Real Resilience Begins in Receivables

Why UK insurance finance teams need to modernise collections now

Executive Summary

UK insurance finance teams are under mounting pressure from three directions at once: tightening regulation, fragile cashflow dynamics and rising expectations around customer fairness and experience.

At the same time, invoice volumes are exploding, legacy systems are creaking and manual receivables processes are quietly eroding control.

Accounts Receivable may not grab headlines, but it sits at the centre of resilience. When collections fail, forecasting weakens, liquidity buffers grow and trust suffers, with customers, regulators and boards alike. The cost of inaction is no longer theoretical.

Here we explore why modernising receivables has become a strategic priority for insurers, not an operational nice-to-have. It breaks the challenge down through three lenses – regulation, resilience and reputation – and shows how targeted automation can deliver provable control, steadier cashflow and better customer outcomes without triggering disruptive, high-risk transformation programmes.

The message is clear - insurers don't need to rebuild their estates to regain control. But they do need to act.

Focused, interoperable receivables automation is now one of the fastest, safest ways to strengthen compliance, liquidity and trust from the inside out.

Pressure From All Sides

As the economy grows more complex, interconnected and measurable, financial services have had to rise to the challenge of keeping the wheels of commerce turning. In practice, that's meant adapting to a steady shift towards digital trading, multi-party data exchange and ever-broader ecosystems of partners and suppliers.

But insurers face a very different reality from banks or fintechs. Their operational fabric is older, more fragmented and often tied to decades of legacy systems, yet they're still expected to match the seamless digital experience and regulatory precision of newer players. And as digital-first insurers and fintechs continue to reset expectations around instant payouts and frictionless claims, the pressure is only moving in one direction.

That tension is intensifying as more business moves online and supply chains fragment further. Most insurers now work with a long tail of niche tech vendors, data partners, claims-handling specialists and fraud analytics firms.

The result is a dramatic rise in the number and frequency of invoices that Accounts Receivable (AR) teams must process.

In the UK alone, invoice volumes are set to increase by 46% over the next three years, according to PYMNTS.

Much of that growth comes from the countless micro-services insurers now rely on - many of which didn't exist a decade ago - alongside a wider shift from fixed annual billing to recurring or usage-based models.

Whatever the cause, the effect is clear: AR teams are struggling to keep up. It's important to remember that accounts receivable isn't just a process - it's a front-line team, covering everything from issuing invoices and tracking inbound payments to chasing late accounts and managing payment terms.

As such, many of these workflows still rely on manual steps and brittle integrations that inject friction, slow cash flow and keep finance teams stuck in firefighting mode.

All of this is compounded by mounting external pressure. The regulatory landscape is shifting. The forthcoming Cyber Security and Resilience Bill (CSRB) and Consumer Duty are just two examples of increased expectations around payment integrity, data protection and fair outcomes that will raise the bar for the industry.

That's why modernising legacy receivables systems and processes is now a strategic imperative for the insurance sector. Accounts receivable might not grab headlines, but it's foundational: when invoice volumes rise, capacity shrinks and forecasting suffers.

The good news is that progress doesn't require a grand digital transformation project. By targeting receivables with focused automation, leaders can quickly inject compliance, liquidity and trust into the foundations of their operations.

We explore why the cost of inaction is rising fast, breaking it down through three lenses: regulation, resilience and reputation, and outlining the practical steps leaders can take to respond.

Regulation: From Burden to Business Control

Intense regulation has always been part of life for the insurance industry. Unlike most other financial services, insurance sits close to the core of society - a form of financial protection that underpins everything from healthcare and housing to business continuity.

When policies fail or payments falter, the impact can be immediate and deeply personal. That's why the sector has always operated under a higher bar for accountability and control.

But even against that backdrop, today's environment marks a new phase of scrutiny. Regulators are expanding their reach beyond product governance to examine how insurers handle money movement, data protection and customer outcomes.

We're seeing some of the most significant regulatory tightening in years, reflecting a broader shift in how accountability is defined. So, the FCA's work to simplify the insurance rulebook, the proposed Cyber Security & Resilience Bill, the far-reaching expectations of Consumer Duty and a rise in cyber and financial crime are all driving stricter requirements around payments integrity, data protection and demonstrable fairness.

Reality Check 🔍

Payments operations, once treated as a back-office process, now sit squarely in the compliance spotlight. So, if refunds are slow, mandates are mishandled, or account checks are weak, these are no longer seen as operational hiccups but as regulatory failures.

