

**CAXTON**  
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2024 EXPENSE MANAGEMENT RESEARCH

# UK Corporate Expense Management in 2024

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# Five years of Caxton Expense Management research - challenges and progress

Caxton's 2024 study into the UK's corporate spending landscape is designed to reach those involved with expense management on a day-to-day basis. **For the first time, this report adds a snapshot of the challenges experienced by workers submitting expenses.**

In 2019, our initial survey of 150 financial managers and directors highlighted the widespread use of manual expense processes, which created unnecessary frustrations, delays, and financial risks for business. At that time, **over 50% of businesses were still relying on outdated and manual methods**, and a significant number of employees were expected to use personal funds for corporate expenses.


By 2022, the world had changed dramatically, impacted by both the global pandemic and widespread inflation. Our 2022 research showed businesses were beginning to embrace more digital tools, with **automation becoming a focus for those looking to make operations more efficient, and to support their employee wellbeing.**

However, the gap between companies that had adopted automated systems and those yet to switch remained, and **many organisations continued to struggle with inefficiencies and misuse of corporate funds.**

Now in 2024, this latest investigation has seen **1,500+ employees and managers surveyed across the UK** for their opinions and experiences with corporate expense management. While significant progress has been made - **9 out of 10 companies** now have an official expense policy in place - many challenges persist.

Employees continue to face **delays in reimbursement** and almost **40%** of businesses still operate **without an automated expense management process**. The survey also shows **misuse of corporate funds** is still occurring, with **13% of employees admitting to expensing non-work-related purchases.**

Going forward, businesses must find a way to support and reward employees for timely and accurate expense submission, while reducing administrative load on financial managers.



**"Our research continues to highlight many businesses are still relying on their employees to front business expenses, effectively using them as a cheap line of credit. This practice not only strains employee finances but also damages morale and trust. It's time for companies to recognise that providing proper tools and support for expense management is not just a financial issue—it's a critical aspect of employee wellbeing."**

Jane-Emma Peerless  
Director of People at Caxton

## EXECUTIVE SUMMARY

We surveyed **500 corporate managers** across the UK to uncover the state of expense management in 2024. For the first time, we also expanded the survey to include **1,000 UK employees** to gain a greater insight into the expensing issues that affect businesses in 2024:

Are employees happy with their expensing process?

Are managers able to control, analyse and predict business spending?

How many employees are misusing corporate funds?

From SMEs to large corporate businesses, survey respondents provided a snapshot of their daily expense management approaches, successes, and challenges. We tracked how this changed across age ranges and business sizes, alongside the effects of moving to an automated reconciliation system.

Over the last two years, significant improvements have been made – **9 out of 10 employees** now say that they have an official expenses policy in place at their business, **an increase of 25% since 2022**. But, despite this progress, there are still glaring concerns for employers and their corporate expense management. **70%** of surveyed employees revealed they had expensed something without prior approval, and **13%** admitted to claiming business expenses for purchases that were not work-related.

"Our research over the years, from 2019 to 2024, consistently underscores a key insight—businesses that have embraced modern, automated expense management are far better positioned to control costs and support their employees. Despite the progress we've seen, those still relying on outdated manual processes are not only falling behind but also putting undue pressure on their teams. The message from our latest findings is clear: it's time to modernise, or risk being left behind."



Trevor Price  
CFO of Caxton

## EXECUTIVE SUMMARY

### Our main findings:

**3/4**

employees expense  
£50+ on average per  
month

**1/3**

employees have  
expensed something  
without prior approval

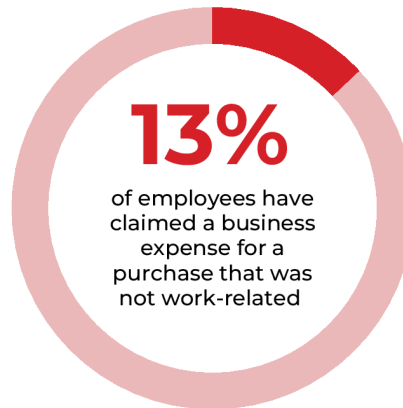


**1/4**

managers agree that their  
current expense  
management system is fit  
for purpose.

