

May 2025

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Key takeaways

1. Growth is proving challenging in today's economic climate.

Many businesses report that it's been more difficult to grow their businesses in the past 12 months than it has been previously. To maintain cashflow, businesses are putting themselves at greater risk by offering larger credit lines than their credit management teams would prefer, while being hit by rising collection costs.

2. Businesses are responding to market challenges with greater credit vigilance.

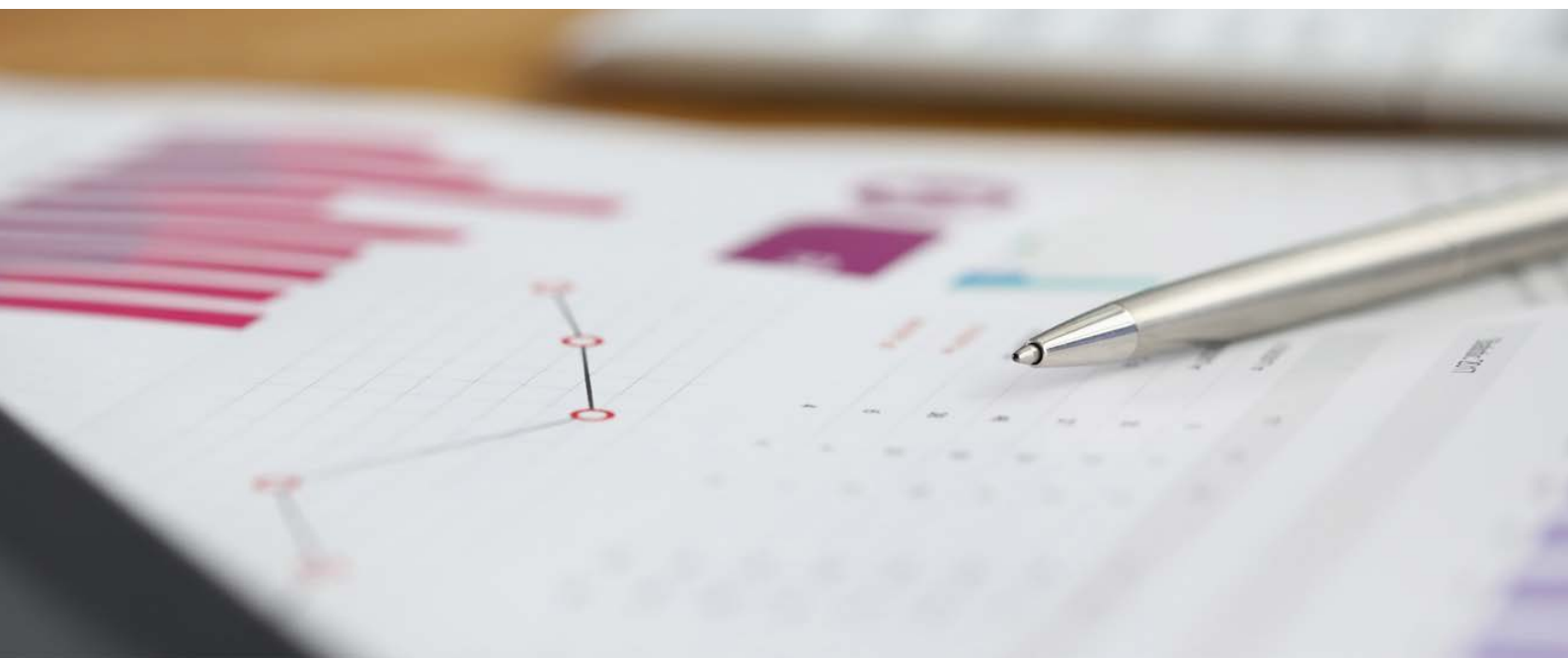
The economic climate, increased risk of non-payment, regulatory hurdles, and ineffective business processes are all viewed as barriers to growth in 2025. To mitigate these risks, businesses have adapted their approach by implementing stricter assessments, credit limits, and risk monitoring practices, as well as driving operational efficiency through digital transformation.

