



UK's Invisible Bank

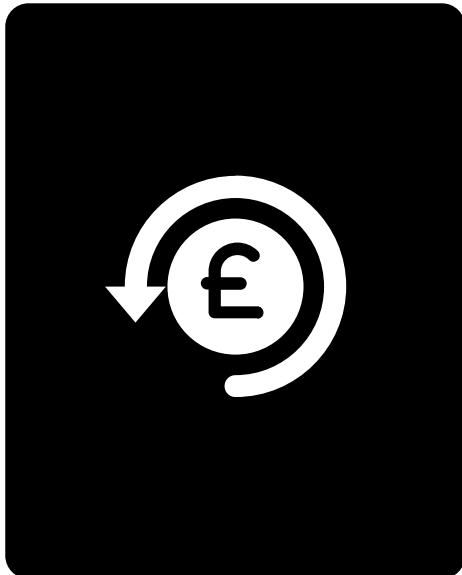
The Real Cost to Employees

Conferma Insight Report 2019




Key findings

Employees in the UK are effectively lending their employers £321 million a month through expenses, leading to a feeling they are at times acting as a bank to their own employer. The problem of reimbursement is a big issue for many, so much so that 36% of employees in the UK use their own money to pay for work-related expenses at least once per month.



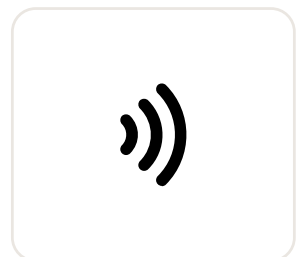
66%

of employees said they would stop spending money on a particular business expense if they had to wait a significant amount of time to be reimbursed, causing potential loss of sales to businesses.



90%

would use a mobile app for expenses if they were able.



Half

feel at times they finance their employer.

2 in 5

employees have been caused stress due to the time it takes to get their expenses repaid.

3 in 10

have had personal cashflow issues due to their employer's slow expense reimbursement.

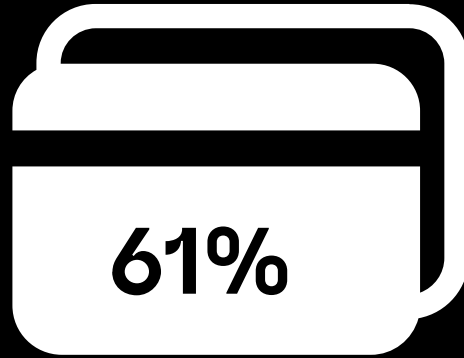
3 in 5

employees use their own money to pay for work-related expenses.



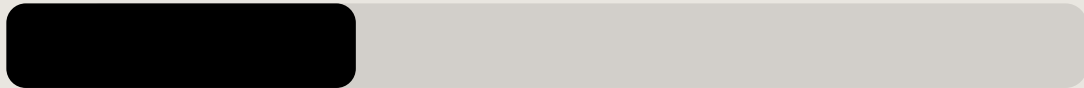
of employees experience personal cash flow issues.

Unwilling Financiers



of employees use their own money to pay for work-related expenses at least once a month.

39%



never use their own money to pay for work related expenses.

17%



of employees use their own money to pay for work related expenses once a week.

Cost to Employee

The average expenses claim per month is

On average employees spend over £72 of their own money per month to cover work related expenses



The average cost of work related expenses was considerably higher in London, at an average figure of £99.20.



London

The average cost of work related expenses was higher amongst men (£87.90) compared to women



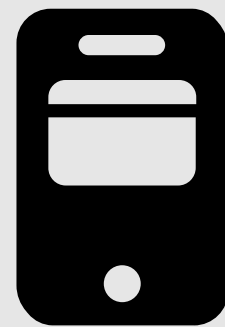
36%

of employees use their personal card to pay for work related expenses they incur.

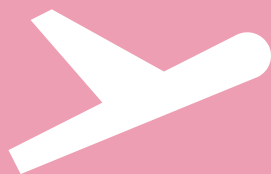
The average cost of work related expenses was highest amongst **18-34** year olds (**£76.90**).



Across all regions personal cards were used to pay for work related expenses the most.



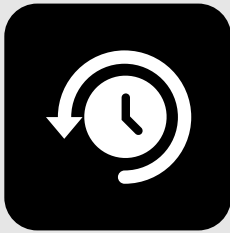
Most employees will use their personal card for work related expenses closely followed by cash.