**>50%**

employees spend their own  
money on business expenses



**2/3**

managers agree that using  
an "Any Card" expense  
management solution  
would benefit their  
business.



**1/3**

managers handle  
expense  
management daily

**At a time when corporate budgets are being stretched in both operational and non-operational areas, ensuring control over employee business spend and cutting down on working time spent managing expenses **could not be more crucial.****

2024 EXPENSE MANAGEMENT RESEARCH

# Employee Spending



## EMPLOYEE SPENDING

# Over half of employees spend their own money on business expenses

As one of the factors affecting employee satisfaction and happiness, employers must realise that workers should not be required to spend their own money on business purchases.

Our employee survey found that:

**41%**

of employees make business-related purchases with their **own personal credit or debit card.**

**12%**

of employees normally make business-related purchases by **using their own cash.**

**30%**

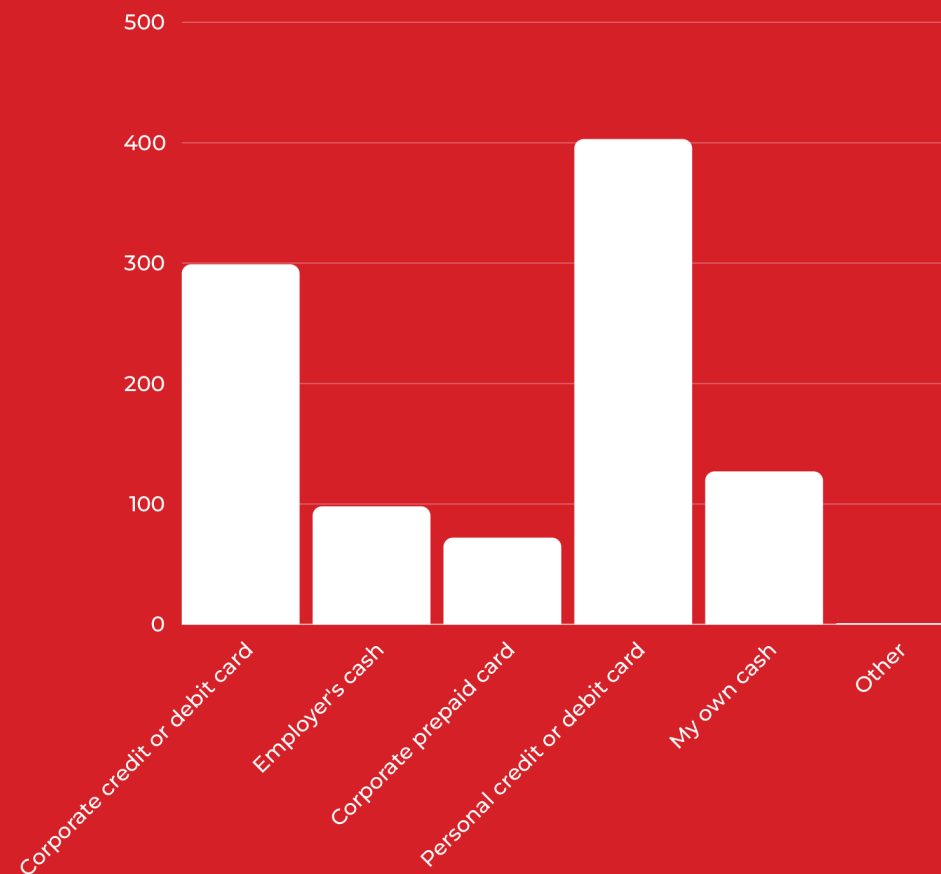
of respondents use a **corporate credit or debit card.**

Despite the widespread adoption of automated expense reconciliation platforms and other expense management technology. The problem is worse for smaller companies (<50 employees), with **6 out of 10 employees** spending their own money on expenses – due to a lack of expenses policy, available corporate funds, or avoidance of a lengthy and confusing expense management process.

With most employees expensing between **£100-£500 per month**, using their personal money can have a huge impact on their own cash flow and financial wellbeing. When reimbursement is fast and simple employees are less concerned about spending their own money on business expenses, but with **1 in 3 surveyed employees waiting up to a month for reimbursement** this often isn't the case.