3. Businesses are cautiously optimistic about the future.

Despite the likelihood that cashflows will be under increased pressure in the coming year, sales leaders remain hopeful that the economy will positively impact growth, particularly if they have a trade credit insurance policy in place.

4. Trade credit insurance is delivering clear benefits.

Business leaders overwhelmingly agree that trade credit insurance is important in the current climate. The findings indicate that businesses with coverage feel more resilient, optimistic, and able to compete on pricing and servicing.



Introduction

In a climate defined by economic uncertainty, regulatory change, and rising costs, UK businesses are under increasing pressure to maintain growth while managing financial risk.

From inflation and high interest rates to shifting employer obligations, today's challenges are reshaping how organisations are approaching cashflow, credit management, and risk resilience.

Prior to further disruption to the global economic landscape, we surveyed 500 finance directors and 500 sales leaders across a range of sectors to uncover how businesses are navigating these conditions.

Based on the findings, this report reveals that while many businesses are prioritising trade credit as a tool for growth, this often comes at the cost of increased exposure to credit risk.

As well as providing insights on how businesses are balancing risk and opportunity, we reveal that trade credit insurance is emerging as a key enabler that's giving businesses the reassurance they need to thrive in an uncertain economic environment.

The research was conducted by Censuswide, among two samples:

Sample 1 - 500 Finance Directors and Credit Managers (aged 18+) working in UK businesses with a minimum turnover of £20 million, a company size of 50+ employees and targeting those who engage in B2B sales. The data was collected between 14.02.2025 - 27.02.2025.

Sample 2 - 500 Sales Leaders (DMS) (i.e. CROs, Sales Directors and equivalent) (aged 18+) in UK businesses with a minimum turnover of £20 million, a company size of 50+ employees and targeting those who engage in B2B sales. The data was collected between 14.02.2025 - 27.02.2025.

Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

01: Growth in a challenging economic and regulatory environment

Trade credit is viewed as a tool for growth during challenging economic conditions, but businesses are putting themselves at more risk than they are comfortable with.

Businesses are operating in a volatile economic climate, with inflation, rising interest rates, and shifting regulations making it difficult to maintain momentum.

This is reflected in our survey results. In fact, almost 9 in 10 (87%) finance directors surveyed say they have found it more difficult¹ to grow their business in the last 12 months compared to the previous months.

Businesses are reacting to the tough conditions by prioritising revenue continuity over credit risk discipline, extending more generous credit terms to customers struggling with cashflow than would normally be recommended.

In fact, almost all (98%)² finance directors surveyed say they find themselves giving customers larger credit lines than their credit management team would like.



87%
of finance directors surveyed say they have found it more difficult¹ to grow their businesses in the last 12 months compared to the previous year



In 97%³ of cases, finance leaders are turning to external companies and third-party agencies to manage the collections process, which involves chasing late payments, negotiating repayment plans and escalating legal action if necessary.

This approach can help to speed up recoveries and improve cashflow, while shifting the emotional and reputational burden of chasing customers. However, it comes at a price.

The cost of collections is surging, averaging £368,400 per year⁴ according to finance directors surveyed, with 98% reporting that collections costs have risen in the last 12 months.

Further findings from our survey of sales leaders reveal that this group is also feeling under pressure due to the volatile economic climate.

Almost a quarter (24%) say the economy has had a negative impact⁵ on their business in the last year, while almost 9 in 10 (86%) feel the current economic environment has created a tough environment to grow in.

High interest rates in particular are seen to have hindered progress.

A quarter (25%) of sales leaders surveyed say that these have had a negative⁵ impact on their business growth in the last few years, most likely due to the higher cost of supplies (44%), increased credit risk (41%), higher labour costs (38%), and reduced sales (31%).



