Bottomline

Vital Yet Neglected: The State of Accounts Receivable in UK Business

BEHIND EVERY INVOICE IS BUSINESS CRITICAL INSIGHT – BUT ACCOUNTS RECEIVABLE TEAMS ARE STUCK WITH OUTDATED TOOLS AND INSUFFICIENT SUPPORT

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Introduction

Accounts receivable (AR) is one of the core financial functions in any organisation. But its very centrality in how businesses operate means that, paradoxically, it often gets taken for granted by leadership teams. There are few sources of information and insight available about the current state of the function. And unlike their colleagues in Accounts Payable, AR professionals often struggle to come together, share experiences and build their knowledge.

Bottomline has long been a champion to AR professionals – providing AR solutions and services alongside consultancy and support for 20+ years. Our customers include some of the UK's most recognised brands, managing millions of AR interactions each year. But at a time of huge technological and economic change globally, we believe that the conversation in the accounts receivable function is falling behind.

So we felt the time was right to take a step back from the day-to-day and look at the bigger picture. Specifically, we wanted to ask: What is the state of AR in 2025? How do AR professionals feel about their role as disruption happens all around us? And what are the opportunities – and risks – for AR teams right now as they seek a more prominent role in enterprises?

We wanted to hear directly from those on the front line of collecting funds. Alongside our own knowledge and experience, we've based this report on a series of unique, in-depth qualitative interviews with AR professionals at 10 mid-size enterprises across the UK. These included firms in sectors like utilities, software, manufacturing and professional services. And we explored everything from investment priorities to job satisfaction.

Vital Yet Neglected is shaped by – and filled with – their experiences and observations. They've told us about their frustrations with today's status quo, and the enormous opportunities that could be seized if businesses invested more in their tools and processes. This includes AR's ability to inform decisions and surface risk early.

The Business-Critical Function That's Always Overlooked

Accounts receivable (AR) is the function that ensures businesses receive the monies owed to them. It covers everything from issuing invoices and tracking inbound payments to chasing late accounts and managing payment terms. Simply put, an organisation's financial wheels would stop turning without AR.

Yet, while this may seem like a pretty standardised back-office task, the reality is AR setups can vary wildly from business to business. The AR managers we interviewed emphasised that issuing and chasing invoices is anything but straightforward.

For one thing, payment terms are often bespoke by customer, while chasing overdue invoices requires tact, and negotiating payment plans calls for empathy. These are not processes that can be automated – they're human interactions.

In many cases, AR teams must also contend with multiple legal entities or inherited processes from mergers and acquisitions – all of which can make the role exponentially more complex.

One interviewee explained how their organisation typically buys 15 other firms a year. Each one will, of course, have its own ledger of invoices and bespoke payment terms, and ultimately, these all need to be integrated into a single finance system.

The Human Touch

As we sought to understand the realities of the finance professionals navigating accounts receivable processes every day, what we heard was a quiet but consistent plea: for better tools, greater recognition, and a seat at the table.

And while perspectives varied, one message came through loud and clear: this is, and will remain, a human job. Because at its core, accounts receivable isn't just about transactions – it's about relationships.

Indeed, accounts receivable is a crucial interface between an organisation and its customers. Payment conversations require emotional intelligence and a human touch. Done right, the AR experience can aid customer satisfaction, loyalty and recommendation.

AR professionals therefore sit at the intersection of company finances and customer relationships. They have the potential to improve cash flow visibility, forecasting accuracy, and overall business health. But without the right tools or investment, these capabilities will remain out of reach for most AR teams.

And as the economy continues to evolve – becoming faster, more fragile, and more complex – businesses that continue to sideline AR run the risk of turning a low-profile operational gap into a critical point of failure.

"We're starting to use AI to flag invoices that we need to follow up. The job will change with AI, but you'll always need a human. There are just too many bespoke processes."

– Accounts Receivable Professional, IT Services

"By the time you know what technology you need, the world's moved on. It's like you're always picking Betamax or VHS."