**The question remains – are employees satisfied with using their own money for business expenditures at all?**

## How do you normally pay for business expenses?



## EMPLOYEE SPENDING

# 3 out of 4 employees would prefer to use a company card or business-provided cash for expenses

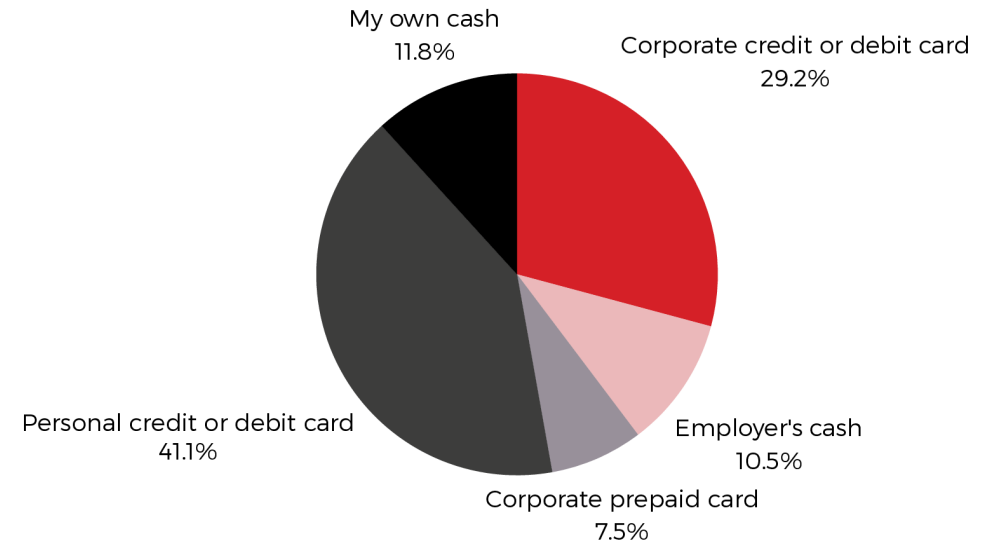
The employee survey highlighted the difference between how employees currently pay for business expenses and how they would want to pay if given the choice.

**Over half of respondents** expressed a strong preference to use a company card for purchases with only **12%** selected the option of using cash provided by their employer. Given the differential between these figures and the **53%** of employees spending their own money on corporate expenses, the **majority of UK employees are clearly unsatisfied with their current expense management system.**

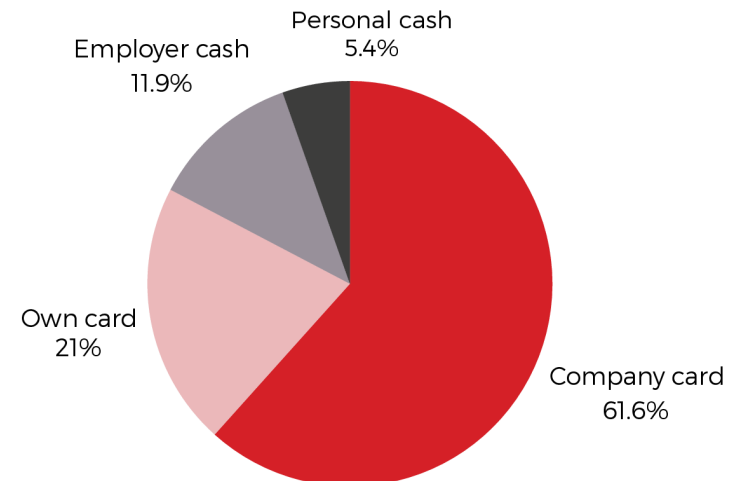
Despite the ease of using a company card for business expenditure, **21%** of surveyed employees preferred to use their own card for expenses. In fact, when workers were asked which expense management employee benefits they would like to receive – **the ability to use their own credit or debit card for reward points/bonuses was selected by over 50% of respondents.**

**Is there a catch-all solution to employee expensing issues in 2024, where employees can automate their expenses using their own card?**

## How do you normally pay for business expenses?



## How would you prefer to pay for business expenses?





## EMPLOYEE SPENDING

# 29% of employees have expensed something without prior approval

Employee expenses are still not fully controlled by UK businesses in 2024. Whether through lack of understanding, an unclear expenses policy, or wilful ignorance – **nearly 1 in 3 employees have made a business-related purchase and expensed the cost without approval.**

After years of rapid inflation and wage growth, accurately forecasting business expenditure is critical for businesses of any size, and unplanned and unapproved employee spending can quickly affect budgets and financial management. Even smaller expenses begin to add up, leading to enormous strain on businesses of all sizes.

