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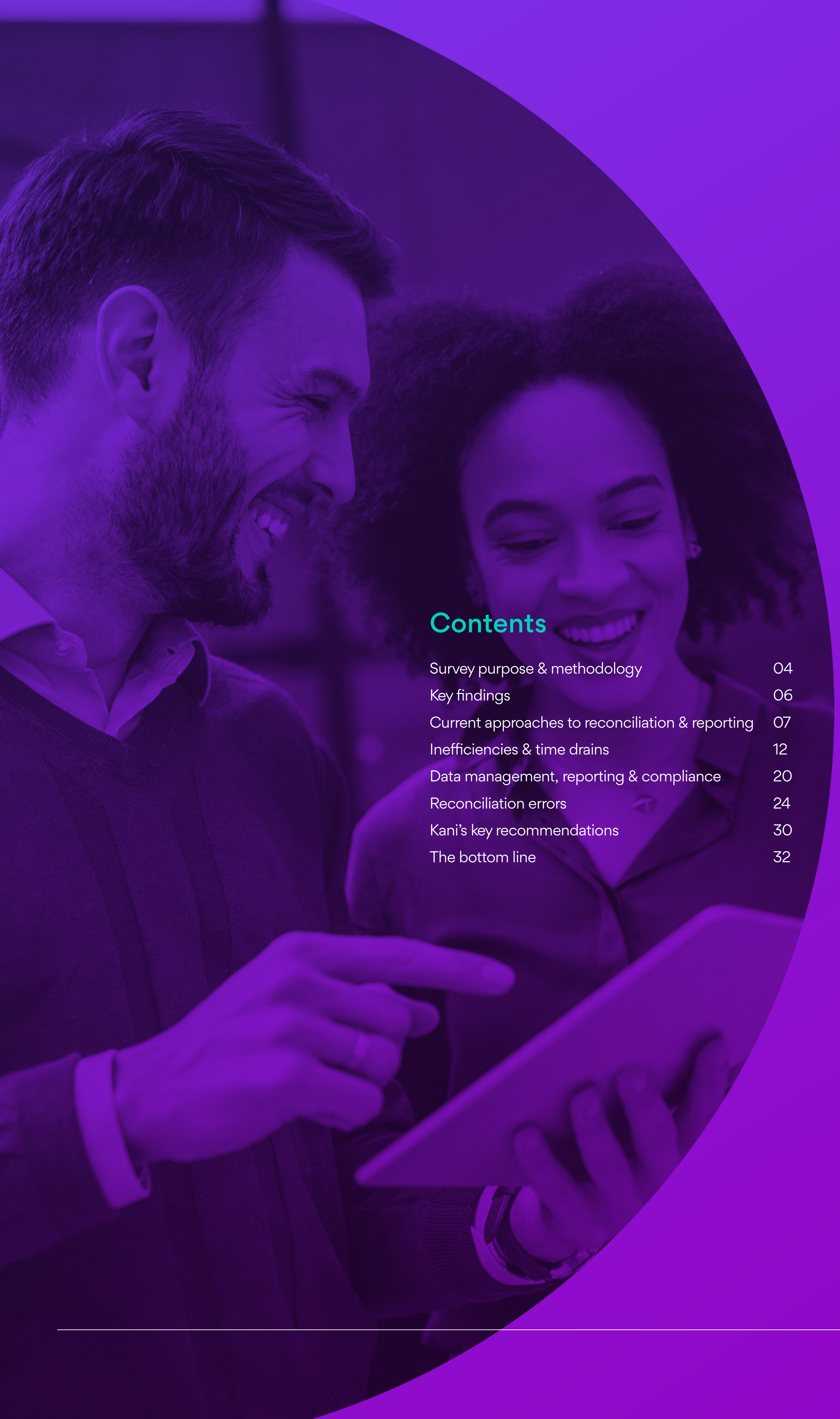
Reconcile | Report | Analyse

# The payments reconciliation & reporting survey 2025

## Exposing inefficiencies, tackling complexity and unlocking operational excellence



## Contents





# Survey context

Meeting reconciliation and reporting obligations is vital yet resource-intensive for financial businesses. It requires meticulous data management, scalable systems and robust financial controls—requirements many struggle to meet without significant trade-offs.

The challenge is more acute in the payments industry, where back-office functions face pressure to keep pace with rising transaction volumes, growing data complexity and evolving regulatory demands. The resulting challenges leave finance and operations teams scrambling to meet deadlines with limited resources and outdated systems.

In response, many resort to reactive workarounds and temporary fixes. While these ad-hoc solutions might "get the job done" in the short term, they also introduce hidden inefficiencies—the kind that quietly drain resources and compound over time. Without a clear path to simplification, businesses risk being stuck in a cycle of inefficiency.