– Accounts Receivable Professional, Utilities

Lack of Investment Creates Mounting Pressure on AR

Pressure on AR professionals has grown steadily in recent years. And while there are many contributing factors, one undeniable driver is the rapid increase in the number of payment requests businesses must now manage.

> **“Invoices rely on a person filling in the requested information, and any missing or mistaken information has to be manually followed up and resolved.”**
>
> – Accounts Receivable Professional, IT Services

Invoice volumes are set to rise by 46% over the next three years, according to PYMNTS. The exact cause of this surge isn’t entirely clear, but the post-pandemic boom in business formation appears to be a major factor. In the UK, for example, the number of registered businesses in 2024 was 59% higher than in 2000, with the US showing a similar long-term trend.

More businesses mean more transactions – and more transactions mean more invoices. AR professionals operate at the centre of these growing demands.

Decades of Under-Investment

A next-generational digital channel is about more than just a prettier screen. Yet despite AR’s fundamental role in business operations, it remains low on the list of investment priorities for many finance leaders, let alone CEOs.

> **“We put our current system in because of Y2K.”**
>
> – Finance Leader, Manufacturing

As a result, many teams are still working with systems that haven’t been updated in years – even decades. One interviewee at a large global manufacturing business told us that his organisation deployed its finance system (including AR functionality) to handle the Y2K issue in the late 1990s, and it hasn’t changed since.

Today, nearly a quarter of enterprises still rely on spreadsheets, and almost 60% say outdated systems hinder their ability to forecast and manage cash flow. Meanwhile, 35% of firms in the US haven’t automated their AR processes at all. According to interviewees, this manual reality is simply part of the job.

Mind the Skills Gap

Lagging investment also tends to mean training is often inadequate, contributing to high staff turnover – a serious issue when strong customer relationships are central to effective AR. Offshoring and shared service models can further distance teams from the data they rely on to do their jobs well.

Outdated AR platforms are already a looming bottleneck for finance teams. But for most AR professionals, the challenges they face won’t be solved by automation alone. To keep up with rising complexity, businesses must modernise not just their tools but also their approach to how AR is valued and supported.

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Almost 60% say outdated systems hinder their ability to forecast and manage cash flow

– pymnts.com

AR’s Strategic Role in Business Decision-Making

AR professionals are typically tasked with delivering on two metrics in particular: cash collected (monthly/quarterly) and Days Sales Outstanding (DSO). These are more than operational metrics – they’re frontline KPIs that indicate how much cash a company has on hand. As such, they can have important consequences, influencing a business’s ability to invest, pay suppliers, and weather financial stress.

DSO targets are typically set by leadership as part of broader, company-wide initiatives to improve working capital. So, if the DSO target is reduced from 35 to 30 days, finance teams may need to adjust processes, chase payments more aggressively, or tighten terms to meet it. One AR leader we interviewed described his CFO setting a target DSO number, leading the team to work backwards from there.

But there’s the potential for AR to contribute so much more.

Informing Smarter Decisions

Unfortunately, finance leaders tend to pigeonhole AR as nothing more than a back-office process for sending invoices and chasing outstanding payments. In reality, AR teams could offer far greater value and insight – particularly around cash collection and revenue forecasting. And these insights could help inform business decisions and support efforts to invest and grow.

But with inflexible systems and standardised reports, it becomes much harder to drill into the data – reducing forecasting to often opaque guesswork. So, for AR to be seen not just as a function but as a source of strategic insight, teams need the right tools. And most simply don’t have them.

Intelligence Tests

Bottomline’s AR solution comes equipped with embedded intelligence, including machine learning and AI, that can detect potential fraud and predict collection dates. It also supports rules-based decision-making to intelligently route payments, automate reconciliation, and customise reporting and analytics.

This intelligence enables AR teams to work faster and reduce errors, allowing them to focus on the exceptions that require their attention while delivering greater value to the business. So, these features aren’t about replacing people – they’re about giving AR teams the visibility and efficiency they need to make smart, timely decisions.