£368,400
– average cost of
outsourcing collections
per year⁴ according to
companies surveyed
with minimum
£20 million turnover



86%
of sales leaders
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economic environment
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to grow in



Responding to the regulatory landscape

As well as facing external economic pressures⁶ businesses are also having to navigate internal adjustments to adapt to evolving regulatory frameworks.

As of April 2025, significant changes to National Insurance Contributions (NICs) for employers included an increase in the Employer NIC Rate from 13.8% to 15%.

This is having a widespread impact.

86% of sales leaders surveyed say the increase has impacted⁷ their business in a number of ways.

When asked to state all the ways that this has impacted their business, these respondents were most likely to say that the additional financial pressure they are under is hindering digital transformation efforts, which are often a key component of business's growth strategies.

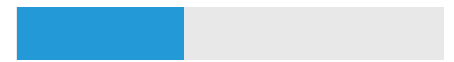


Q. How has the increase in employer's NICs impacted your business?⁸



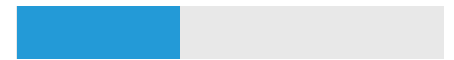
40%

It has made us reconsider investment in new technologies



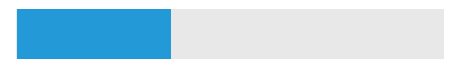
39%

It has made us reconsider our insurance products (e.g., going for cheaper, less comprehensive policies)



38%

It has made us reconsider other elements of expenditure



36%

It has made us reconsider employee wages

With this in mind, it's not surprising that regulatory hurdles (32%) are considered one of the biggest barriers to growth in 2025.

Sector focus: Tech businesses rely heavily on trade credit

The research reveals that technology and telecommunications businesses have found the past 12 months especially challenging.

56% of finance directors in this sector say they have found it much more difficult to grow their business in the past 12 months than the previous year, compared to just 26% of those in the manufacturing sector who say the same.

To keep things moving, businesses in the tech sector are most likely to be extending more generous credit terms than they would ideally like (100%)². Meanwhile, all (100%)³ finance directors in this sector say they outsource collections, which is costing them significantly more than businesses in other sectors.

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Estimated average cost of collections per year by industry⁴

Technology & Communications	£523,000
Life Sciences	£387,000
Manufacturing	£352,000
Food & Beverages	£345,000
Wholesale	£330,000

.....

Notes:

- 1. 'Much more difficult' and 'Somewhat more difficult' responses combined.
 - 2. 'Yes, all the time' and 'Yes, sometimes' responses combined.
 - 3. 'Yes, a majority' and 'Yes, some' responses combined.
 - 4. Mean £ (Excl. "Not sure /I prefer not to say").
 - 5. 'Significant negative impact' and 'Somewhat negative impact' responses combined.
 - 6. The research was conducted prior to global tariff changes. Survey responses therefore do not reflect sentiment around this.
 - 7. 'Considerable impact' and 'Some impact' responses combined.
 - 8. Respondents were presented with multiple responses and asked to select all that apply.
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02: Risk management and credit vigilance

Along with the economic climate (32%), increased risk of non-payment (33%), regulatory hurdles (32%) and ineffective business processes (32%) are viewed as companies’ biggest barriers to growth in 2025.

Nevertheless, businesses are continuing to strive for growth, while responding to these challenges with an enhanced approach to risk management. For example, the current economic climate in the UK is influencing business’ credit management processes by encouraging them to:

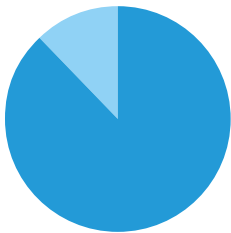
- Monitor credit ratings more closely (50%)
- Conduct more thorough risk assessments (49%)
- Set credit limits (48%)

Meanwhile, businesses have been driving efficiency through digital transformation in recent years, enhancing their credit management process with automated invoicing (40%), online credit scoring (39%), advanced payment methods (38%), and smart contracts (37%).

