

Late Payment Index

Timely insights on payment behaviour

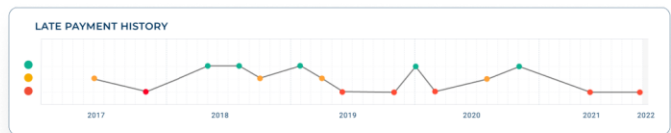
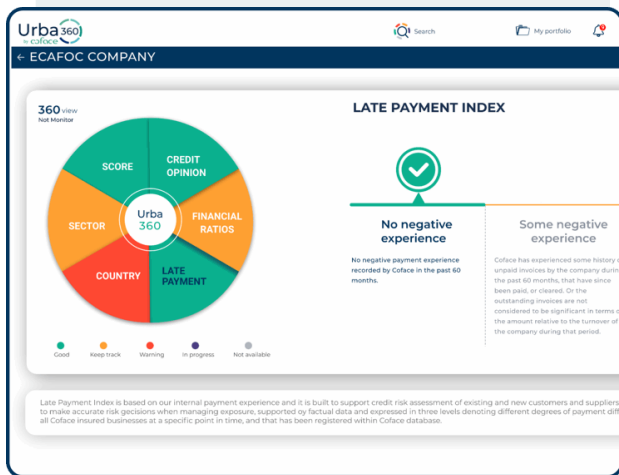
Late Payment Index (LPI) helps organisations evaluate prospects and current business partners and their potential risk of future non-payment. Helping businesses to make strategic decisions ahead of time.

What is Late Payment Index?

The Late Payment Index is a comprehensive metric developed by Coface to evaluate payment behaviour of companies globally. It reflects the age, frequency, severity of claims, and other vital factors to assess payment difficulties accurately.



AVAILABLE
Urba 360
API



What are the three LPI levels?

No negative experience

Demonstrates a consistent track record of timely payments over the past 60 months, indicating strong financial discipline and reliability.

Some negative experience

Reflects occasional delays in payments within the last 60 months, suggesting minor inconsistencies in cash flow management or temporary financial hiccups.

Considerable negative experience

Coface recognizes the company's payment difficulties, with significant unpaid invoices from the past 60 months remaining unresolved.

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Understanding Late Payment Index



Calculation methodology

LPI is calculated at a company level using data collected from Coface's credit insured business interactions over the last 60 months. This index is crucial for our underwriting team, aiding in making informed risk decisions by analysing non-predictive, factual data.



Levels of Late Payment Index

The index is presented in three levels, each indicating the degree of payment difficulties experienced. These insights offer a significant advantage when evaluating new or existing business relationships, serving as an early warning system.

LEVERAGING LATE PAYMENT INDEX FOR RISK MANAGEMENT AND MONITORING



How can it be used?

Businesses can use LPI to assess the credit risk of customers and suppliers. Serves as a predictive tool for evaluating a company's ability and willingness to meet its payment obligations, informing credit management strategies.



How is it being monitored?

Within URBA 360, LPI monitoring enables users to receive real-time notifications about changes in LPI scores alongside other critical indices. This proactive monitoring, available through direct access or API, facilitates timely decision-making and risk management.