# Survey purpose

Investigate approaches to, challenges with and tech trends in reconciliation and reporting among UK payments businesses

Reveal workflow inefficiencies, pinpointing the biggest obstacles to timely reporting, reconciliation accuracy and overall process speed

Uncover actionable insights for improving accuracy, streamlining processes and reducing resource strains

### Survey methodology

The survey targeted professionals directly involved in or overseeing their organisation's reconciliation and reporting processes, aiming to capture qualitative and quantitative insights.

Respondents were qualified through an initial set of screening questions. They were then presented with 15 multiple-choice questions in single and multi-response format. In all cases, respondents could select "I don't know".

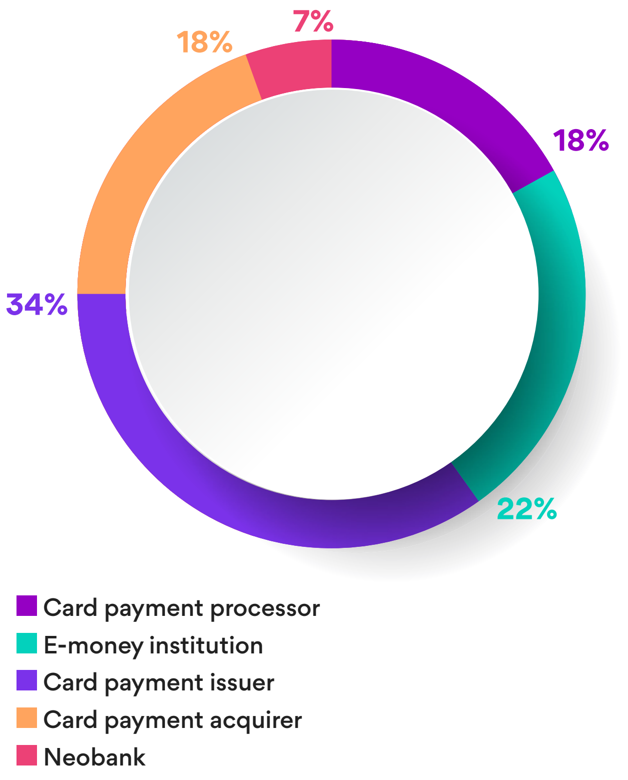
### Survey demographics

250 respondents from a range of UK-based payments businesses completed the survey.

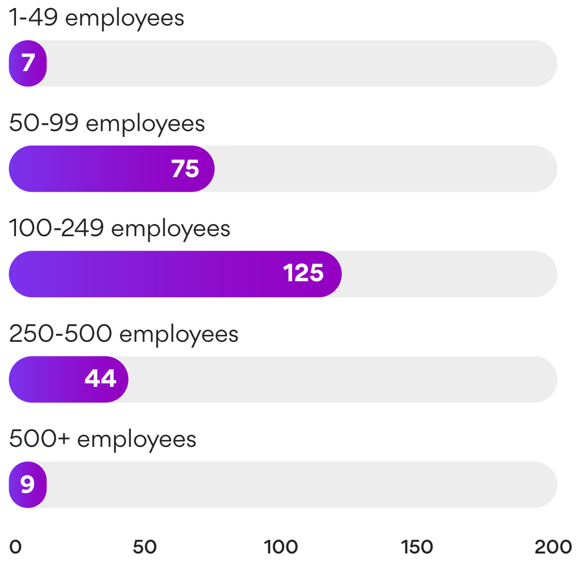
Job roles included:

- Reconciliation Team Lead
- Head of Reconciliation
- Head of Reporting
- CFO (Chief Financial Officer)
- Head of Payments
- Head of Compliance
- CDO (Chief Data Officer)
- CTO (Chief Technology Officer)

Respondent companies




Respondent company size



# Key findings

### Partial automation dominates

Nearly half (44%) have partially automated reconciliation and reporting systems, and 28% have a dedicated automated tool. Exclusive spreadsheet reliance and outsourcing are less common at 12% each, while a small portion (5%) use an in-house developed system.

### Time and resource strain

Reconciliation and reporting tasks are a heavy resource burden, with data collection, matching and exception management proving the most significant bottlenecks. The result? Companies spend 700+ hours annually on data preparation alone, and 82% struggle to deliver reports on time.

### Error-free processes are a myth

No businesses report error-free reconciliation and reporting processes. Manual intervention and poor system integration account for 44% of mistakes, underscoring the need for robust tools to protect financial integrity. Reconciliation errors have far-reaching operational impacts, from financial discrepancies (35%) to delayed reporting (28%) and stifled growth (34%).

### Spreadsheet reliance persists

Despite their well-documented limitations, spreadsheets remain a cornerstone for 56% of UK payments businesses. Unsurprisingly, 94% of spreadsheet-based companies struggle to meet reporting deadlines, and 71% admit that creating reports is unnecessarily time-consuming.

