ARTICLE

What live transaction data can tell you more

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A company's bank account shows trouble months before a missed invoice reaches anyone's payment records. This article works through, on paper, what each kind of data shows and when, for one company sliding into difficulty.

At a glance

- Late payment is common and costly: the European Commission links one in four EU bankruptcies to invoices not paid on time.
- Payment records describe a payment that was already missed, and only where a supplier chose to report it.
- A company's internal financials show the causes of a missed payment, in a clear order, months before the first late invoice.
- Press adds the reasons behind the figures, such as a lost contract or a change of management.
- The months gained are the time in which a credit team can still change the terms of the next order.

01

The size of the problem

Selling on credit is how most business-to-business trade works. A supplier delivers today and is paid in 30, 60 or 90 days. Every open invoice is a short loan to a customer, granted on the supplier's own balance sheet.

Many of those loans are repaid late, and the cost lands on the supplier. Late payment ties up working capital, pushes suppliers into their own overdrafts and, at the end of the chain, causes insolvencies.

EXHIBIT 1

Late payment is widespread, and a share of it ends in insolvency

1 in 4 bankruptcies in the EU is caused by invoices not paid on time European Commission, 2023 [1]	**+10%** rise in business insolvencies worldwide in 2024, with a further rise forecast for 2025 Allianz Trade, Global Insolvency Report, 2025 [2]	**4 in 5** companies in Western Europe were paid late by their B2B customers Atradius Payment Practices Barometer, Western Europe, 2026 [3]
6% of B2B invoices in Western Europe were written off as bad debt Atradius Payment Practices Barometer, Western Europe, 2025 [4]	**40%** of B2B invoices in North America are paid late Atradius Payment Practices Barometer, North America, 2025 [5]	**$5.7 trillion** financing gap for small businesses in emerging markets SME Finance Forum and IFC, 2024 [6]

Source: European Commission; Allianz Trade; Atradius; SME Finance Forum and IFC. Full references at the end of this article.

The same lack of visibility works against sound companies too. Young companies, sole traders and companies abroad often have a thin credit file. Without data on their cash, a supplier either refuses them or asks for terms that are hard to meet, and good business is lost.

Both problems have the same root: credit decisions are made on records of the past, while the answer sits in the company's cash today.

02

Why payment records see trouble late

Historical payment data is a record of invoices already paid late or not paid. Credit bureaus build it from three sources.

EXHIBIT 2

Every historical source records a payment after it has gone wrong

Source	What it records	When it records it
Trade payment reports	Days beyond terms on invoices, from suppliers that choose to report	After an invoice is already late, and only from reporting suppliers
Collections and public records	Collection files, court judgments, liens	After a creditor has already acted
Your own ledger	How the customer paid you in the past	After each invoice to you is settled

All three describe the outcome: a payment that was missed. None of them shows the cash that decides whether the next payment will be made.

Coverage is partial as well. Trade payment reports come only from suppliers that share their ledgers with a bureau, so a customer that pays its reporting suppliers first can look sound while it falls behind with everyone else. A collection file or a court judgment is reliable, but by the time it exists, the loss has usually happened.

