

# CAXTON

## **The Payday Crisis: new report reveals outdated payment processes are having sizeable impact on business productivity and employee happiness**

Report findings at a glance:

- Almost half of UK employees (47%) have received a late or incorrect wage
- Payroll professionals declare almost half (41%) of their time at work is spent fixing payroll issues rather than doing their typical job
- Over 1 in 5 (27%) payroll professionals regularly report the negative impact this has on their workload to manager
- More than 1 in 10 employees have considered leaving or have left their job (13%) because of an incorrect or late salary payment
- Almost a third (30%) mental health issues due to payday errors or delays, with almost a quarter (23%) unable to pay for food grocery bills

**London - Tuesday, 18<sup>th</sup> April, 2023** - [Caxton](#), the leading payments solutions provider, has today launched an [industry report](#) looking at the pay challenges faced today by UK employees and payroll professionals. The new research, which combines data from both UK payroll professionals along with a comparative look at part-time and full-time employees\*, reveals the significant impact that outdated approaches to payroll are having on employee happiness and business productivity and growth.

### **Payroll professionals report on painstaking payday processes**

Over three quarters (76%) of respondents responsible for payroll stated that they find the period around payroll each month to be stressful. A significant 41% of their time at work is spent rectifying payroll issues rather than doing their typical job. Furthermore, over a quarter (27%) responded that they regularly communicate with their manager about the negative impact this has on their workload.

It seems that legacy systems and outdated attitudes and approaches to pay are primarily to blame and BACS is leading their list of complaints. In fact, 72% of BACS users polled agree that, on its own, the system is not suitable for modern payroll. This is predominantly linked to lengthy input times and inflexible pay structures. Many payroll professionals also believe it to be unreliable with 86% of BACS users claiming it has previously failed them. A third also stated that they have to process a follow-up payment run almost every time.

### **Employees seeking flexible payday options to alleviate financial challenges**

The Caxton report also surveyed employees in UK business to understand the pay challenges they face. The latest research has shown that nearly half (47%) of employees have had an incorrect or late wage paid to them. When asked about the physical or mental impact of not being paid on time or incorrectly, over 35% reported feeling more anxious or stressed. Alongside this, almost a third (30%) said their mental health has suffered.

The data also reflected on the support offered by their employers since the cost-of-living crisis began. A significant number (29%) of employees have not been offered any support at all. And, whilst the payroll function is not often known for its flexibility, three quarters (75%) of employees would find access to earned salary in between their usual pay day to be beneficial. A further 57% of employees claim that when considering a new employer, they would choose an employer that offered 'pay as you earn' over an employer who does not. Nearly a fifth (18%) claim it would be paramount in their decision process when choosing one company over another.

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**Caxton founder and CEO, Rupert Lee-Browne commented:** “This research truly exposes the deep impact that archaic approaches to employee pay are having on both the payroll professionals and staff. There is an opportunity for businesses, if they make payroll part of their digital transformation journey, to deliver dynamic new ways to support the financial health and wellbeing of their most important asset – their people.”

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 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.