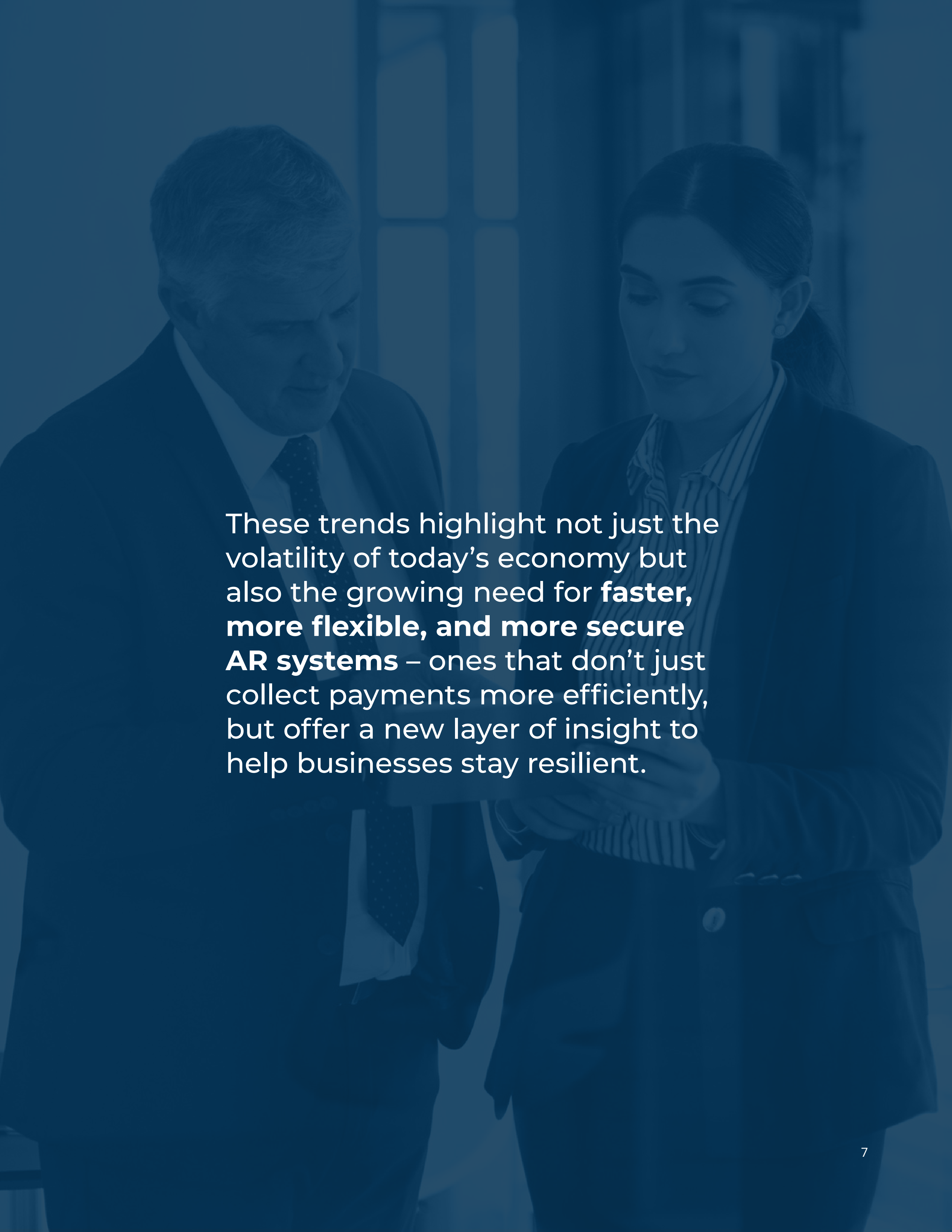
Because there’s an invisible but very real cost to not making the most of your AR team

“Every month we have to present the aged debt report… average debtor days, payment plans, legal cases, credit notes, bad debt written off. It’s the health check for how AR is performing.”

