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Irish Companies Pay Bills Five Days Later Than Northern Irish Counterparts

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Late payment continues to be an issue for businesses in Ireland, according to the latest Payment Performance insight from Experian®, the global information services company.

On average, in 2009, Irish businesses settled their bills 25 days beyond credit terms, five days slower than companies in Northern Ireland, which paid their bills on average 20 days beyond terms.

By analysing the payment records of tens of thousands of businesses in Ireland and Northern Ireland, including those owned by overseas companies, Experian is able to identify both if and, crucially, when they are going to pay their debts. The latest Experian payment performance analysis reveals that:

- Irish businesses paid their bills on average 25.33 days beyond terms in the final quarter of 2009, compared with 24.66 days beyond terms in the third quarter.
- However, the final quarter figure of 2009 was much improved on the first quarter, when Irish businesses were paying their bills on average 27 days beyond terms.
- In comparison, businesses in Northern Ireland paid their bills on average 18.14 days beyond terms in the final quarter of 2009 and 20.41 in the first quarter of 2009. The second quarter of 2009 recorded the worst performance, when Northern Irish businesses paid their bills on average 22.41 days beyond terms.
- Cavan businesses were the quickest in the country to pay their bills, averaging just 21.28 days beyond terms in 2009.

At the other end of the scale, businesses in Waterford were the slowest to settle bills, paying on average 32.15 days beyond terms.

Paula Carney, Payment Performance Manager at Experian's Business Information division in Ireland, explains: "Late payments can have very negative consequences for businesses, particularly those small and medium sized enterprises that are already finding it difficult to manage their cash flow in the current economic climate.

"Late payments present an unnecessary administrative burden on businesses and prove to be a real strain on resources when a debtor is using a business as a source of free credit. Many businesses in Ireland have been reviewing their payment policies in light of the current climate, however the practice of extending payment terms to customers is continuing, despite the fact that it is not sustainable in the long term".

Experian's payment performance data helps an organisation to identify whether they should do business with a customer in the first place, and also allows them to identify whether a customer is simply a serial late payer, or one whose payment performance is rapidly deteriorating, indicating its potential inability to meet future commitments.

Experian has the largest database of up-to-date commercial payment data in Ireland, which is extracted from more than 6,500 ledgers processed every month.

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