### Matching challenges: a result of scale

Difficulties reconciling data arise primarily from challenges of scale. Cross-currency transactions (23%), multiple payment channels (22%) and high transaction volumes (20%) are the most significant barriers to accurate matching. These obstacles lead to matching errors that cascade into time-intensive exception management, cited by 32% as a substantial burden.

### System complexity is a core issue

Despite recent back-office assessments, inefficiencies persist without a clear path to simplification. The underlying issue lies in bespoke, layered workflows built incrementally to address evolving demands. Surprisingly, only 19% of respondents attribute these issues to inadequate software and tools, and nearly half (47%) believe processes are as fast as possible.

**Aaron Holmes**
Kani CEO

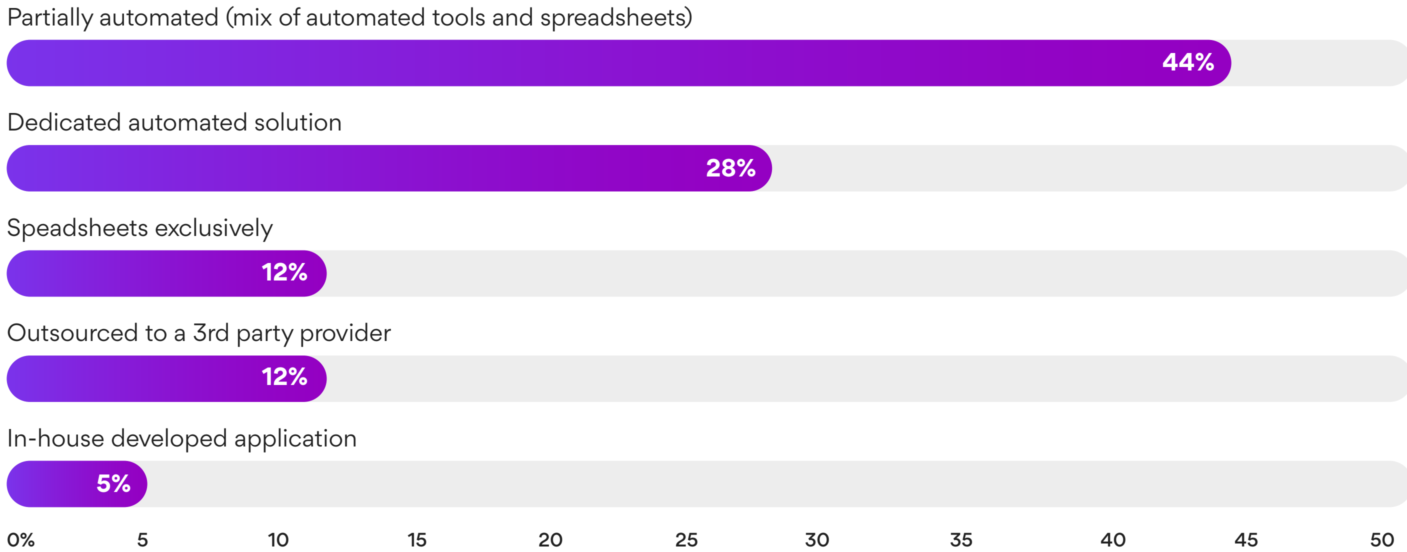


# Current approaches to reconciliation and reporting

The UK payments industry leans heavily on two approaches for managing data reconciliation and reporting: partial and end-to-end automation. These two methods significantly outpace other options, underscoring the gradual shift toward automation.

Almost seven in 10 (68%) use partially or fully automated solutions to reconcile and report on their data. Meanwhile, roughly one-quarter (12% each) rely exclusively on spreadsheets or outsourcing. Only 5% use a homegrown solution built using in-house resources.