As a result, many insurers still find themselves "playing chicken" with compliance, knowing the cost and risk of modernisation on fragile estates are high. Patchy Direct Debit adherence, weak validation at the point of set-up and inconsistent enforcement remain common pain points. Relationship managers sometimes prioritise retention over rigour - gaps that auditors and the FCA are increasingly unwilling to overlook.

Regulators are shifting their focus from principles to proof, and expect documentation, traceability and automation to demonstrate accountability in practice. So to stay ahead, finance leaders need to move from reactive compliance to proactive, technology-enabled control.

Modern receivables solutions make that proof tangible: they create audit trails, automatically validate data and embed good practice by design. This turns automation into proactive control and protection - preventing fines, reputational damage and even potential licence loss - rather than adding red tape. In doing so, it shifts compliance from box-ticking to genuine business advantage.

WHAT FINANCE LEADERS SHOULD BE DOING

Establish clear audit trails across all inbound and outbound payments, backed by unified reporting that satisfies regulatory scrutiny.

Document fairness by capturing evidence of prompt, transparent refunds and charge resolutions to support Consumer Duty obligations.

Build validation into every process: confirm bank details and mandates upfront - including Confirmation of Payee where possible - to cut down on errors, fraud and remediation work.

Use automation as a control mechanism, not a shortcut: deploy systems that embed compliance by design, create auditable artefacts and eliminate manual weak spots such as payer verification.

Resilience: Tighter Cashflow Control in a Fragile Ecosystem

For insurance companies, resilience and good cashflow management are often one and the same. That's because business continuity in this sector depends on the smooth flow of money through an increasingly fragile ecosystem.

However, a long history of mergers, acquisitions and complex multi-entity structures has left many finance teams managing overlapping systems and wrestling with duplicate datasets and fragmented processes.

Add to that, a constant backdrop of market volatility and rising claims, and maintaining liquidity quickly becomes an operational challenge, not just a financial one. And once you layer in the latent fear of "disturbing" entrenched systems, and it becomes clear why incremental, interoperable change matters.

In such a fragile ecosystem, Accounts Receivable becomes a critical breakpoint. Because when even a small part of the process falters - a failed collection, a reconciliation delay, or a data mismatch - the effects ripple quickly through the business. And when cash forecasting slips, reserves tighten and customer confidence wavers, what may have looked like a minor operational glitch can easily escalate into a business-critical issue.

By automating these pressure points, finance leaders can strengthen resilience from the ground up. Reducing dependency on manual steps and increasing visibility means issues are flagged in real time, giving finance teams the ability to act before problems spread.

Reality Check 🔍

A core issue here is integration following mergers and acquisitions. After structural changes like these, finance projects intended to fix known receivables pain points, or identify new ones they've created, are often deprioritised in favour of more high-profile transformation work.

As a result, manual dependencies persist and continue to grow. One large UK insurer still issues around 250,000 cheques a year, an incredibly slow, costly and hard-to-control practice that inevitably leaves both teams and customers frustrated.

It's why more financial leaders across the industry are stressing the importance of liquidity for survival. One senior leader at a leading insurer even openly warned that failure to collect Direct Debits on time "could bankrupt the business." So, it's clear that missed Direct Debits, along with delayed reconciliations and inconsistent data quality all compound this uncertainty.

Without predictable inflows, insurers are forced to hold larger cash buffers "just in case," tying up capital that could be put to work elsewhere.

So, while some vendors position AI as a catch-all fix for workflow challenges, without rehauling entire systems these promises can often fall short. It's why many insurers are favouring proven, integrated solutions over theoretical ones, and why modernising receivables through automation is becoming increasingly appealing.

And by injecting more visibility into AR, you naturally reduce the need for large cash buffers. When systems communicate properly, failed collections are automatically retried and only true exceptions are routed to the right specialists, giving finance teams a real-time, unified view of cash.

WHAT FINANCE LEADERS SHOULD BE DOING

Create a single view of cash across business units and entities to improve forecasting and reduce unnecessary liquidity buffers.

Automate reconciliation and exception handling so errors surface instantly and can be resolved before they snowball.

Phase out paper-based and cheque payments where policy and process allow, replacing them with verified digital disbursements.

Build resilience through interoperability, focus on technology that connects to existing systems rather than replacing them wholesale.

Treat AR as an insight engine for treasury and the CFO, not just a processing line.

Use AR data to inform decisions on pricing, credit terms and growth investments, not just to report on cash.

Prioritise ERP integration and data hygiene aclean chart-of-accounts structures and consistent metadata ensure cash views and automation work reliably across entities.

Use data insight to inform treasury strategy, turning cashflow visibility into a genuine performance advantage.

