. Internal provisions continue to be the preferred payment risk mitigation strategy, but companies are increasingly considering outsourcing credit management due to rising concerns about regulatory compliance. Looking ahead, companies foresee an increase in insolvency risks among B2B credit customers due to unpredictable economic conditions.

### United Kingdom - Transport

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)

Cash flow disruptions

40%

Maintaining customer relationships

33%

Balancing customer terms with financial stability

33%

Assessing customer creditworthiness

30%

Late payments

30%

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom – 2025



# United Kingdom - Transport

## Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

**56%**  
Bank loans

**54%**  
Trade credit

**53%**  
Invoice financing

**41%**  
Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

**40%**  
Increase

**57%**  
Remains as current

**3%**  
Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

**57%**  
Increasing regulations

**49%**  
Growing competitive pressure

**47%**  
Cybersecurity threats

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United Kingdom - 2025





# Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer.

## Sample overview – Total interviews = 210

Business sector	Interviews	%
Manufacturing	99	47
Wholesale trade	33	16
Retail trade/Distribution	66	31
Services	12	6
<b>TOTAL</b>	<b>210</b>	<b>100</b>
Business size	Interviews	%
SME: Small enterprises	35	17
SME: Medium enterprises	71	34
Medium Large enterprises	81	39
Large enterprises	23	11
<b>TOTAL</b>	<b>210</b>	<b>100</b>
Agri-food	70	33.3
Consumer durables	70	33.3
Transport	70	33.3
<b>TOTAL</b>	<b>210</b>	<b>100</b>

## Survey scope

- Basic population: Companies from United Kingdom were surveyed and the appropriate contacts for accounts receivable management were interviewed.
- Sample design: The Strategic Sampling Plan enabled us to perform an analysis of country data crossed by sector and company size.
- Selection process: 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=210 people were interviewed in total. A quota was maintained according to four classes of company size.
- Interview: Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration.
- The survey was conducted between the end of Q1 and the beginning of Q2 2025.  
The findings should therefore be viewed with this in mind.

This is part of the 2025 edition of the Atradius Payment Practices Barometer available at

<https://group.atradius.com/knowledge-and-research>



# Interested in finding out more?

Please visit the [Atradius](#) website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers. For the United Kingdom [atradius.com.uk](#).

To find out more about B2B receivables collection practices in the United Kingdom and worldwide, please visit [atradiuscollections.com](#).

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