

The Biggest Cost and Operational Impacts of Failed Payments

A global snapshot of cross-border payments performance



Failed Payments Erode Enterprise Profitability and Performance

The payments function is expected to help an organization extend capital efficiency and better leverage liquidity. Every failed payment detracts from the ability to deliver on this strategic goal.



14%
of global cross-border payments are **not completed and incur additional charges** from a banking partner



26%
is the average **global straight through processing (STP) rate for cross-border payments**

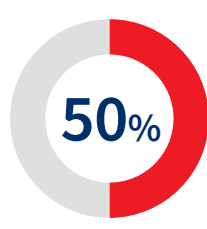


70%
of study respondents are **not satisfied with their payment failure rate**

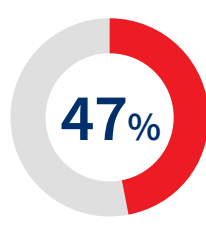
Broken or Failed Payments Produce Indirect Cost Impacts that Increase Margin Pressures

Global businesses are facing contracting operating margins and increasing capital costs — leaving little latitude for the operational inefficiencies and resource drains tied to failed payments.

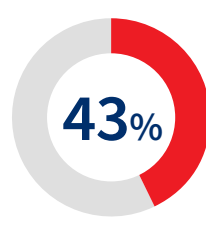
Lost customers translate into lost revenue



Half of our study respondents report **losing 2% or more of their customers due to failed or delayed payments**

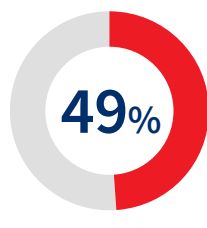


47% say broken or failed payments have a **severe impact on customer retention**

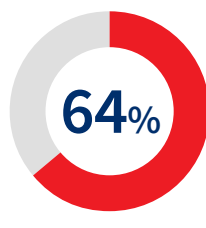


43% say broken or failed payments have a **severe impact on customer experience**

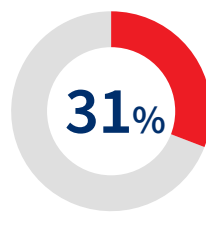
Delayed payments disrupt supply chain integrity and decrease productivity



49% of study respondents say broken or failed payments have a **severe impact on cost to the business**



64% say broken or failed payments have **some impact on staff workload**



31% cite **severe workload impacts tied to broken or failed payments**

Accuracy, Speed and Security are Competitive Differentiators in the Payments Space

Payments efficiency plays an integral role in the customer and supplier outcomes that underpin long-term business performance.



Critical factors for payments efficiency

40% of study respondents say **accuracy of payments details is the most important factor** of payments processing

32% say **speed of payment processing** is the most important factor

11% say payments processing involving **little to low manual labor is important**



Main cross-border payments challenges

51% of study respondents say **balancing accuracy with speed of payment is very challenging**

62% rate **reducing failed payment rate** as very-to-extremely challenging

31% say **reducing manual processes is extremely challenging**



Top 3 sources of payment failure or delay:

21% of respondents cite Bank Beneficiary Name and Address Details

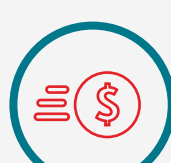
15% cite Non IBAN account numbers

15% cite Bank Name / SWIFT BIC codes



More accurate payment details drive higher payments efficiency

15% of payments require additional enrichment, checking with the beneficiary or repair to be processed on a global scale



Fewer corrections equal faster payments

32% STP Companies with less than 10% of payments requiring additional enrichment **realize a 7% higher STP rate (32% vs 25%)**

Strategically Leveraging API Technology Increases STP Rates

Integrating advanced API payments technologies with more accurate global payments data into a global payments workflow helps raise STP rates so businesses can realize measurable gains.



Payments automation:

- **Optimizes** end-to-end payments efficiency
- **Drives** cost and operational synergies
- **Improves** customer and supplier experience

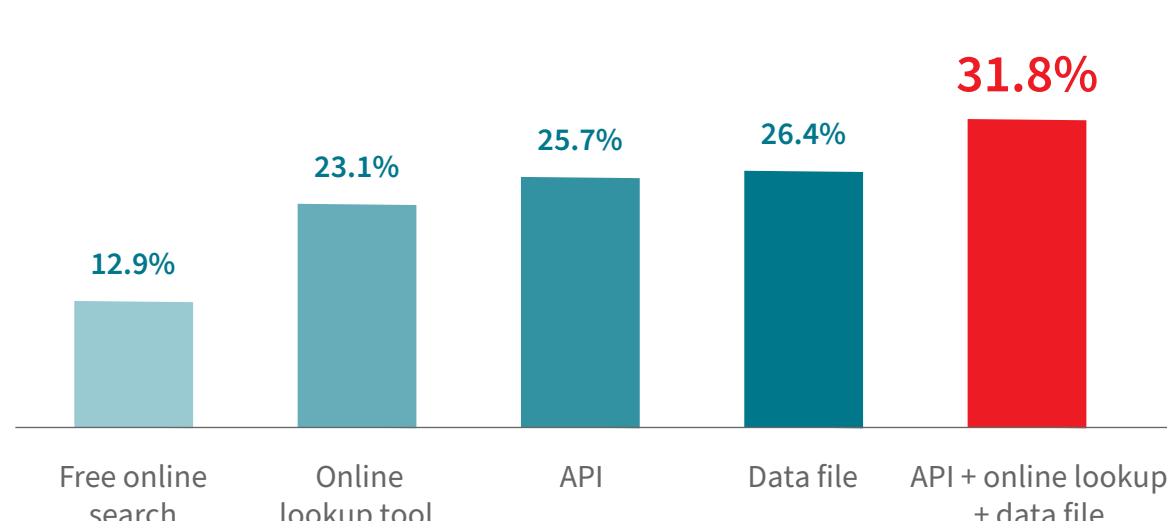


Companies using more **advanced tools** to access payment data solutions have a **better STP rate** on average



The best STP rate is obtained by companies **leveraging several tools to access payment data solutions**

STP rate based on access to payment data solutions



Increase payments efficiency and improve enterprise performance with **automated payments solutions** and more **accurate global payments data**

Visit risk.lexisnexis.com/failedpayments to explore the True Impact of Failed Payments Report



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