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The Big Payday Delay: Research reveals the significant impact that payday errors and unrealistic expense demands have on UK employee health

- New report finds UK employees often waiting up to a month for corrections to their wage packet causing distressing financial and mental health woes, during the cost-of-living crisis
- 65% of workers suffer serious anxiety or mental health issues due to payday errors or delays, with almost a quarter (23%) unable to pay for food grocery bills
- Industry calling for a more modern approach in payday options from their employers with 75% of UK workers asking for earned wage access options to alleviate financial struggles
- Expenses requests and unfair expectations from UK business often leaving employees significantly financially out of pocket

London - 19th April 2023 - [Caxton](#), the leading payments solutions provider, has today launched an industry report [*insert link to landing page including summary blog with stats*] looking at the pay challenges faced today by UK employees. The new research, which combines data from UK payroll professionals and both part-time and full-time employees*, reveals that nearly 40% of people have had an incorrect wage paid to them on payday. When asked about the potential impact of their salary not being paid to them correctly, a third (33%) of this 40% said they would be unable to pay their bills, 32% said they would be unable to pay their or mortgage on time and worryingly, 29% would go into their overdraft.

Financial and mental wellness needs to be a bigger priority for employers

Whilst payday is often deemed a happy day, as well as the point at which employees manage and plan their bills for the month, for many it's causing significant financial and mental health worries. When asked about the physical or mental impact of not being paid on time or incorrectly, over a third (35%) reported feeling more anxious or stressed, whilst 30% said their mental health would suffer and 29% said they would not be able to sleep with worry. Even more concerning, nearly a quarter of people (23%) would be unable to afford food/ groceries for themselves and their families and would have to borrow money from friends and families.

Old approaches to pay has impact on employee recruitment and retention

The report stressed the importance that employees place on the accuracy and flexibility of payroll processes and schemes when choosing or staying with an employer. Over 1 in 10 have considered leaving - or have left - their job (13%) because of an incorrect or late salary payment. Three quarters (75%) of employees would find access to earned salary in between their usual pay day to be beneficial including 6% who would find it invaluable. 57% of employees claim that when considering a new employer, they would choose an employer that offered pay as you earn it over one who does not. 18% of employees claim that when considering

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a new employer, pay as you earn would be paramount in their decision process when choosing one company over another. On a positive note, companies seem to be trying to support employees during these hard times, as 21% said the most common support comes in a pay rise, and complimentary breakfast/ lunch (16%).

Expectation to cover expenses from employees' own pocket is outdated and unfair

Expenses management has also been cited as an outdated and unfair process within many businesses. The new data has shown that companies are still making employees pay for expenses out of their own money, and worse, making them wait to be reimbursed, sometimes up to a month (19%). Nearly a third (28%) of respondents have been asked to cover work expenses and of those 78% having ended up out of pocket because of an inefficient expense process.

Conversations around money seem to hold a certain stigma amongst UK employees and their employers too. On average, employees claim they would need to be owed £328 in the form of workplace expenses before discussing any potential impact of reduced funds on quality of living with their employer. Of those employees asked to cover expenses, 1 in 5 (22%) said they would not be comfortable discussing the impact personally paying expenses has on their quality of living with their employer.

Caxton founder and CEO, Rupert Lee-Browne. "Payday should be an opportunity for businesses to support their people and encourage better financial wellness. Something that is particularly important during times of financial crisis and recession. However, these results demonstrate that for many employees across the country payday is an outdated process for so many businesses. This is causing huge stress and anxiety to their most important assets, people."

He continued: "Whilst many other departments within business have seen huge digital and technology transformation, more recently heavily driven by the pandemic, the payroll function has often been left behind. At Caxton, we are calling on UK businesses to do better. This can often mean just simple and small changes that can give their employees increased flexibility around pay, faster payments when errors occur, or reimbursement when needed and overall better peace of mind when employees have an unexpected bills in-between payday."

Caxton, one of the original innovators in the fintech industry since 2002, provides every payment solution in one platform, and processes tens of millions of transactions per year.

*Caxton conducted two separate research studies. One survey was conducted amongst 2,020 consumers in full or part-time employment. One polled 260 finance professionals responsible for payroll - both in an in-house and bureau

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setting. The online surveys were conducted by Walr. The research fieldwork took place between February 27 – March 2, 2023.

Ends.

About Caxton

[Caxton](#) is a multi-award winning fintech payments company which processes tens of millions of international and domestic transactions each year. A founding pioneer in the payments industry, Caxton is regulated by the Financial Conduct Authority and upholds stringent cybersecurity standards to create easier, faster, and more client focused payment technology. Offering a proprietary API as well as in-depth currency expertise, Caxton has maximised currency value and minimised risk for clients and card customers since 2002.