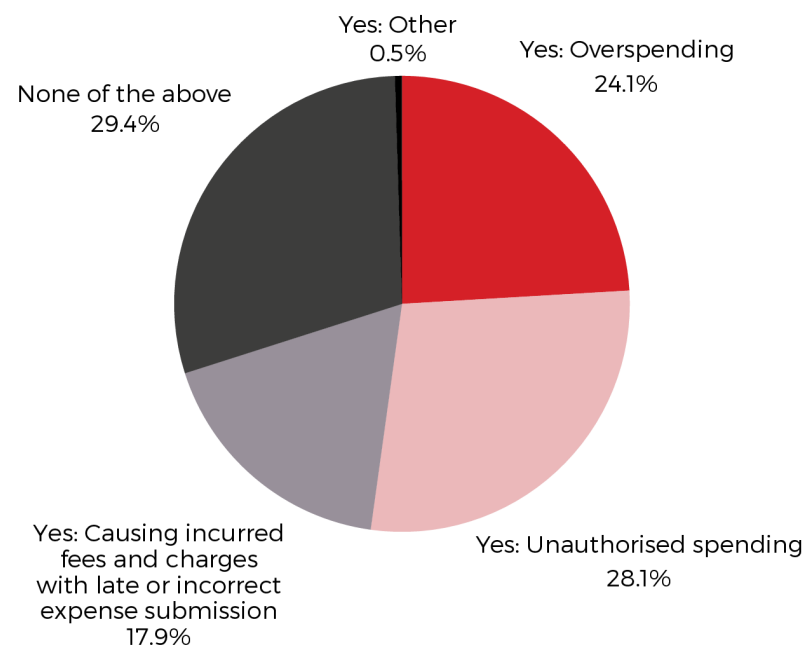
This issue is worsened further by late reconciliation of expenses by employees – only **23% of employees claimed that they always submit expenses as soon as possible.**

Worse still, **1 in 10 employees admitted to claiming a business expense for a purchase that was not work-related.** Either purposefully or by mistake (less than half of Gen Z employees agreed that managing and submitting their expenses was simple and straightforward), widespread misuse of corporate expenses can wreak havoc on the financial health of a business.

Not only is greater control required with automated reconciliation processes, but the addition of employee benefits for using the expense management system correctly can help to cut down on the incorrect use of business expenses by employees.

**The option for employees to use their own card for reward points and bonuses, combined with automated expense tracking, might offer the perfect solution.**