Sector focus

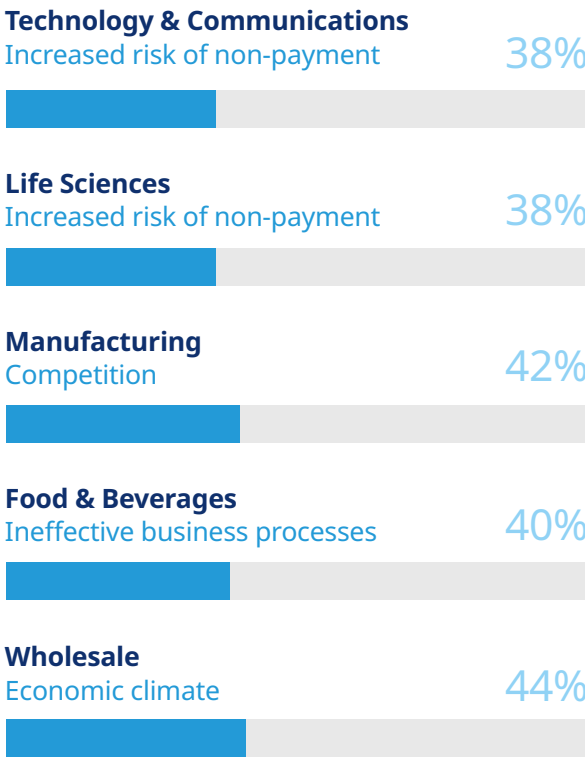
The research reveals that each sector is experiencing its own unique barriers to growth.

For example, while respondents in the life sciences (38%) and technology & telecoms (38%) sectors are most concerned about the increased risk of non-payment, those in the manufacturing sector are most likely to think that competition (42%) is standing in their way.



88%
of sales leaders surveyed say liquidity & credit risk is important¹ in their business

Top barriers to growth in 2025 by industry



Notes:
1. ‘Very important’ and ‘Somewhat important’ responses combined.

03: The competitive landscape

Trade credit insurance is allowing businesses to keep up in a competitive market.

The research suggests that businesses are turning to trade credit insurance in response to market competition, which is considered a major barrier to growth in 2025 by over a quarter (27%) of sales leaders surveyed.

55% of sales leaders surveyed with trade credit insurance say pricing is competitive in their sector, while just 41% of those without trade credit insurance say the same.

Meanwhile, 55% of those with trade credit insurance say servicing is competitive in their sector, compared to just 44% of those without a policy.

This may indicate that businesses with trade credit insurance are more confident competing on both price and service, likely because the protection it provides enables them to trade more aggressively without taking on excessive financial risk.

Sector focus

The research reveals that the food & beverages and life sciences sectors are most likely to be competitive when it comes to both pricing and servicing.

Q. How competitive, if at all, is your sector right now when it comes to the following?

	% of respondents who say their sector is currently competitive ¹ in terms of pricing	% of respondents who say their sector is currently competitive ¹ in terms of servicing
Life Sciences	64%	58%
Food & Beverages	62%	58%
Manufacturing	54%	54%
Technology & Communications	50%	56%
Wholesale	48%	50%

Notes:

1. 'Very competitive' and 'Somewhat competitive' responses combined.

04: The importance of trade credit insurance

Trade credit insurance is having a positive impact on business outcomes.

The research indicates an overwhelming consensus on the importance of trade credit insurance as a means of safeguarding businesses against economic uncertainty.

Not only are 97% of finance directors surveyed familiar with trade credit insurance, but 91% say that credit management processes are important¹ to their business in the current economic climate.

However, many businesses have yet to benefit from this valuable risk management tool.

Currently, 65% of sales leaders surveyed say their business has trade credit insurance, while 34% do not². Almost a quarter (24%) would be willing to consider taking out a policy in future.

The data reveals that businesses that have yet to try trade credit insurance could be missing out on tangible business benefits.

Just 19% of respondents who have trade credit insurance say the economy has had a negative impact³ on their business while 33% of those who do not have trade credit insurance say the same.

