

UK EXPENSES TRENDS 2011-2012

UK organisations paid out more than £7 billion in employee expenses between 2011-2012, and approved nearly 120 million expense claims from their staff.

10.25 million of these went through a single travel and expense management system. They analysed the data and these are the results.

10.25 million expense claims by more than **200,000** employees

From **2011-2012** the average person claimed **£2,012** in expenses

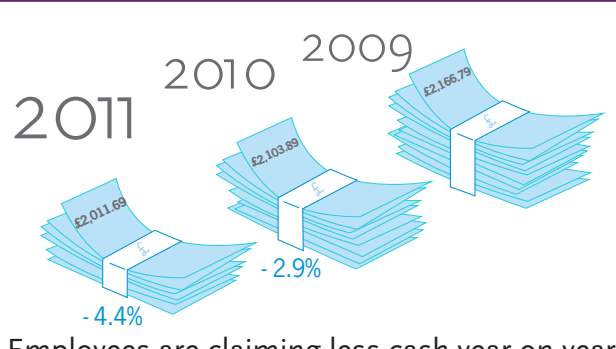
All About Expenses

How Many Claims Do People Make?

Average number of approved claims per expense-claiming employee

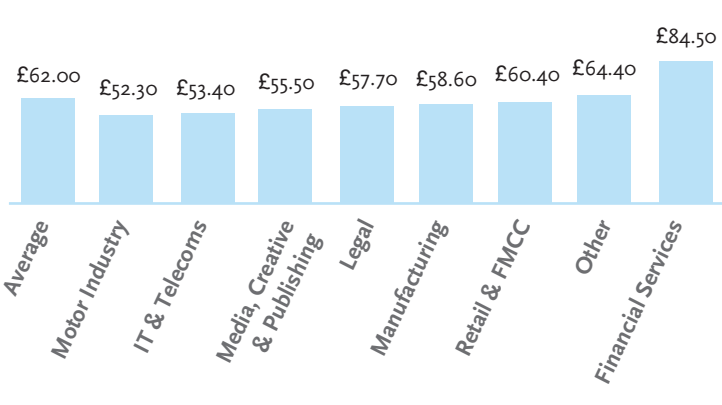
Industry sector	Financial services	IT & telecoms	Legal	Manufact.	Media, creative & publishing	Motor industry	Retail & FMCG	Other	Average
Number of claims	42	65.4	34.4	44.3	44.9	21.2	24.2	32.3	32.4

On average, **32.4** claims are approved for each expense-claiming employee per year.



Expense Claim Value

(average, by industry sector)



Where Is The Money Going?

Mostly on accommodation and corporate procurement...

	2011
Accommodation	£166.21
Corporate Procurement	£111.70
Entertainment	£90.88
Sundries	£51.23
Business Travel	£48.95
Subsistence	£18.33

Average approved expenses claim value—by category

The Lesson: Everything Counts In Large Amounts

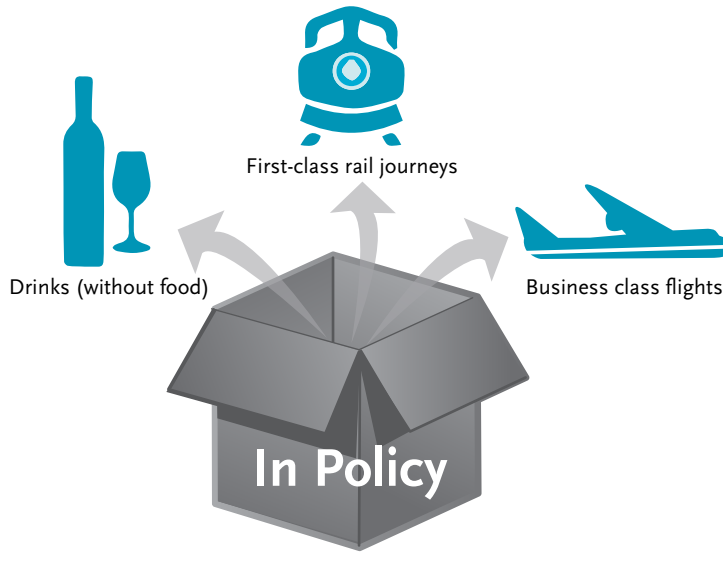
Although most employees only make a handful of claims each year, together it makes a mound of data! That's why businesses need an efficient and accurate way to process lots of small claims.