31%

of employees use cash to pay for their work related expenses that they later claim back through expenses.

Cost to Employers



Delays in reimbursement of work expenses can also have detrimental effects on businesses.



58%

of employees say that if they were in a situation where they were expected to pay their expenses from their own account but did not have the access to personal funds, they would not incur the expense even if it was bad for the company.



35%

of 18–34 year olds say that if they were in a situation where they were expected to pay their expenses from their own account but did not have the access to personal funds, they would get a loan from a friend/family to cover the shortfall.

58%

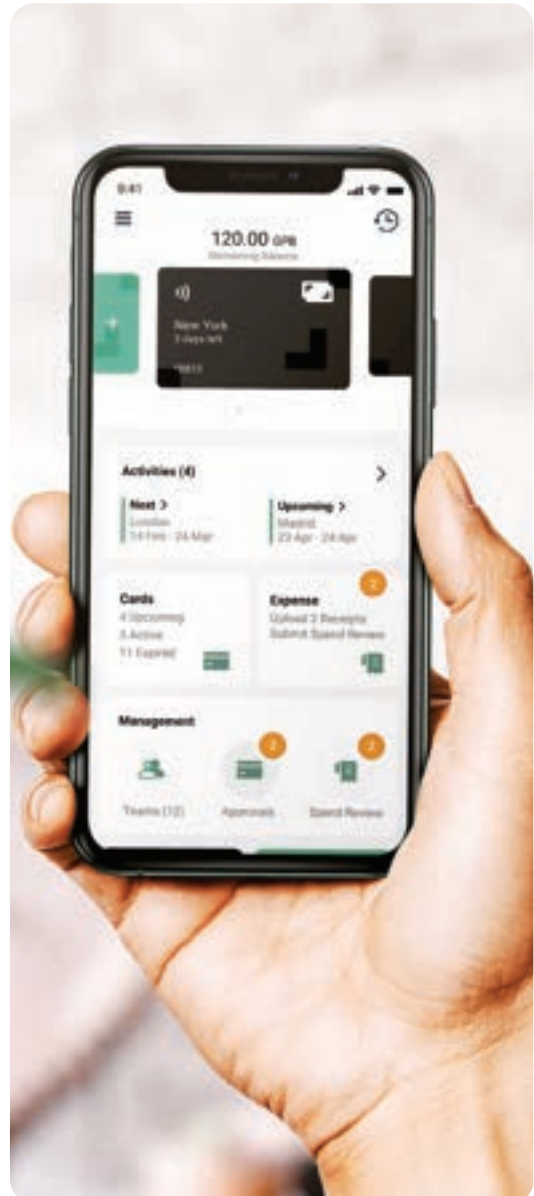
of employees say they would stop expenditure on work-related costs if there was a significant delay in their expense reimbursement.

Solution



If companies introduced a mobile app for expenses where employees would not need to cover the cost of business expenses, 60% of them said that they would be very likely to use such an app.

If your company introduced a mobile app for expenses that would mean you never have to cover the cost of a business expense yourself, how likely would you be to use the app instead of a card to cover your expenses?



Methodology

Approach

Fieldwork Dates:

14 June 2018 – 19 June 2018

Sample Size:

1,009 UK adults (18+) currently in employment


Methodology:


Online survey (sole traders and the self-employed were excluded)

Calculation for UK's Invisible Bank In order to establish a figure on the amount of money 'lent' by employees to businesses through the time lag of expenses being incurred and reimbursed, Conferma used the following process:

UK working population employed (Business Statistics, Parliament UK 2017)	17,932,000
% of employees who pay for expenses using personal means at least once a month	36%
Average expense claim on a monthly basis	£ 72.20
% of expenses repaid in less than a week but not immediately	32%
% of expenses repaid in 1-2 weeks	23%
% of expenses repaid in more than 2 weeks	14%
Sum of expenses repaid in less than a week but not immediately	£149,148,334
Sum of expenses repaid in 1-2 weeks	£107,200,365
Sum of expenses repaid in more than 2 weeks	£ 65,252,396.20
Total sum of employee 'lending' to company	£ 321,601,095



 Ocean House
The Towers Business Park
Wilmslow Road
Didsbury
M20 2RY

 (+44) (0) 161 447 6100

 www.conferma.com

 @Conferma

 @Conferma_