These findings suggest that businesses with trade credit insurance are better positioned to navigate rising interest rates and challenging economic conditions with greater financial confidence and resilience compared to those without coverage.



91%
of businesses say credit management processes are important¹ to their business in the current economic climate

34%
of businesses do not² have trade credit insurance



Sector focus

The research shows that businesses in the manufacturing sector are especially likely to be taking advantage of trade credit insurance, with 80% of sales leaders in this sector saying they are covered.

As it stands, businesses in the wholesale sector are least likely to have a trade credit insurance policy (54%). However, interestingly, finance leaders in this sector are also most likely to believe that trade credit insurance is very important (58%) to their business in the current economic climate.

The findings make a compelling case for wholesale businesses to follow manufacturers' lead as they are much more likely to have been positively impacted⁴ by the economy in the last year (68% vs 34%), suggesting that coverage is giving them the confidence to achieve growth under challenging circumstances.



Businesses in the manufacturing sector are most likely to have trade credit insurance (80%) and most likely to say the economy has had a positive impact⁴ on their business in the past year (68%)

Notes:

1. 'Very important' and 'Somewhat important' responses combined.
2. 'No, we don't currently have it but would consider it in future' and 'No, and we wouldn't consider it in future'.
3. 'Significant negative impact' and 'Some negative impact' responses combine.
4. 'Significant positive impact' and 'Some positive impact' responses combined.

05: Future outlook

Businesses are cautiously optimistic about the future, and are preparing for potential recovery and growth.

Business leaders do not predict that financial pressures will let up any time soon.

Almost a third (32%) of sales leaders surveyed say the economic climate will be the biggest barrier to growth in 2025, while 4 in 5 (80%) say they expect the pressure on their cashflow to increase¹.

80% of sales leaders surveyed expect the pressure on their cashflow to increase¹ in 2025

Despite this, many business leaders have a positive outlook for the future.

In fact, almost half (48%) of sales leaders surveyed say the UK economy will have a positive² impact on their growth plans over the next 12 months.

Further findings indicate that having a trade credit insurance policy is making sales leaders feel more optimistic about the future.

The data reveals that 54% of respondents who have trade credit insurance say they think the UK economy will have a positive² impact on their growth plans over the next 12 months, while just 39% of those without trade credit insurance say the same.

Once again, this suggests that the protection offered by trade credit insurance is giving businesses greater confidence to pursue opportunities in an uncertain economic climate.

Sector focus

Looking at the various sectors, the research reveals that businesses in the wholesale sector are least likely to think that the UK economy will have a positive² impact on their growth plans over the next 12 months.

However, businesses in this sector are also the least likely to have a trade credit insurance policy in place.

Given their lack of confidence in the economic outlook, it would be especially beneficial for wholesalers to have trade credit insurance, as it could help protect against the risk of non-payments and provide the financial reassurance needed to confidently pursue growth opportunities.

Notes:

1. 'Significantly increase' and 'Somewhat increase' responses combined.

2. 'Significant positive impact' and 'Some positive impact' responses combined.

06: Expert perspective

Balancing growth and protection

“This report offers a compelling snapshot of the current UK business climate, revealing just how challenging it is for companies to grow, achieve their strategic objectives, and provide for their customers in a highly volatile economic landscape.

What stands out the most is the universal struggle across industries to implement the processes necessary to support growth in this environment. While some industries are more likely to be impacted in certain areas than others, the survey proves that no sector is immune to the pressures of today’s market dynamics.

