

EOS Survey 'European Payment Practices' 2017 Can't or won't: Why customers don't pay

Reasons for payment delays by consumers in Europe:

Short-term cash flow issues / Excessive debt / Forgetfulness / Wilful intent

Hamburg, 7 August 2017 – In Europe, personal predicaments continue to be the main reason for payment delays and defaults. Most customers who fall behind with payments have a short-term cash flow problem (66 per cent) or excessive debt, or have declared themselves bankrupt (52 per cent). This is one of the findings of the EOS survey 'European Payment Practices' 2017, which was conducted this year for the tenth time (Kantar TNS, formerly TNS Infratest).

However, the percentage is surprisingly high in the case of what is an avoidable problem: 49 per cent of the companies polled believe that their customers pay late or don't pay at all due to sheer forgetfulness. Klaus Engberding, CEO of the EOS Group, takes a differentiated view: 'We basically assume that the majority of consumers would like to pay their bills on time, but often simply cannot due to short-term or long-term problems. If the fridge breaks down for example, or the car that you need for your daily journey to work, then these purchases take priority. Other bills then have to be paid a little later if possible, and so they get forgotten. What is worrying, on the other hand, is when customers are intentionally not paying their invoices – because that is fraud.'

Wilful intent as a reason for unpaid bills is not uncommon throughout Europe: 38 per cent of the European companies surveyed complain about wilful non-payment in the B2C segment, while in the B2B segment the figure is 34 per cent. Anyone who deliberately ignores their invoices is liable to prosecution: 'Intentional non-payment – for example when buying on account online or deliberately deferring payment instalments – meets the criteria for the crime of fraud and is not a trivial offence', explains the CEO.

Germany has lowest incidence of wilful non-payment / More common in Eastern Europe than in Western Europe

Only 10 per cent of companies in the Federal Republic complain about wilful non-payment in the B2C segment. At European level, Eastern European companies are much more likely than Western European firms to complain that consumers deliberately do not pay their bills. A total of 41 per cent regard themselves as having been fraudulently deprived of revenue (34 per cent in Western Europe). At the bottom of the rankings in this respect are Romania (50 per cent), Greece (45 per cent) and the Czech Republic (42 per cent). In Western Europe, Belgian (43 per cent), Austrian (41 per cent) and French companies (40 per cent) report the highest numbers of deliberate non-payers.



About the EOS survey: 'European Payment Practices'

In the spring of 2017, in partnership with independent market research institute Kantar TNS (formerly TNS Infratest), EOS surveyed 3,200 companies in 16 European nations about the prevailing payment practices in their respective countries. 200 companies in each of the countries Germany, UK, Spain, France, Belgium, Austria, Switzerland, Romania, Czech Republic, Croatia, Hungary, Bulgaria, Slovakia, Poland, Russia and Greece answered questions about their own payment experiences, economic developments in their countries and issues relating to risk and receivables management. Further results from the survey can be found online at: www.eos-solutions.com/paymentpractices2017/wilfulintnt

The EOS Group

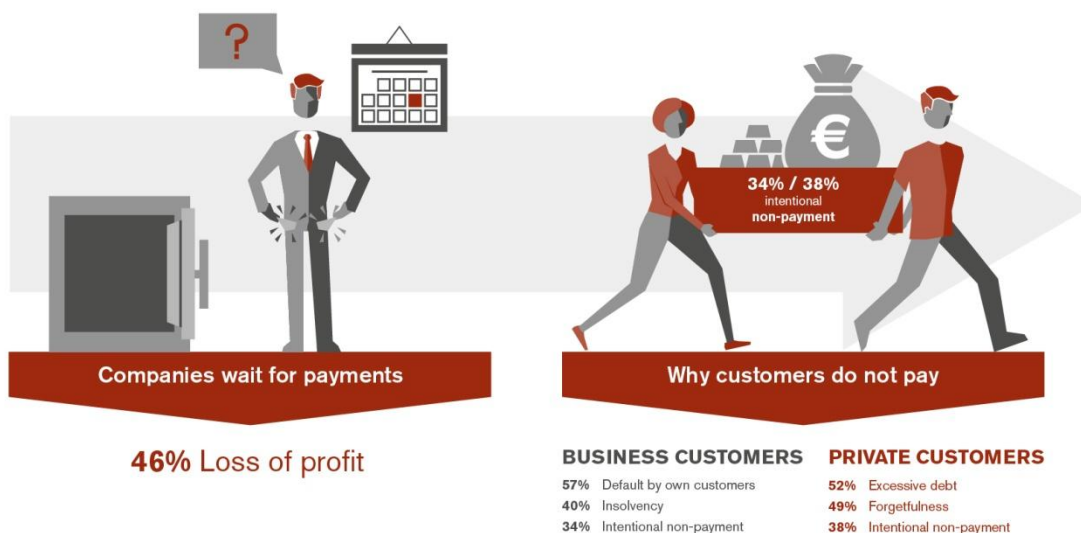
The EOS Group is one of the leading international providers of customised financial services. Its main focus is on receivables management covering three key business segments: fiduciary collection, debt purchase and business process outsourcing. With around 7,000 employees and more than 55 subsidiaries, EOS offers some 20,000 clients in 26 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. For more information please visit: www.eos-solutions.com.

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Unable to or don't want to: many customers intentionally do not pay



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