– Finance Director, IT Services

“The CFO says, ‘I want DSO at this number.’ Then we work backwards from there.”

– Accounts Receivable Professional, Financial Services



These trends highlight not just the volatility of today's economy but also the growing need for **faster, more flexible, and more secure AR systems** – ones that don't just collect payments more efficiently, but offer a new layer of insight to help businesses stay resilient.

Uncertainty Is the New Normal

Sitting on the front lines of finance, AR professionals hold a unique and valuable perspective. They see how long customers take to pay, who's requesting credit notes, who's missing deadlines, and which customers are regularly on the phone negotiating payment plans. In other words, they're at the sharp end of customers' financial confidence and payment habits.

This up-to-the-minute exposure arguably gives the accounts receivable function a more sophisticated understanding of current economic conditions than almost anyone else in the business. It's a strategic edge that organisations could use to their advantage.

In fact, several interviewees told us that this perspective matters more than ever, as both B2B and B2C businesses have become increasingly fragile under economic pressure – a trend only exacerbated by the current landscape.

Changing Consumers

Among consumers, more precarious work arrangements – such as the rise of zero-hour contracts – have made it harder for many to pay their bills on time.

This is a particular issue for mass-market consumer businesses, such as energy providers, insurance companies and telco operators, who have millions of customers and are, as such, exposed to deep currents affecting the population at large.

One interviewee even mentioned that customers cancelling their direct debits – for example as part of social media campaigns or consumer protests – can have significant effects.

In an economy that's not only more uncertain but also moving faster than ever, the clear, unbiased view of market behaviour that the AR team can report back into the business is incredibly valuable.

Business Fragility

Meanwhile, on the B2B side, companies are often failing faster than ever before, rendering traditional data sources less reliable as indicators of financial health.

Whereas credit scoring and Companies House filings were previously good enough to understand a corporate customer's financial situation, now things can move so quickly that problems don't even show up on the radar. Add in the ongoing cost-of-living crisis, and both consumers and suppliers are under heightened strain.

These trends highlight not just the volatility of today's economy but also the growing need for faster, more flexible, and more secure AR systems – ones that don't just collect payments more efficiently, but offer a new layer of insight to help businesses stay resilient.

"It's been a very challenging climate. Businesses are going bust faster, and you can't rely on traditional signals anymore."

– Accounts Receivable Professional, Utilities

"You've got to have regular contact, daily/weekly, with your customers – even the big ones."

– Accounts Receivable Professional, Utilities

These risks are another reason for AR teams to shift as quickly as possible to cloud-based systems, which are far easier to maintain and upgrade.

The Growing Data Risk

AR systems often house some of the most sensitive data – from customer bank details and billing history to payment terms and internal financial records. Migrating this data to a new system can feel risky and raise fears around data loss, implementation failure, or business disruption.

But this hesitancy comes at a cost. Legacy systems that store sensitive data and receive little maintenance are prime targets for cybercriminals.

High-Profile Incidents

Before today, major UK retailers have suffered significant cyberattacks that severely disrupted their operations and compromised customer data. One breach forced the company to suspend online orders, disrupted contactless payments, and caused in-store stock shortages – resulting in financial losses to the tune of £300 million.

The attack exposed vulnerabilities in the retailer's supply chain security. Ageing platforms are particularly susceptible to ransomware, data breaches, and insider threats. In many cases, internal teams no longer fully understand the original system architecture, and security patches can only go so far.

Eventually, something gives – and when it does, teams face awkward questions about why they're still running systems put in place decades ago.

These risks are another reason for AR teams to shift as quickly as possible to cloud-based systems, which are far easier to maintain and upgrade (for instance, with security patches) compared to deployed software. They also have the advantage of being more intuitive to use, an important benefit at a time of high staff churn and reduced training budgets.