**Current solution approaches to reconciliation and reporting**

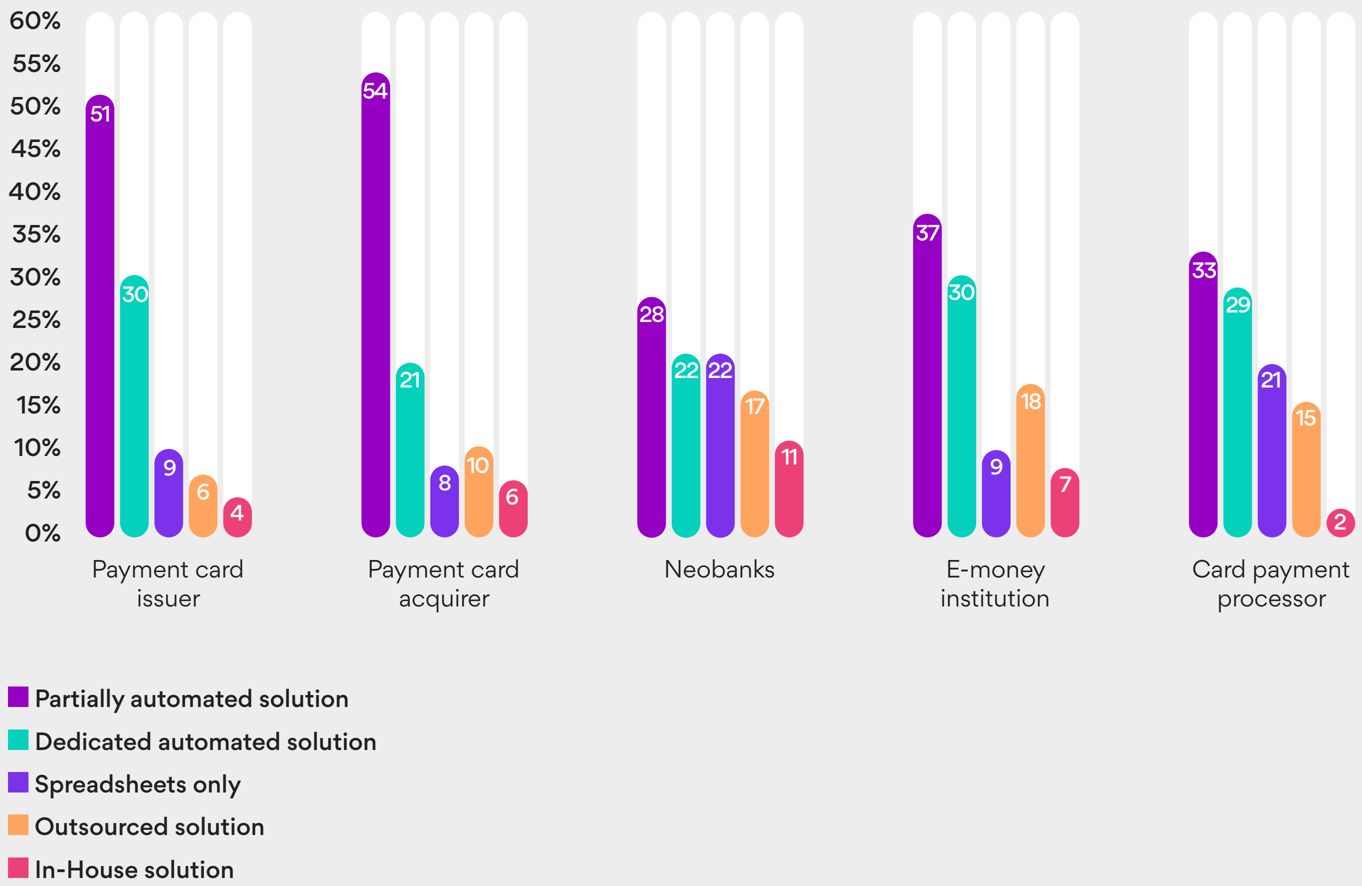



> Partial and end-to-end automation significantly outpace other options, underscoring the gradual shift toward automation.

## Varied solution approaches across company types

While the overall trend favours partial automation, a deeper dive reveals distinct patterns across different company types.

Solution approach by company type




### Issuers and acquirers

Issuers and acquirers predominantly rely on partially automated reconciliation and reporting solutions (combined 53%), the highest of any company type. This preference indicates a need for flexibility to manage their complex transaction profiles, including diverse transaction types, intricate settlement processes and various fees.

### Processors

Payment processors exhibit a varied approach, split across partial automation (33%), end-to-end automation (29%) and spreadsheets (21%). This diversity could reflect the differing needs of processors based on their size, transaction volume and complexity.

### Neobanks

Neobanks are the most varied, with 28% using a partially automated solution and 22% each for end-to-end automation and spreadsheets exclusively. They're also the most likely to use an in-house solution (11%) and the second most likely to outsource (17%). This spread across solution approaches highlights varying operational strategies among neobanks, driven by the need to remain agile in a fast-evolving market.