03

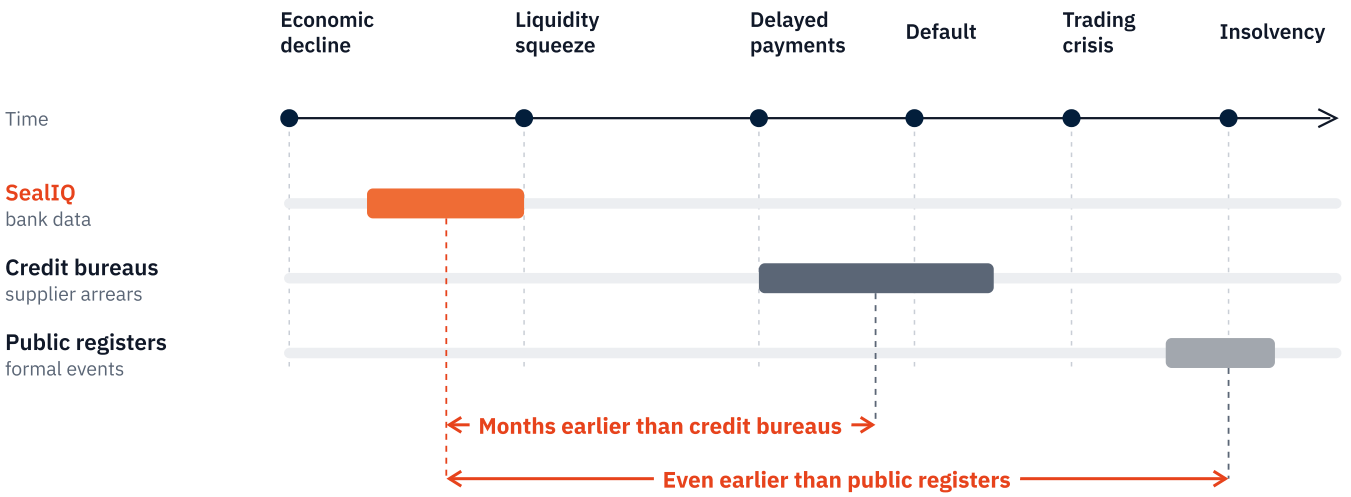
What the bank account shows first

Live transaction data is every payment in and out of the company's bank account, read daily with its consent. It shows the causes of a missed payment, in the order they usually appear.

Experts indicate that most companies are willing to share this data with a neutral intermediary if it brings them significant benefits, such as a faster decision, better payment terms or a higher credit limit. The intermediary passes on the signals a supplier needs, not the full account, and the company decides who sees them.

EXHIBIT 3

Bank data flags credit stress months before credit bureaus do

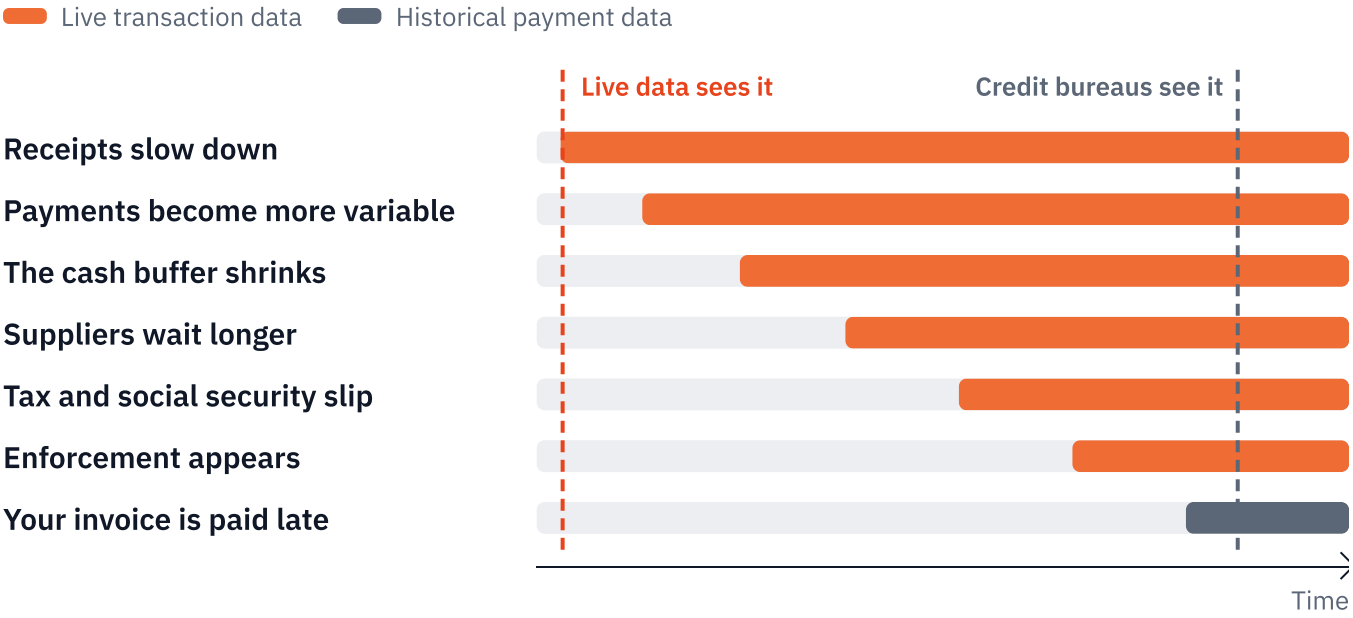


Distress rarely starts with a missed invoice. It starts with less cash coming in, then less cash in reserve, and only then with payments that slip. The bank account records each of these steps on the day it happens. In this exercise, seven signals turn one after the other.

1. **Receipts slow down** The company's own customers pay it later than before, so cash arrives later.
2. **Payments become more variable** Receipts and payments swing more in amount and timing from month to month.
3. **The cash buffer shrinks** Days of cash on hand fall and the account closes below zero more often.
4. **Suppliers wait longer** The gap between payments to the same supplier grows.
5. **Tax and social security slip** Payments to the state become irregular. Companies usually pay the state before suppliers, so this is a late-stage sign.
6. **Enforcement appears** Payments to bailiffs and collection agencies, and bounced direct debits.
7. **Your invoice is paid late** The customer's gap between payments to you grows past its usual rhythm.