## Have you encountered misuse of company expenses by employees in your current business (accidental or otherwise)?



# Business Expense Management



## BUSINESS EXPENSE MANAGEMENT

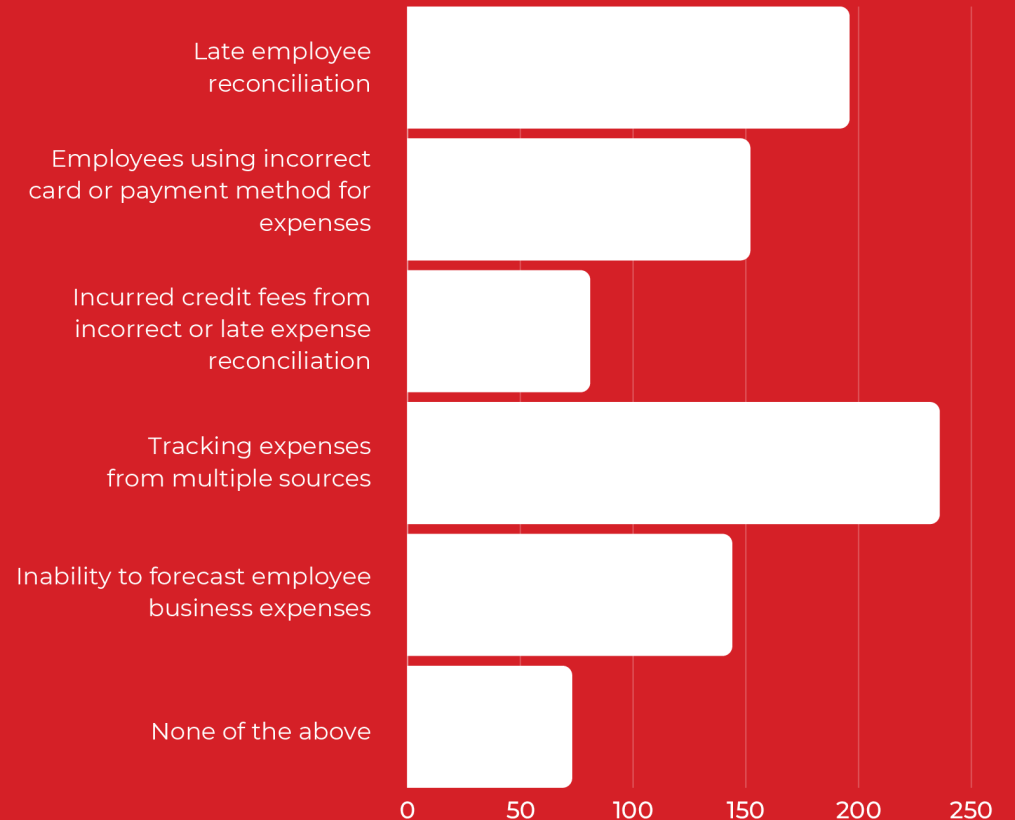
# Only 1 in 4 managers agree that their current expense management system is fit for purpose

Expense management is a critical part of everyday business - **63% of managers are involved in expense management every week and almost a third (29%) are involved daily** - but managers are struggling with various aspects of the process.

Despite increasing accessibility and availability, only **59%** of managers have access to an automated reconciliation platform within their business - even though they face a variety of issues within expense management.

**Respondents flagged that tracking expenses from multiple sources was their main concern, followed by late employee reconciliation and employees using an incorrect card or payment method for expenses - issues that can be resolved with an all-in-one, centralised expense management platform providing oversight and reporting.**

## What, if anything, do you find frustrating about your company's current expense management process?



## BUSINESS EXPENSE MANAGEMENT

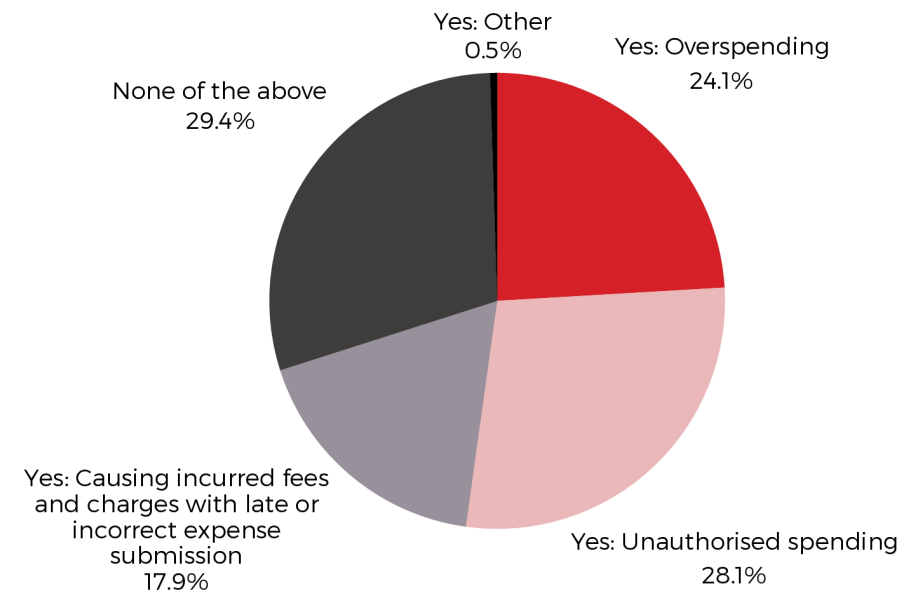
# 2 out of 3 managers have encountered misuse of company expenses by employees

While just 30% of employees admitted to expensing a purchase without prior approval, a **majority of 64% of managers have encountered the misuse of expenses by employees in their current business**. This misuse ranged from overspending, unauthorised spending, and even causing fees and charges with late or incorrect expense submission.