Uncertain Steps

When teams do finally decide to explore alternatives, the process is often anything but strategic. That's because AR systems are updated so infrequently – sometimes only once every 10 or 20 years – so most teams don't have a list of trusted vendors top of mind. As our interviewees told us, this is not a decision they revisit regularly, which means few have experience navigating the market.

So, when a buying decision is triggered – usually by some unavoidable pain – the search process tends to start with information sources close to hand. Most buyers begin by asking peers, looking through LinkedIn, or just googling around to see what's out there. There's little existing brand loyalty or visibility.

The stakes are high and the purchases rare – which means vendors that don't show up early in the search, with clear proof points and a reassuring presence, are often overlooked. Analyst reports may offer backup validation, but the shortlist is typically built on first impressions and reputation.

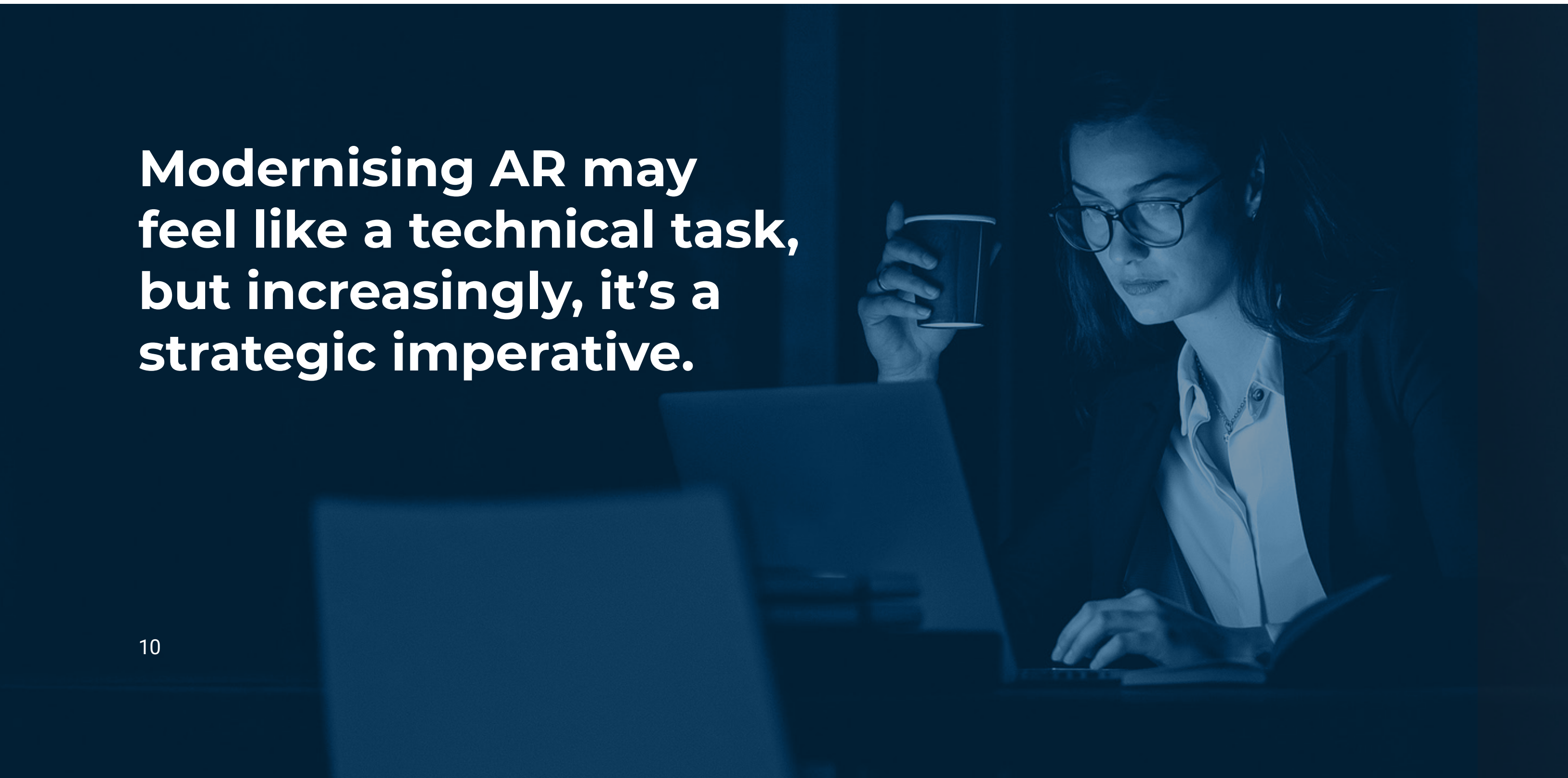
The Costs of Inaction

Sticking with the "if it isn't broken…" mindset may feel safe, but it's far riskier than it seems. A phased, modernised approach is the smarter path – and one that modern AR systems like Bottomline's are built to support.

These newer platforms protect confidential customer data and effectively shift the management of it from the company to the vendor. Bottomline's platform, for example, uses encryption and tokenisation to securely transfer and store sensitive data, protecting it from both external threats and internal misuse.

And once modernised in this way, the benefits extend far beyond security. Businesses gain access to improved forecasting, real-time reporting, and automated reconciliation – enabling AR teams to act with more speed, clarity, and confidence.

In short, standing still isn't safe. Modernising AR may feel like a technical task, but increasingly, it's a strategic imperative.



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Conclusion: Attention Required

Much of a company's leadership focus and resources typically go toward the latest innovations and high-profile technologies. As we heard repeatedly during our interviews with AR managers, their function rarely feels important enough to warrant investment, despite being business-critical.

But when the rubber hits the road, especially in an uncertain economy where businesses close faster and bills get paid later, one basic truth becomes stark: businesses need their customers to pay their invoices.

Not every business will be affected in the same way. But all signs point to one direction: getting invoices paid is getting harder. And when AR teams lack the tools and support they need, they become less effective. The work slows down, becomes more frustrating, and contributes to rising staff churn and falling morale.