Reputation:
Every Payment is a Promise

When it comes to fostering a positive reputation, insurers play by different rules. Unlike other financial organisations that can rely on marketing campaigns, flashy new features or sleeker UX, for insurers, reputation is built on reliability.

Every interaction, claim and payment either reinforces or erodes trust. So, if someone is waiting for a refund, an excess payment confirmation or a claims settlement, the smoothness with which that money moves becomes a direct reflection of the brand's integrity.

And in an era of heightened customer expectations, that sense of reliability is under the microscope. The Consumer Duty framework has shifted the conversation from service quality to outcome fairness. So, slow or unclear payment processes can now be interpreted as a failure to treat customers fairly, and not just an inconvenience for customers to bear.

When your reputation rests on countless manual processes and fragile systems, your AR function becomes a minefield. Every failed collection, delayed refund or misapplied payment can trigger damage that's hard to undo.

That's why automation is increasingly becoming the unseen infrastructure for fairness, speed and transparency. Because in a digital, low-trust environment, the ease with which you move money is how your organisation is judged.

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The issue many insurers face is that they're burdened with legacy processes that feel anything but customer-centric. In an industry where payouts can be significant, the need for certainty often translates into friction and frustration.

Yet customer experience is a powerful force that affects insurers just as much as any other financial business. We hear examples of customers waiting months for claim excesses to be settled, which often involve numerous letters, phone queues and manual data entry.

Whether it's slow refunds, outdated cheque-based payments or opaque communication, each interaction becomes a touchpoint where confidence is lost.

At the same time, traditional payment methods such as card transactions bring hidden risks: chargebacks, fraud exposure and processing fees that quietly eat into margins. Open-banking-enabled pay-by-link options and digital disbursements offer faster, safer and more transparent alternatives, but adoption remains patchy.

There's a very real reputational cost to inaction. Whether it shows up in customer retention, complaint volumes or even regulatory perception, it's a cost insurers will inevitably pay. Slow or error-prone payments signal a lack of control; seamless and secure ones signal the competence and care that reputations are built on.

WHAT FINANCE LEADERS SHOULD BE DOING

Treat every payment as a customer touchpoint. Measure speed, clarity and resolution as part of customer-experience KPIs.

Modernise refund and excess-payment processes by replacing cheques with verified digital disbursements that customers can track in real time.

Adopt open-banking and pay-by-link technologies to reduce fraud risk, eliminate chargebacks and improve user experience.

Use data insight to identify friction points in the payment journey and prioritise fixes that have the biggest reputational impact.

Build transparency into communication. Provide clear payment status updates and faster resolution pathways.

Change Without Chaos: Modernise, Don't Rebuild

For many insurers, the hardest part of modernisation isn't knowing what to fix, it's figuring out how to fix it without breaking everything else. Complex estates, inherited systems and high-stakes operations make large-scale transformation feel risky, expensive and slow, leading many leaders to assume the only option is a disruptive rip-and-replace.

But building resilience, compliance and trust doesn't require ripping out the core. The smarter path is to modernise from within: to target the pressure points that create the biggest drag on efficiency and reputation, and automate them in ways that connect, not replace, existing systems.

This is how insurers can move faster without losing control. By modernising receivables through interoperable, low-friction technology, finance leaders can deliver visible results - tighter compliance, steadier cashflow and better customer outcomes - without triggering chaos elsewhere in the business.

Each improvement compounds: automated validation strengthens governance, real-time visibility strengthens liquidity, and smoother payments strengthen trust. Evolving finance from firefighting to foresight doesn't require sweeping change, but focused modernisation efforts that create momentum across the organisation.

Bottomline's approach is built on that very principle: change without chaos. Our plug-in, interoperable receivables solutions connect with what insurers already have, modernising collections while providing insulation from change for your wider estate and embedding automation and assurance into the flow of everyday finance.

The result is control you can prove, visibility you can act on and confidence you can build from the inside out. It's why many insurers begin with a simple payments and receivables health check - mapping gaps in validation, reconciliation and payouts, then prioritising the quickest wins to build momentum.
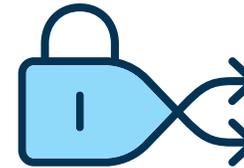
Jill Turner, Business Development Manager at East Midlands Shared Servies explains how they are eliminating inefficiency by automating payment processes, as well as improving security:

"We use PTX for managing Bacs payments for the likes of payroll, suppliers and benefits recipients. These are sensitive payments that, if disrupted, could have a severely negative reputational impact [on the councils].

We're looking for greater self-service and automation to avoid rekeying. Automation also improves security and provides better risk management, especially around payments. I now spend much more time working on business continuity planning and disaster recovery initiatives, such as scenario planning in response to cyber-attacks"

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