This is possibly an unsurprising result, given that only **23%** of surveyed managers agree that their business has complete control over what employees buy and how much they spend.

**Without centralised and accessible visibility over employee spending, unauthorised and potentially fraudulent expenditures can go unseen, creating budgetary holes and financial headaches for businesses striving to grow profits.**

**Have you encountered misuse of company expenses by employees in your current business (accidental or otherwise)?**



## BUSINESS EXPENSE MANAGEMENT

# Automated vs manual expense management in 2024

**40%** of surveyed UK managers still use a **manual expense management solution** – i.e. paper receipts appended to physical expense forms. Persistent problems for managers involved with expense management call for a better solution.

**1 in 3 managers** had concerns about costs or set-up fees involved with an automated expense management platform, but the hidden costs of remaining with manual reconciliation are clear.

**Difficulties tracking or auditing employee expenditure, endless admin and paperwork, and widespread misuse of company funds all total a greater overall cost than finding a solution for expense management.**



**35% of managers had cost concerns about an automated expense management platform**

In a 2022 Caxton survey of UK CFOs, **34%** agreed that they had full control of employee business spending, compared to 23% of those using manual reconciliation.

Not only does an automated expense management solution recover hundreds of working hours from managers burdened with processing manual expense forms, but it also provides a business with **significantly greater visibility and detail on employee spending.**

**Managers agreed in our latest survey that they want to adopt new innovations in expense management, including prepaid company cards, virtual cards, receipt capture technology, or even an “Any Card” solution.**

2024 EXPENSE MANAGEMENT RESEARCH

# Any Card



## BUSINESS EXPENSE MANAGEMENT

**2 out of 3 managers agree that using an “Any Card” expense management solution would benefit their business.**

Switching to a new expense management platform can benefit both managers and employees.

Caxton's newly-launched “Any Card” feature - an addition to the Caxton Expense Management solution - **is designed to streamline expense management for businesses of all sizes regardless of the payment card used.** This feature can also provide additional employee benefits from using their own payment card in the form of reward points, cashback or spending bonuses.

**Any Card marks a significant leap forward in Caxton's mission to deliver a comprehensive, user-friendly expense management platform. This new feature allows users to integrate various payment cards—whether virtual, prepaid, corporate, or personal—into one system, revolutionising how businesses handle their expenses.**

## Any Card benefits:



### All-In-One Platform

Any Card enables users to consolidate all their transactions into a single platform, regardless of the card type. This not only simplifies expense tracking but also enhances the efficiency of the reconciliation process. No more sifting through multiple statements or spreadsheets.



### Enhanced Flexibility

Employees now have the option to request and use any card for business-related expenses. They can even expense direct debits or bank payments. This flexibility empowers users to choose the payment method that best suits their needs and select which transactions to subsequently upload onto the platform.



### Greater Oversight and Control

Owners and administrators can easily manage cards, approving or rejecting connections to Any Card at any time. This ensures all transactions are monitored and authorised, providing a higher level of oversight and security.

**Incorporating the 'Any Card' feature into our platform wasn't just about adding a new tool; it was about enhancing the entire expense management experience. This feature allows for greater operational efficiency, reducing the time and resources spent on manual reconciliation, and enabling businesses to focus on what really matters—growth and innovation.**

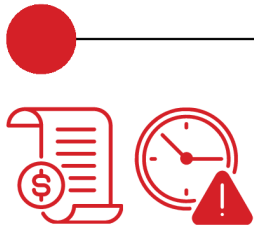


Alana Parsons  
Chief Operating Officer at Caxton

## HOW FAR WE'VE COME

# From manual to modern: The progress and remaining challenges.

### 2019 The Baseline



#### Manual Processes & Employee Burden

**Half** of businesses still relied on manual processes, causing significant delays in reimbursements and placing a financial burden on employees.

### 2022 The Shift Begins



#### Rise of Automation & But Still Persistent Delays

Automation adoption surged, with **77%** of businesses making the switch. However, companies using manual systems still faced long reimbursement delays, averaging **21 days**.