### E-money institutions

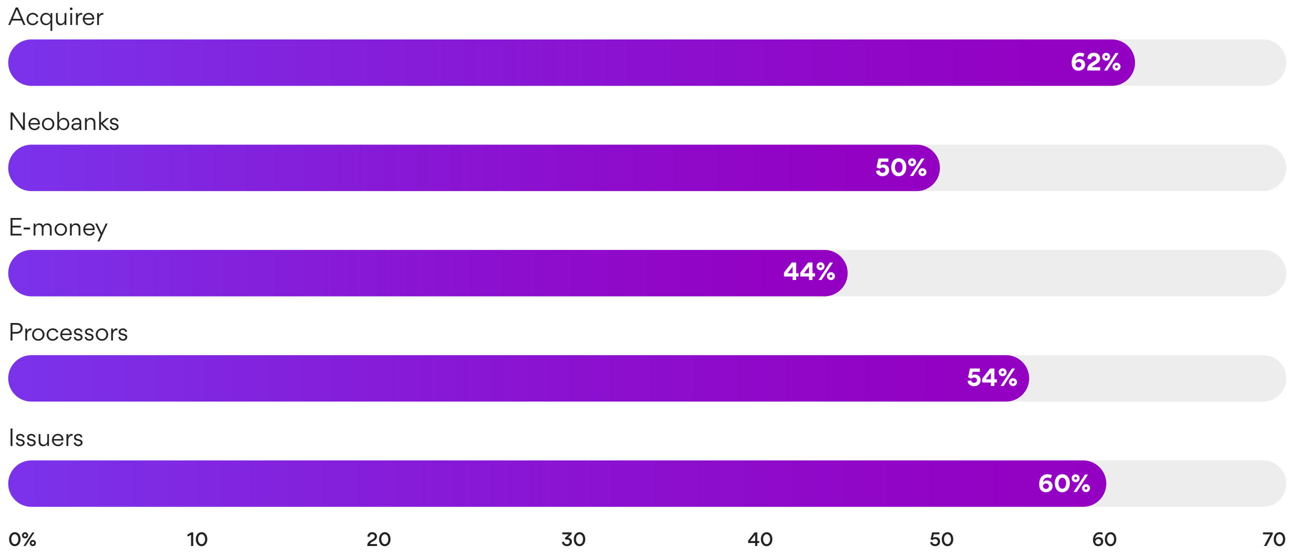
A notable 18% of e-money institutions rely on outsourcing, indicating that they look beyond internal resources to manage the high volume and complexity of digital transactions, often spread across regions and currencies.

## Spreadsheet reliance persists

More than half (56%) of the UK payments industry report total or partial spreadsheet reliance for data reconciliation and reporting procedures, suggesting that many struggle with legacy systems or piecemeal approaches requiring manual oversight.

Issuers and acquirers rely more heavily on spreadsheets than any other company type (combined 61%). The flexibility of Excel likely helps manage multiple processing layers, such as currency conversions, interchange fees and fraud detection.

**Level of spreadsheet reliance by company type**



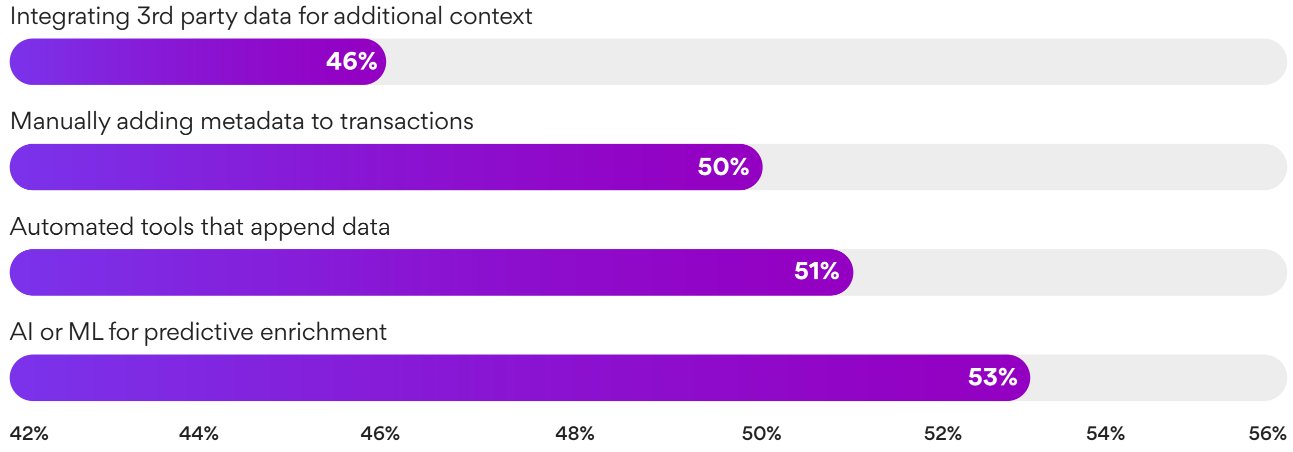

> Despite their drawbacks, spreadsheets provide a familiar platform to address evolving needs without overhauling legacy infrastructure.

## Data enrichment methods

Enriching transaction data is essential in modern reconciliation. It provides context, reduces errors and improves accuracy. This additional information supports compliance, strengthens audit trails and contributes to more reliable financial reporting.

