

Atradius Payment Practices Barometer

B2B payment practices trends United Kingdom 2026



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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 2026 and remained open for a few days after the onset of the Middle East geopolitical tensions, allowing respondents to reflect on potential impacts as they completed the questionnaire. The findings should therefore be viewed with this context in mind.



B2B payment practices trends

Economic uncertainty shapes UK B2B payments

UK companies continue to use trade credit cautiously as they navigate a fragile economic landscape marked by high finance costs, uneven demand and persistent cost pressures. Around 68% of B2B sales are made on credit, an increase during recent months, and now 16 percentage points above the West European average. This gap reflects a deliberate balancing act by UK firms, the expansion of trade credit being a measured trade-off between supporting growth and managing risk.

Trade credit decisions are shaped by the current volatile economic and trading environment amid severe geopolitical uncertainty and softened global demand. Despite an easing of inflation, liquidity conditions are tight and cost pressures remain an issue. Business failures continue to be high in the UK, particularly among smaller firms in construction, trade and consumer-facing sectors. This means the risk associated with customer failure has become more acute. In this challenging environment most UK companies continue to anchor payment terms at about 30 days. However, they are far less likely than those in Western Europe to move from short to longer terms, with extensions relatively uncommon. Trade credit in the UK thus remains closely managed, with firms seeking to preserve control rather than absorb additional structural risk.

Late payments remain a problem in the UK, although less severe than across Western Europe. Around two thirds of UK businesses report delayed payments from B2B customers, compared with more than three quarters across the region. These delays affect about 25% of invoiced B2B turnover in the UK, slightly below the Western European benchmark. UK firms tend to collect payments faster than in Western Europe, keeping average Days Sales Outstanding lower. Another difference, however, is that when payments fall behind in the UK they are more likely to drift into long-term overdue. UK companies report bad debt losses of up to 2% of B2B invoices, largely driven by customer insolvency. Western Europe has slower collection at mid-range overdue stages, but fewer very long delays. The result is a different risk profile rather than a lower one.

The impact of payment behaviour on working capital also diverges. Our survey shows Western European companies are far more likely to scale back investment in growth or innovation as a direct response to late payment. Reliance on external financing follows a similar pattern, with significantly more firms in Western Europe reporting increased dependence on third party funding. While working capital stress is present among UK companies it remains less pervasive.

UK firms continue to rely heavily on active credit management to control payment risk, including close monitoring of customers, digital reminders and early payment incentives. Credit insurance plays a role, but is used less extensively than in Western Europe, where companies tend to combine internal controls with broader risk transfer.

[Key insights on the next page](#)



Key insights

United Kingdom

Payment behaviour of B2B customers (12 months)

Exposure clusters: reported level of B2B invoices paid late by percentage of respondents