Working capital and credit management will be fundamental to future growth. Businesses that proactively seek to optimise these areas, whether by

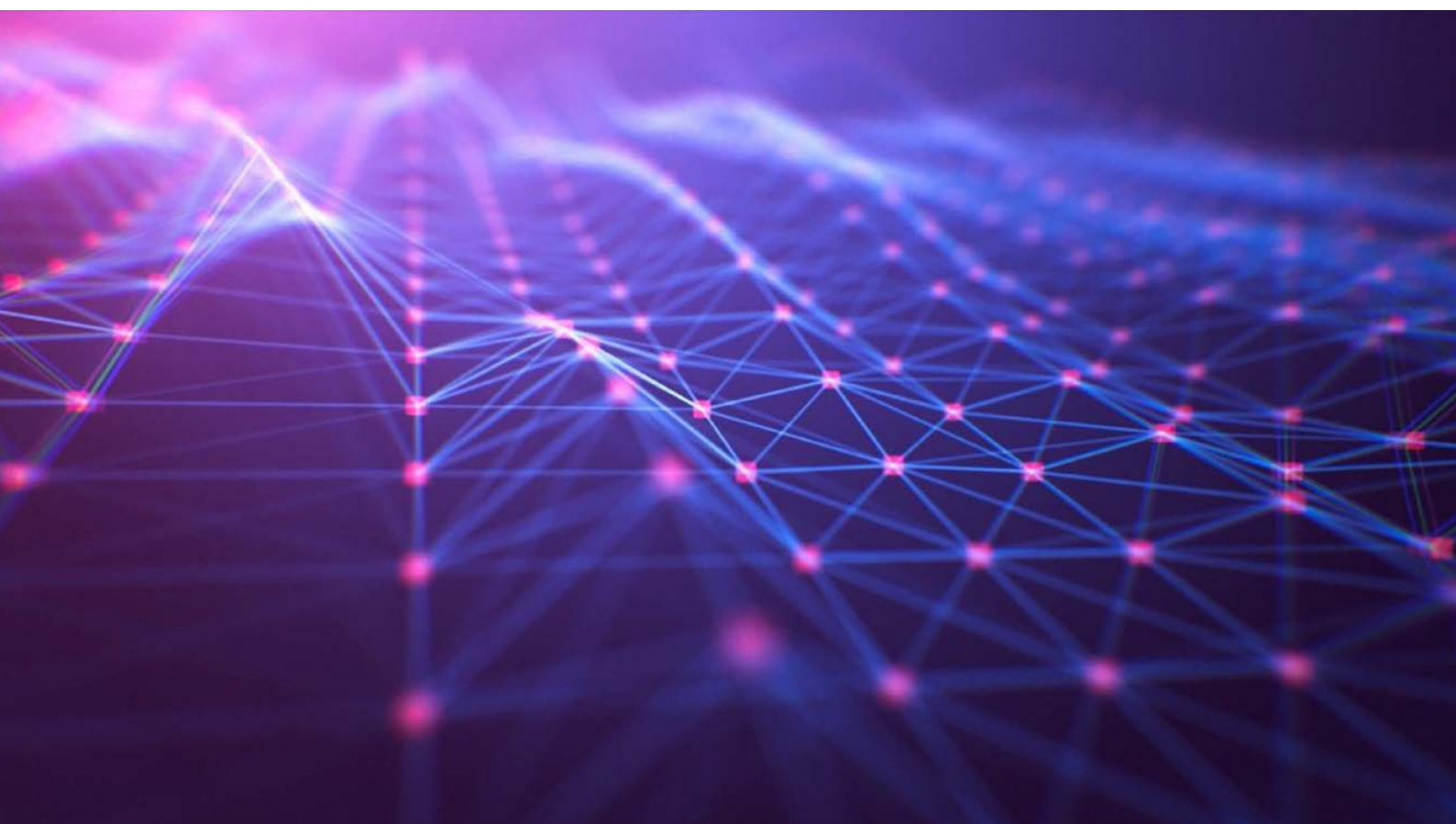
leveraging new data sources, mitigating risk exposure, or aligning financial strategies more closely with operational goals, will be in a better position to deliver value and improve performance.

At Marsh, we are committed to supporting our clients with their working capital and credit management needs. Through actionable insights, expert guidance, and tailored solutions, we empower businesses to make informed decisions and strengthen their financial resilience.”