Beyond that, the business doesn't just lose money – it misses out on the benefits better forecasting and tighter cash flow control could bring to operations, at a time when it has never been more critical.

A Time for Change

The conversations we had with UK based finance professionals for this report – those at the cutting edge of cash collection, forecasting, and customer relationship management – all echoed the same message: AR managers may sometimes feel invisible in their organisations, but they shouldn't. Their position on the front lines of payment behaviour makes them uniquely placed to surface risk early – if the business is willing to listen.

Their stories reflect a sense of being undervalued: essential to the business, but not always treated as such. It's a role that carries real responsibility but rarely comes with influence – often managed with outdated systems, limited budgets, and little recognition.

And yet, beneath that was a clear appetite for change and a desire to be empowered. Bottomline understands that challenge. And with the right tools, we can help teams modernise, protect sensitive data, and turn AR from a neglected function into a strategic business asset.

It's time your company takes AR seriously – before you're forced to.

"The real trigger was probably a realisation that our levels of bad debt were in excess of what would be expected in comparable companies. We were looking at 0.8% to 0.9% bad debt write-offs, while comparable companies were closer to 0.5%. Obviously, that couldn't continue... The CFO might get asked to justify being twice as bad, and that's not a conversation he'd want to have."

– Finance Director, IT Services

If any of this sounds familiar, let's talk.

Bottomline is here to help your AR team modernise with less risk and more support – making the job easier, more secure, and more valued across the business.

Contact Us

Methodology

Vital Yet Neglected is based on 10 in-depth qualitative interviews with AR managers and finance leaders with responsibility for AR. Every interviewee worked at a company that is based in the UK and has annual revenue above £20m. Interviews were conducted in spring 2025.

About Bottomline

Bottomline helps businesses transform the way they pay and get paid. A global leader in business payments and cash management, Bottomline's secure, comprehensive solutions modernize payments for businesses and financial institutions globally. With over 35 years of experience, moving more than $16 trillion in payments annually, Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than $179 billion in assets under management.

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