0%
B2B invoices paid late

34%

Respondents

1% - 30%
B2B invoices paid late

39%

Respondents

31% - 60%
B2B invoices paid late

17%

Respondents

61% - 100%
B2B invoices paid late

10%

Respondents

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026

Top 4 reasons B2B customers pay invoices late

% of respondents - multiple response

Customer cash flow issues

51%

Banking delays

26%

Internal approval delays

23%

Complex payment process

17%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026

Breakdown of past due payments

% of past due invoices by payment timing

<30 days

73%

Respondents

31-60 days

14%

Respondents

61-90 days

7%

Respondents

> 90 days

6%

Respondents

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026

Reported bad debts

% of respondents - bad debts levels

<1% bad debts

67%

Respondents

1% - 2% bad debts

17%

Respondents

2% - 5% bad debts

8%

Respondents

> 5% bad debts

8%

Respondents

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026

Top 4 impacts of customer payment risk on working capital

% of respondents - multiple response

Reduced liquidity headroom

34%

Struggle with cash flow planning

22%

Higher financing needs

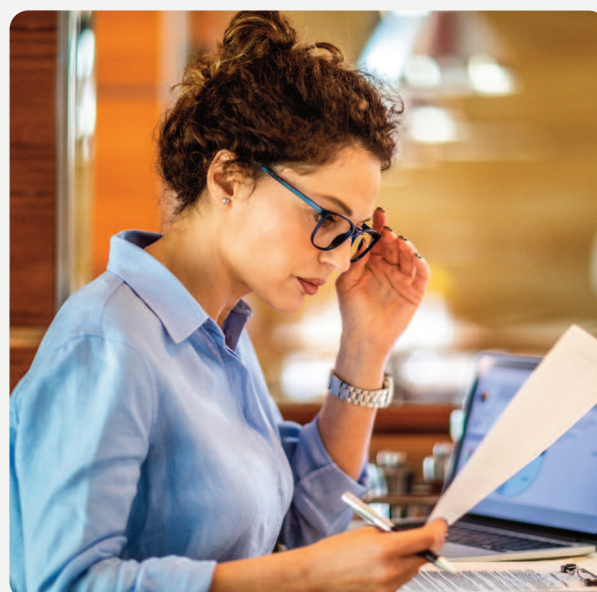
15%

Face higher capital costs

15%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026





Looking ahead

Inflation swings weigh on UK business confidence

UK businesses approach the coming months with little momentum and facing rising pressure. The Middle East conflict is adding an energy shock to an already fragile economy, pushing inflation higher and forcing the Bank of England to stay cautious. With rate cuts delayed into late 2026 or early 2027, businesses face higher costs for longer. There are also limited expectations of change in B2B payment behaviour, which reflects ongoing restraint rather than renewed confidence. While most UK firms do not see any meaningful change in B2B payment behaviour, views on any potential change are evenly split between optimism and caution. This contrasts with Western Europe, where downside risks dominate sentiment, reflecting weaker confidence in the global economic and trade landscape.

Survey findings show that UK businesses focus concern closer to home, with domestic cost pressures and finance conditions shaping their expectations. The domestic macroeconomic backdrop remains challenging. Growth has stayed modest, demand is fragile, and cost pressures ongoing. Inflation is anticipated to stay elevated, operating costs are higher and interest rates continue to weigh heavily, all of which keeps working capital stretched. For many firms this has translated into tighter cash buffers at a time when payment risk remains stubbornly high.

This pressure is underlined by an expectation among companies in the UK that current high levels of insolvencies will persist, at least in the short term. The construction and wholesale trade sectors account for the highest share of failures as they face a combination of soft demand, rising input costs and structurally thin margins. A minority predicts a rise in insolvencies, while the remaining respondents do not have a clear-cut opinion. There is a similar lack of optimism about the prospects for profitability, with UK businesses expressing reduced confidence in their ability to protect margins. Concerns around erosion are markedly stronger than in Western Europe. With less financial headroom, companies have limited capacity to absorb late or missed payments. Western European firms appear better positioned, despite similarly modest growth prospects.

Companies in both the UK and Western Europe identify economic conditions as the primary threat to B2B payments. UK firms focus more strongly on cost inflation, financing strain and sector specific downturns. This aligns with insolvency concentrations in construction and wholesale trade, highlighting internal market stress. Western Europe assigns greater weight to geopolitical and market related risks. Cross border exposure, policy uncertainty, and global trade landscape feature more prominently. Payment risk across the region stems less from domestic fragility and more from external shocks.

Key insights on the next page



Key insights

United Kingdom

Top 3 risks businesses expect to shape B2B payments (next 12 months)

% of respondents - multiple response

#1 | Cost pressures on the business

#2 | Economic slowdown

#3 | Interest rates volatility

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026



Expected insolvency risk outlook (next 12 months)

% of respondents

Stay elevated
54%

Rise further
23%

Not sure
23%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer United Kingdom – 2026

Selling on credit remains essential in UK B2B trade, but it is used with tight control rather than confidence. High financing costs and elevated insolvency risk mean payment failures can quickly strain cash flow. UK firms therefore deploy trade credit selectively to support growth while protecting liquidity, a balance that remains fragile amid ongoing economic and geopolitical uncertainty.



Survey design

Sample overview – Total interviews = 210

| Business sector | % of respondents |
|-----------------|------------------|
| Industry | 20% |
| Construction | 20% |
| Trade | 20% |
| Services | 40% |
| TOTAL | 100 |

| Business size | % of respondents |
|-----------------------------|------------------|
| Micro <10 employees | 38% |
| SME 10-49 employees | 26% |
| SME 50-249 employees | 20% |
| Large 250 or more employees | 16% |
| TOTAL | 100 |

Survey methodology

We updated our panel to better reflect the market structure across activities and size classes. Additional details on the survey sample design can be found in the statistical appendix. For this edition, comparisons with previous reports are not possible, with annual variation captured only through respondent feedback.

Survey scope

Population: Companies in United Kingdom were surveyed, with interviews conducted with the appropriate contacts responsible for accounts receivable management.

Sample design: The Strategic Sampling Plan enabled analysis of United Kingdom data by sector and company size.

Selection process: Companies were contacted via an international internet panel, and respondents were screened for role and quota control at the start of the interview.

Sample: A total of 210 businesses participated, with quotas maintained across four company size categories.

Interview method: Computer-Assisted Web Interviews (CAWI), each lasting approximately 15 minutes.

Timing: The survey was conducted between the end of Q1 and the beginning of Q2 2026.

This report and the regional statistical appendix form part of the 2026 Atradius Payment Practices Barometer series, both available for download in [Knowledge and research](#)



Interested in finding out more?

Please visit the [Atradius](#) website to access our latest 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.

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

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