Businesses take a layered approach to transaction data enrichment. Respondents selected two methods on average, and a minority chose all four. While combining multiple methods may provide deeper insights and flexibility, it can also introduce redundancies, increased integration demands and heightened resource requirements if not managed effectively.

**How does your business enrich transaction data to enhance reconciliation accuracy? (select all that apply)**



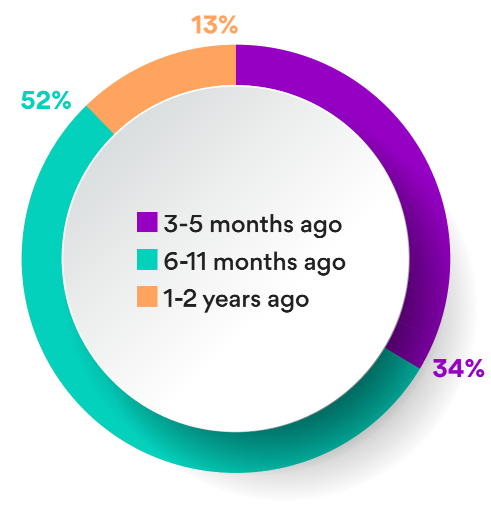

## Efficiency assessment

A significant majority (86%) have evaluated the efficiency of their reconciliation and reporting procedures within the last 12 months. Such assessments are vital to a well-functioning back-office, where hidden inefficiencies build up as fragmented or legacy systems creak under the rising complexity and volume of data.

To maximise the ROI of assessments, companies should focus on:

- **Reconciliation accuracy**
- **Match rates**
- **Bottlenecks**
- **Reporting cycle timelines**
- **Exception handling efficiency**
- **Error tracking and root cause analysis**
- **Resource allocation**
- **Data security and access control**

**When was the last time your company assessed the reconciliation and reporting process for efficiency?**



# Inefficiencies and time drains

Reconciliation is an inherently complex, multi-step and error-prone process. Identifying the most time-consuming steps is crucial to improving performance. In this section, we'll analyse how much time companies spend on reconciliation tasks and where the greatest challenges lie.

### Pre-reconciliation data prep

Ahead of reconciliation, teams must prepare transaction data thoroughly to ensure accuracy. It involves gathering, organising and verifying data from multiple sources, helping to minimise errors and avoid downstream delays.

The average UK payments company spends approximately three hours preparing data before reconciliation begins. Roughly one-third take between one and two hours, and a select few (11%) take upwards of five hours.

No respondents indicated that data preparation tasks take less than one hour.



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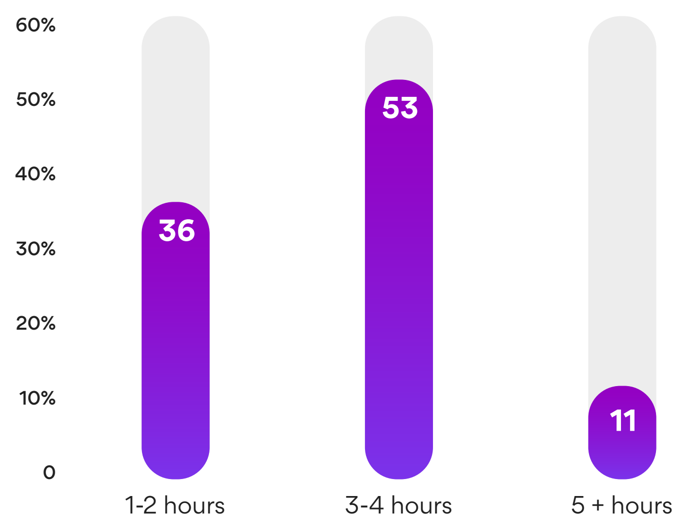
**The time-consuming nature of data preparation stems from the need to correct inconsistencies and ensure data uniformity across disparate systems.**

How much time do you spend preparing data before reconciliation begins?




Assuming daily reconciliation, a three-hour data preparation routine equals 750 hours per year. For those companies spending 5-6 hours preparing data, this figure rises to a staggering 1375 hours.