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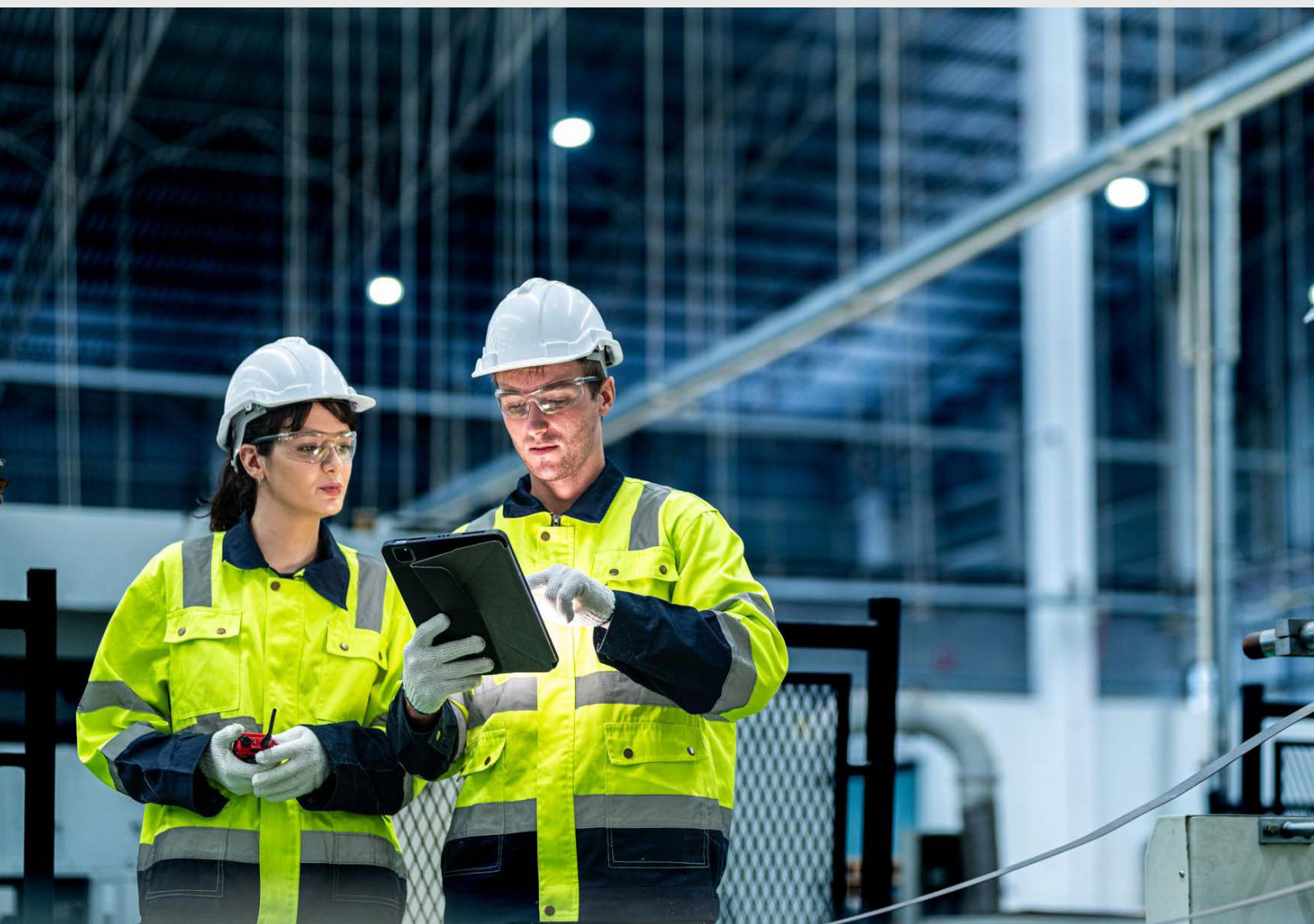
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