### 2024 The Present Landscape



#### Widespread Policy Adoption & Solutions that flex to business

**90%** of businesses now have formal expense policies, and Caxton's 'Any Card' feature has introduced unprecedented flexibility, allowing any payment method to be easily expensed and tracked.

### Looking forward The Future of Expense Management



#### How businesses can stay ahead.

- Leverage the 'Any Card' feature for maximum flexibility.
- Focus on real-time expense visibility and control.



# THE EVOLUTION OF CORPORATE EXPENSE MANAGEMENT: INSIGHTS FROM CAXTON'S 5-YEAR RESEARCH

## Five Years of Expense Management Insights

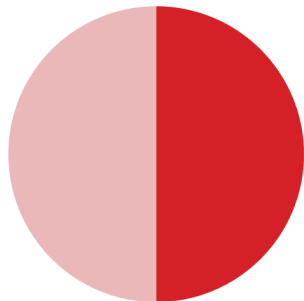
A look at how corporate expense practices have evolved from 2019 to 2024.

### 2019: The Baseline

- **Key Finding 1: 50%** of businesses still rely on manual expense management processes.
- **Key Finding 2: 35%** of employees use personal funds for business expenses, often waiting weeks for reimbursement.



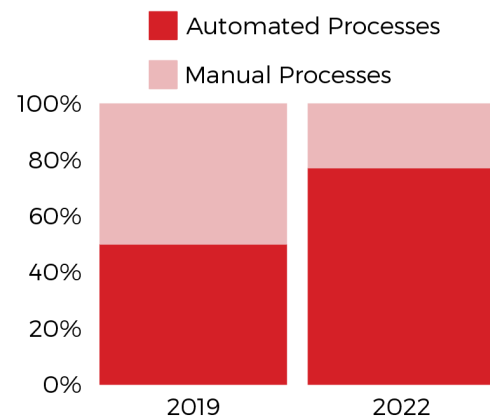
■ Automated Processes  
■ Manual Processes



### 2022: The Shift Begins

- **Key Finding 1: 77%** of businesses have adopted some form of automated expense management.
- **Key Finding 2:** Employees still face delays: **21 days** on average for reimbursement in companies with manual systems.

**21** average days reimbursement delay



### 2024: The Present Landscape

- **Key Finding 1: 90%** of businesses now have an expense policy, but **40%** still use manual reconciliation.
- **Key Finding 2:** The introduction of Caxton's 'Any Card' feature addresses the flexibility gap, allowing any payment method to be connected and expensed.

**1** Employee Makes a **Purchase**



**2** Request **Connection** via Open Banking



**3** Finance Admin **Approves** Connection



**4** Expense is **Submitted and Tracked**



**5** Reimbursement/  
**Approval**



## Shaping the future of payments

Caxton's API-driven platform delivers the global payment needs of businesses and individuals alike, across a range of sectors. **Underpinned by 20 years of experience helping UK SMEs. We help businesses of all sizes make high-volume payments easily – so that everyone is paid on time, every time.** Today hundreds of thousands of people trust Caxton to deliver their financial transactions – both domestically and internationally.

The Caxton Expense Management Solution was born from business customers telling us there was a need for better visibility and control over expenses. The automated 'point and snap' expenses app combined with loadable corporate cards was an evolution in budget and expense management. **Working closely with our clients we've continued to evolve the Expense Management capability to meet the unique needs of business with 100 to 100,000 employees.**