All About Policy

55% of people who claim expenses, are unsure of their written expenses policy or even if one exists.

10% of the claims approved by managers are not actually within policy but **only 2%** of these are queried, or rejected.



Typical Out-of-Policy Expenses

Out-of-policy claims cost businesses £197 per claimant per year.



In comparison... £197 is the amount of milk consumed by an office with 50-70 people in it for 1 month.

All About The Money

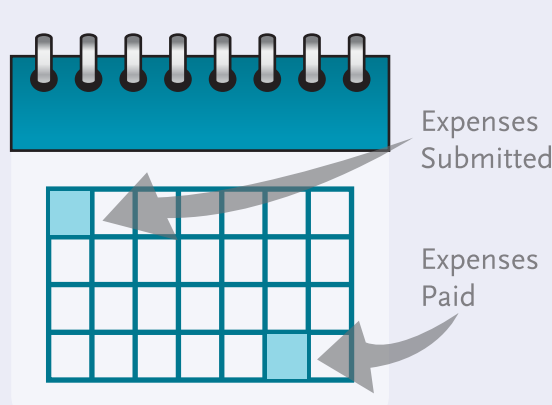
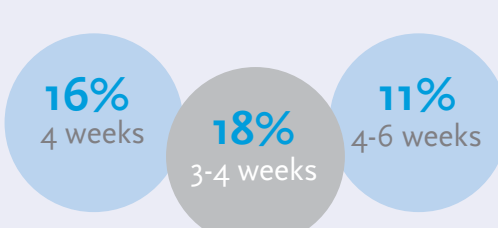
In these tough times it's interesting to know that managers are squeezing their employees expenses (and wallets)—but not their own.

Compared with the previous year, subordinates made **16% fewer claims** (£1,649), while managers only made **4% fewer claims** (£4,177).

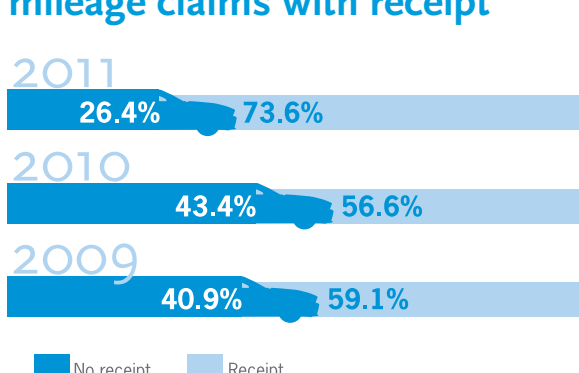
Getting Your Cash Back

Employees Getting Their Money Back From Their Employers

Time employees wait to be reimbursed:



VAT & mileage – proportion of mileage claims with receipt



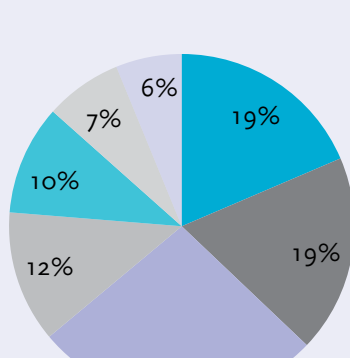
Employers Getting Their Money Back From HMRC (VAT reclaim)

Companies using automated expense solutions secured receipts for 95% of their reclaimable VAT.

Businesses are claiming much more VAT than previously on mileage, specifically (thanks to the HMRC requirement for receipts).

But When Employees Can't Get Their Cash Back...

They get their own back. **95%** of people admit to having exaggerated an expense claim at some point in time.



Why People Exaggerate Expenses

- Mileage rate doesn't cover car & fuel (27%)
- Aren't paid for overtime (19%)
- Incurred costs aren't reimbursed fully (19%)
- Salary isn't fair (12%)
- Boss's claims are luxury / non-work-related (10%)
- Pay raise doesn't meet inflation (7%)
- Slow reimbursement (6%)