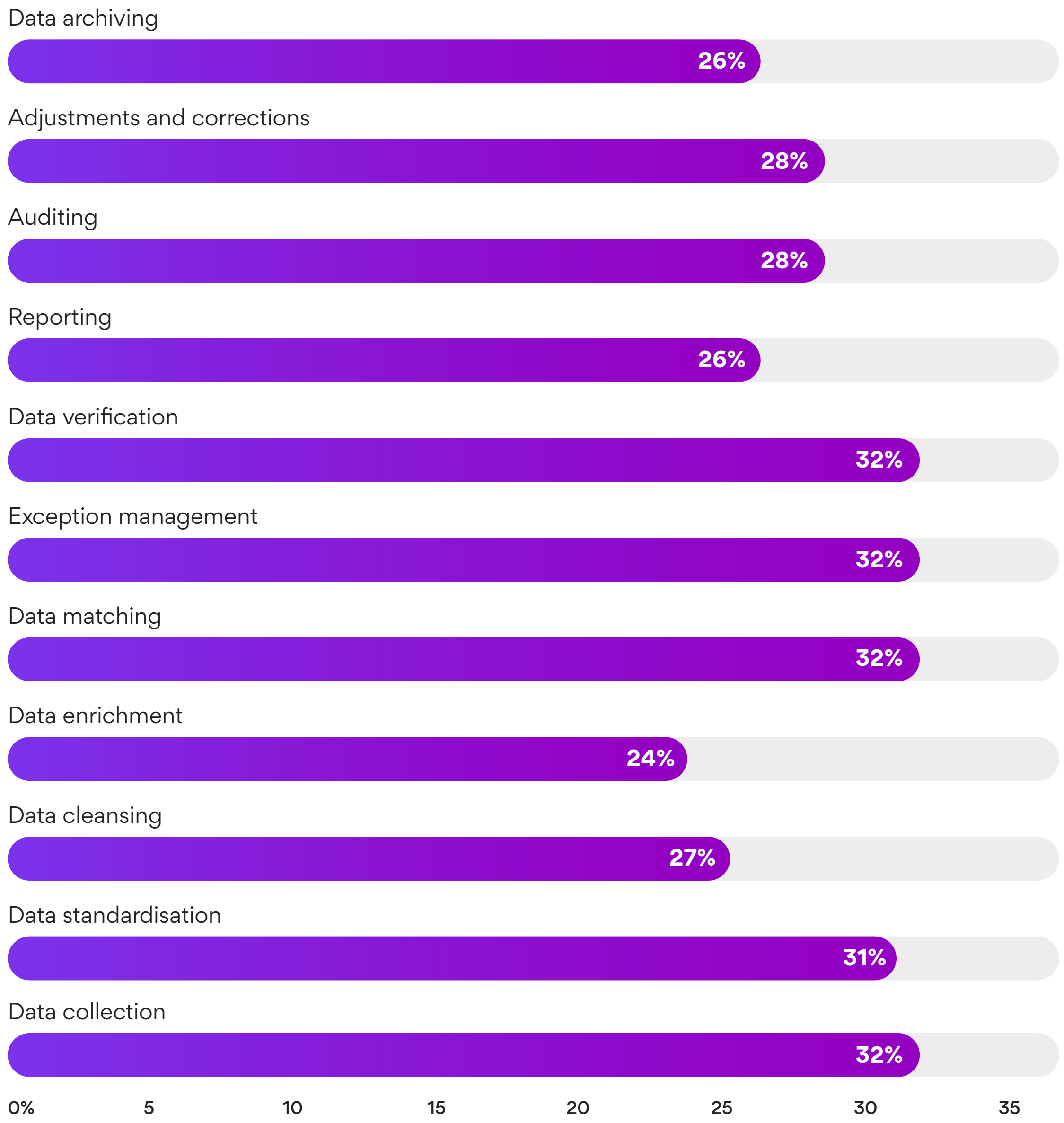
The time-consuming nature of data preparation stems from the need to correct inconsistencies and ensure data uniformity across disparate systems.

Not only do teams need to pull data from multiple internal and external sources—such as bank feeds, transaction records and ERP systems—but they also then need to standardise data into a common format, filter out duplicate entries, identify anomalies and confirm transaction accuracy. Without streamlined processes, this stage consumes significant resource and introduces avoidable bottlenecks.

## Lost minutes: where your time really goes

Challenges are concentrated in early and mid-stage data handling tasks, although there are broad challenges from end to end.

**Which three steps in the reconciliation process are the most time-consuming?**




### Data collection

32% view data collection as a pre-reconciliation bottleneck. Difficulties gathering data stem from the decentralised nature of transaction processing, where data is managed across multiple systems and departments.

### Data matching

Another 32% of respondents highlighted the time burden of data reconciliation. Accurately matching data involves meticulous cross-checking of transaction records across various sources to ensure consistency and accuracy. The complexity of reconciliation rises in proportion to the number of data sources involved.

### Exception handling

Exception handling—i.e., resolving discrepancies—emerged as another prominent challenge. The labour-intensive nature of handling exceptions has a cascading effect on reporting, causing delays and errors.

### Data verification

Data verification confirms the accuracy and completeness of data before final reconciliation. It ensures that pre-reconciliation data is reliable, preventing errors cascading throughout financial reports. Challenges arise when validating large volumes of data across multiple systems.