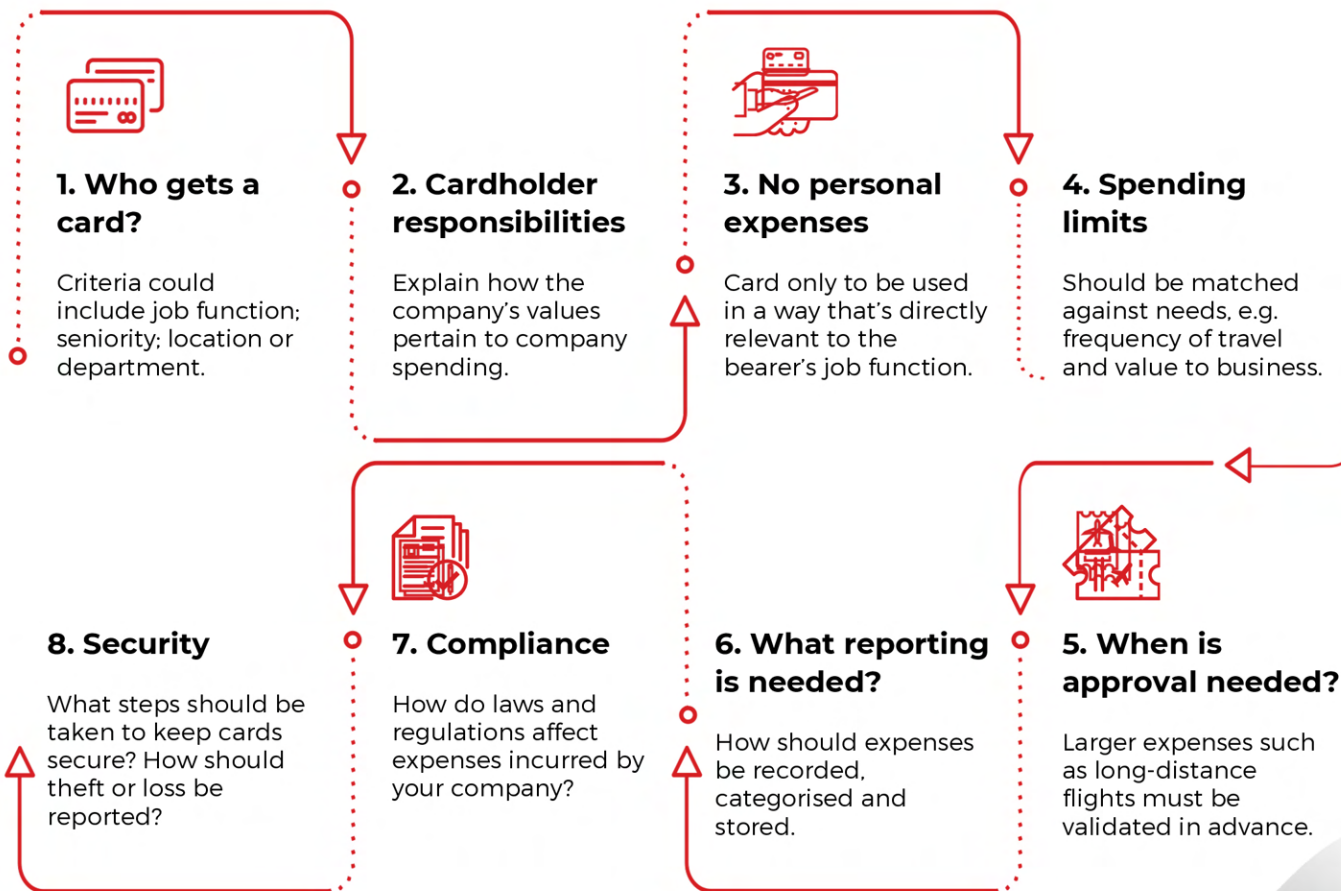
We empower businesses to manage every type of payment through one secure platform—from FX, bulk and payroll payments to international supplier transactions. With our platform, businesses of all sizes can streamline their entire payment process, ensuring they have full visibility and control over their financial operations, no matter the type or destination.

"In today's business environment, flexibility isn't just an advantage—**it's an essential.** With our 'Any Card' feature, we're giving businesses the power to manage expenses on their terms, **no matter how** their teams choose to pay. It's about putting **visibility and control** back into the hands of finance leaders while making life easier for **everyone** involved."



Rupert Lee-Browne  
CEO of Caxton

# Your Corporate Expense Policy: Still the foundation of good expense management



## Once it's written make sure:

It's updated when necessary

It's easy to find

It has buy-in from finance; managers & employees

Rules are enforced consistently

Finance team understand how they're to implement it.



**FREE  
TEMPLATE**

**DOWNLOAD**

## ABOUT THE SURVEY

# This research was conducted by Caxton and Pollfish in August 2024.

The **1,000 employees** surveyed are UK-based and are currently involved or have been previously involved in expensing a business purchase. The **500 managers** surveyed are UK-based and are involved in managing and processing business expenses as part of their role.

RESEARCH CONDUCTED BY

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