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## **UK businesses lose £1.9 billion to staff employee expense claims every year**

### **The average UK employee spends over £100 per month on unauthorised and inflated purchases, according to research**

Staff expense claims could be costing UK businesses a whopping £1.9 billion every year, according to new research by Soldo, who offer smart company payment cards that automate the expense management process.

The survey of 2,500 UK employees found that those who submit work expenses or have access to an expenses account, spend an average of £117 per month on unauthorised and inflated purchases, totaling £1,404 over the course of a year. On a national scale, this amounts to £1.9 billion.

It also found that 38 percent of employees claim expenses for things they know they shouldn't. One in ten admitted that they do this all the time, while almost one in five (19 percent) admitted to doing it every now and again. A further eight percent said they do put through unauthorised or inflated expenses claims – but only when they are having a hard time at work.

The most common spending habits employees admitted to included exaggerating the number of miles they have driven (27 percent), buying office supplies and then keeping them for themselves (20 percent), and altering taxi receipts so that the fare is higher (16 percent).

However, 40 percent of respondents said that having tighter spending controls or a monthly limit on their company card would influence them to spend more responsibly. Around a third (32 percent) said that they would be more careful if their colleagues had visibility into their spending habits, and 30 percent said the same if their boss received a notification every time they made a purchase.

Darren Upson, VP of Small Business Europe at Soldo, commented:

*“It is both expensive and annoying when employees make fraudulent expense claims. It can even threaten trust between employer and employee, which is never a good idea if a business is to run efficiently and effectively. But rather than look upon your staff with suspicion,*



*think of them as goal driven people who are either focusing on financial progress or ethical conduct. Studies show that they can't do both at the same time. If you want to bypass this conundrum, putting in an expense claim system that is transparent and easy to implement is a sensible option."*

Dr Lynda Shaw, a cognitive neuroscientist, specialising in business psychology, commented:

*"It is both expensive and annoying when employees make fraudulent expense claims. It can even threaten trust between employer and employee, which is never a good idea if a business is to run efficiently and effectively. But rather than look upon your staff with suspicion, think of them as goal driven people who are either focussing on financial progress or ethical conduct. Studies show that they can't do both at the same time. If you want to bypass this conundrum, putting in an expense claim system that is transparent and easy to implement is a sensible option."*

## Most common way UK employees fiddle their expenses

Exaggerating mileage	27 percent
Buy office supplies and keep them for yourself	20 percent
Buy drinks for friends in the pub	19 percent
Put through taxi receipts from personal trips	19 percent
Pay for lunches and dinners with friends	16 percent
Alter taxi receipts, so the fare is higher	16 percent
Meals out with my family/friends	16 percent
Bought toiletries/make-up when on a business trip	15 percent
Claim for dry cleaning and take personal items in too	13 percent

Bought/hired dresses/tuxedos for black tie events and put them through	12 percent
Bought laptops/phones/tablets for my kids or family and claimed for them	11 percent
Payed for a trip away with the other half	11 percent
Bought a present for my other half and said it was someone's leaving present	11 percent
Sent flowers to my partner and said they were for a client	11 percent

## About Soldo

Soldo is a multi-user spending account, complete with Mastercard® cards, intuitive admin and effortless reporting. Our mission is to simplify the entire business expense cycle, from beginning to end. We use the smartest financial technology to solve the three key business spending problems: delegation, control, and reporting.

Soldo was created by entrepreneurs and banking experts united by the search for a simple and effective way to manage the flow of money inside organisations of any size.

Soldo is a British company, with offices located in London and Rome. It's founder and CEO is Carlo Gualandri, an Italian technology entrepreneur whose innovative companies have broken new ground in the world of media (Virgilio), banking (Fineco), and gaming (Gigolo Digitale). Soldo is run by a talented and passionate team of experts from across the world, whose skills and inspiration are shaping the future of banking.

## About the survey

This survey was conducted on behalf of Soldo by TopLine Comms in June 2018, interviewing 2,500 people in full-time work across the UK. Full findings are available on request.