EXHIBIT 4

Six of the seven signals turn before the invoice to you is paid late



Historical payment data starts at the last step, and only where a supplier reported it. Live data can show every step before it. On your own customers, it also shows the last step the day it happens, from your bank account and ERP.

Each signal is read against the company's own pattern. A builder has a quiet winter and a retailer a strong December, so a dip at those times is normal. In the same way, a company that has always paid its suppliers after six weeks is not paying late when it does so again: only a change from its usual rhythm counts. The signals also gain weight together: slower receipts alone may be one late customer, while slower receipts with a shrinking buffer and stretched suppliers point to a company under strain.

04

What press data adds

Press and public news show causes that no ledger records: a lost contract, a product recall, a plant closure, a change of management, a new public contract won. SealIQ reads it every day and grades each article by its effect on the company's ability to pay.

EXHIBIT 5

News explains why the cash moves

Event in the news	What it can mean for payment
A large customer or contract is lost	Receipts fall within weeks and the cash buffer follows
A product recall or a plant closure	One-off costs and lower sales at the same time
A change of chief executive, chief financial officer or auditor	Often a sign of strain inside the company, sometimes a fresh start
A dispute, fine or investigation	A cash outflow of uncertain size and timing
A large new contract or public tender won	More receipts later, but often more working capital first

Press often reports a cause before it shows in the bank account. Combined with live transaction data, it explains why the figures move, not only that they move.

The weight of each article depends on how much it can change the company's cash. A rumour about a large group weighs less than a confirmed plant closure at a small supplier.

05

Worked example: one company, two views

An illustrative manufacturer has one large customer, accounting for a third of its revenue. In the first month, that customer starts paying it late.

EXHIBIT 6

The bank account shows the situation from the first month, payment records from the fourth month at the earliest

Month	What the bank account shows	What historical payment data shows
1	Receipts from the largest customer arrive 3 weeks later than usual	Nothing
2	Cash on hand falls from about 40 days of spending to 15; first days below zero	Nothing
3	Payments to its two main suppliers stretch from monthly to every 6 weeks	Nothing, unless one of those suppliers reports to a bureau
4	A social security payment is skipped; overdraft on most days	A first late invoice may appear in a bureau file
5	Payment to a collection agency; supplier invoices are paid 20 days late	Suppliers' own ledgers show the late payments
6	A bailiff payment; a supplier files for collection	Collection file or court judgment appears

In this example, live data gives three to four months more warning. That is the time to ask for a deposit, shorten terms, insure the next order or talk to the customer, while the order is still yours to shape.

06

What credit teams can do with the time

An early signal is only worth as much as the decision it changes. The months gained matter because the terms of the next order can still be set. Once goods are delivered on open terms, the supplier can only wait.

EXHIBIT 7

Each signal has a matching response

Response	When it helps most
Ask for a deposit or an upfront payment	Before a large new order is confirmed
Shorten the payment term	When receipts slow down but the customer still pays
Insure the next order	When the signals are mixed and the order matters
Talk to the customer	At the first signal, while both sides still have choices
Hold or reduce deliveries	When enforcement appears or tax payments slip
Support the customer with a longer term or a payment plan	When the cause is temporary and the business is sound

The response is not always defensive. When the data shows that a customer's problem is temporary, for example one large client of its own paying late, the supplier can choose to support it: a longer term, a payment plan or a smaller next order instead of a stop. That keeps a sound customer in business and the relationship intact.

Three practices make the difference. The credit team watches the whole customer book every day, instead of once a year at the review. It agrees in advance which signal leads to which response, so decisions are quick and consistent. And it reviews the terms at the moment a signal turns, before the next order is confirmed.

None of this needs to add much work. Tools such as SealIQ do most of it automatically: they read the data every day, flag the signals that turn and propose the matching response. The credit team spends its time on the decisions, not on collecting data.

The same data works in the other direction. A customer with a thin credit file but a healthy, steady bank account can be given terms it would otherwise be refused. This lets a supplier reach market segments it could not serve before.

Sources

1. European Commission, Late Payment Regulation proposal: questions and answers, September 2023
2. Allianz Trade, Global Insolvency Report, 2025
3. Atradius, Payment Practices Barometer: Western Europe, 2026

4. Atradius, Payment Practices Barometer: Western Europe, 2025

5. Atradius, Payment Practices Barometer: North America, 2025

6. SME Finance Forum and International Finance Corporation, MSME Finance Gap, 2024