

## Payments failures hitting SME customers hardest

(1 May 2012 – Australia) A survey from business banking research firm East & Partners of 1,500 businesses has revealed that 25 percent of all Australian enterprises with an annual turnover of between A\$1-\$530 million have experienced a significant technical failure with their primary transaction banking services in the last six months.

SME's were the most affected, with 28.4 percent of those who experienced a technical failure coming from this segment. The primary impact of these technical failures ranged depending on segment, for Micro business and SME's the biggest impact was Lost Sales (35.6 percent and 44.1 percent respectively). For the majority of those companies in the Corporate segment, transaction banking failures resulted in Stopped Receivables and at the top end of town No Payroll was the biggest consequence of their primary banks technical failures.

Not surprisingly, given their market share position and transaction volumes, the Big Four banks were the most susceptible, with 46.3 percent of all respondents experiencing technical failures coming from National Australia Bank (NAB), followed by Westpac (17.1 percent), ANZ (12.1 percent) and CBA (10.9 percent). Only 2.8 percent of businesses banking customers reporting technical failures were transaction banked by an international bank.

East & Partners' Head of Client Development, David Brown commented, "Payments are now being viewed as a utility and an essential part of the infrastructure of Australian businesses. Issues with reliability and new innovations are sometimes contradictory as providers attempt to manage this constant balancing act."

"System failures, however, are becoming increasingly unacceptable for business as customers look to manage their working capital and liquidity "real time". Clearly the costs of platform crashes are accelerating for business," Mr Brown added.

## About East & Partners

East & Partners is Asia-Pacific's leading business banking and advisory firm. East's research programs and expertise in the Institutional, Corporate, SME, Business, Investment and Financial services markets has enabled the firm to work with virtually every major bank within the region and international clients based in North America and Europe.

Focusing on the needs and priorities that make every client different, East devises and implements a strategic action plan that has a measurable return on investment for its clients through the delivery of bespoke, thought-leadership and multi-client research programs. This enables the firm's clients to execute bullet-proof regional, national and global strategies based on the "real voice" of many thousands of business customer interviews annually.

Note: Business customer Segments

- > Institutional – A\$530+ million
- > Corporate – A\$20-530 million
- > SME – A\$5-20 million
- > Micro – A\$1-5 million

For more information or to interview East & Partners, please contact:

Sian Dowling

Marcomms & Client Services

East & Partners

t: +61-2-9004 7848

m: + 61-420 583 553

e: [sian.d@east.com.au](mailto:sian.d@east.com.au)