

## **EOS Survey 'European Payment Practices' 2017 Poor payment practices and outstanding payments strangle investment**

Domino effect of payment defaults and delays impacts on economic growth in Europe / Every fourth company in Europe not investing due to outstanding payments

**Hamburg, 10 July 2017** – Even just one unpaid invoice leaves its mark on a company, let alone hundreds of thousands: For the companies involved these losses can in some cases run into the millions. Just under half of the companies surveyed reported profit setbacks (46 per cent). Other consequences they have to deal with include cash flow problems (39 per cent) and higher interest costs (34 per cent). As a result, the companies lack the money to grow. Across Europe, every fourth company (25 per cent) is therefore curbing its investments. Some companies (17 per cent) are even fighting to survive due to outstanding payments. These are the results of the representative EOS survey 'European Payment Practices' 2017 that is being published for the 10th time this year. A total of 3,200 companies took part in the survey conducted by Kantar TNS (formerly TNS Infratest) in the spring.

### **Eastern Europe: Strong brake on investment**

In Eastern European countries in particular, payment delays and defaults are putting a brake on investments. In Greece, 39 per cent of firms are currently cutting back on investments, while in Hungary and Croatia, almost every third company is curbing investment. But in the Czech Republic and Poland, only 18 per cent of business owners feel compelled to do so.

### **Few investment cutbacks in Germany**

Despite payment defaults and delays, German companies continue to bank on growth. Only seven per cent of the companies surveyed are investing less. The situation is different in the UK and Spain, where every third company is scaling back its investment volume (34 and 33 per cent respectively). Belgium has the highest percentage of companies reducing investments (28 per cent).



### **Klaus Engberding ‘Debt collection counteracts the investment freeze’**

‘The level of investment is an important indicator for the growth of a company – and therefore also for the entire economy’, explains Klaus Engberding, CEO of the Hamburg-based EOS Group. ‘Numerous factors are considered in the investment decision – but above all you need the financial resources. So missing payments from customers are very painful, especially for SMEs that do not have the backing of financially strong shareholders. But there is a lot that even SMEs can do, particularly against payment defaults and delays.’ For Klaus Engberding, working with debt collection companies is an important method of countering a freeze on investment. Last year, debt collection service providers across Europe secured 8 per cent of company revenue.

### **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/investmentbrake](http://www.eos-solutions.com/paymentpractices2017/investmentbrake)

### **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 just under 8,000 employees and more than 60 subsidiaries, EOS offers some 20,000 clients in 28 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](http://www.eos-solutions.com).

### **Contact:**

Cornelia Claußen, Senior Public Relations Consultant  
Tel.: +49 40 2850-1685, email: [c.claussen@eos-solutions.com](mailto:c.claussen@eos-solutions.com)

Sabrina Ebeling, Public Relations Consultant  
Tel: +49 40 2850 -1480, email: [s.ebeling@eos-solutions.com](mailto:s.ebeling@eos-solutions.com)