

Defaulters

Which are the warning signs of a defaulter?

Default of payment is like a serious disease. An early detection is essential, otherwise it could become fatal. Prevention is better than cure. We know from practical experience that defaulting is often preceded by a series of signals. Knowing how to recognize them will allow you to avoid many defaults on payment.

- 1 Changes in payment behaviour**
A frequent alarm signal: outstanding invoices are paid later and later. Have you received a request for a deferral of payment? You can agree to that, subject to strict arrangements. But if late payment gradually becomes a regular pattern, this can result in defaulting.
- 2 The excuses pile up**
"Our accountant is on holiday', We are having technical problems with the system', 'There was a mistake with the delivery' or even suddenly 'We are not satisfied with what you have delivered'. Excuse after excuse not to pay your invoices or to pay late should set alarm bells ringing.
- 3 Your customer is suddenly difficult to reach**
Unanswered emails. Phone calls are not taken. Voicemail after voicemail. Texts with no response. If a customer does not contact you after repeated attempts, you have figured out how things stand.
- 4 The management is not very stable**
Is your customer's management linked to companies with a poor record as regards payments or bankruptcies? With smaller companies especially, the past is often a good indicator for the future. Paying extra attention can never hurt.
- 5 There are many changes at your customer's**
Are there frequent changes in management or at the head office? Has the current financial year been extended without a well-founded explanation? Did the company not file its annual financial statements on time? If yes, it's best to stay alert.
- 6 Your customer has fewer and fewer customers**
Does your customer depend on fewer and fewer customers? A problem with one of these buyers can disrupt the balance of the entire chain. So always keep your eye on the big picture.

Do you want to know more about our solutions of trade credit insurance, guarantee or fraud insurance? Contact our team. Our experts will be glad to help you.
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