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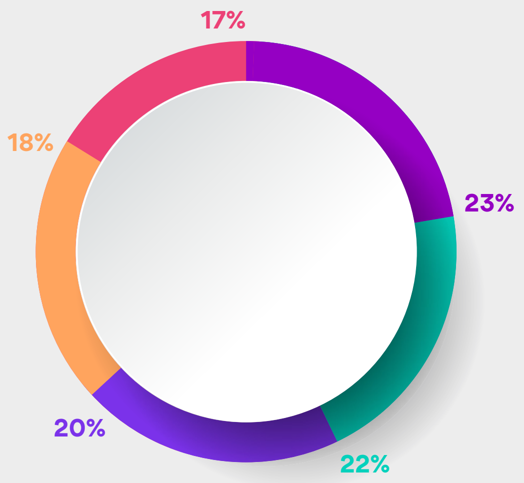
## Matching challenges

Accurate data matching is the heart of the reconciliation process. It checks that transaction records across multiple sources align. While seemingly straightforward in theory, it quickly becomes complex when dealing with high data volumes and various systems.

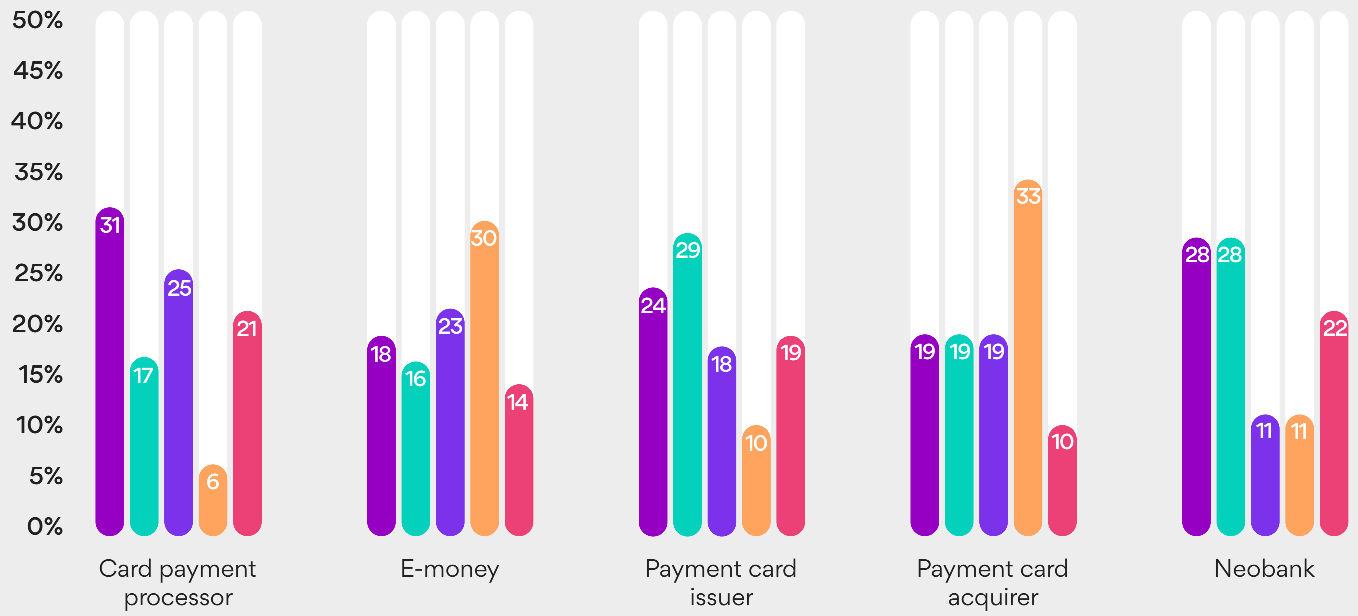
For UK payments businesses, data reconciliation is fundamentally a challenge of scale. Complexities arise from matching high volumes of data in multiple currencies and across different payment channels, collectively accounting for more than two-thirds of reconciliation issues.

What is your greatest challenge when matching data?




- Matching cross-currency transactions
- High transaction volumes causing delays
- Handling chargebacks and refunds
- Matching transactions across payment channels
- Inconsistent data entries across systems

Data matching challenges by company type




- Matching cross-currency transactions
- Matching across different payment channels
- High transaction volumes causing delays
- Inconsistent data across systems
- Handling chargebacks and disputes

### Processors

Frequently encounter issues with cross-currency matching (31%) and high transaction volumes (25%).

### E-money institutions

Roughly one-third (30%) report challenges with data inconsistency, and nearly one-quarter (23%) face issues with large data volumes.

### Issuers

Issuers are the most likely to struggle with matching transactions across different payment channels (29%), likely due to the need to reconcile from various card networks, banks and other financial partners, each with distinct data formats.

### Acquirers

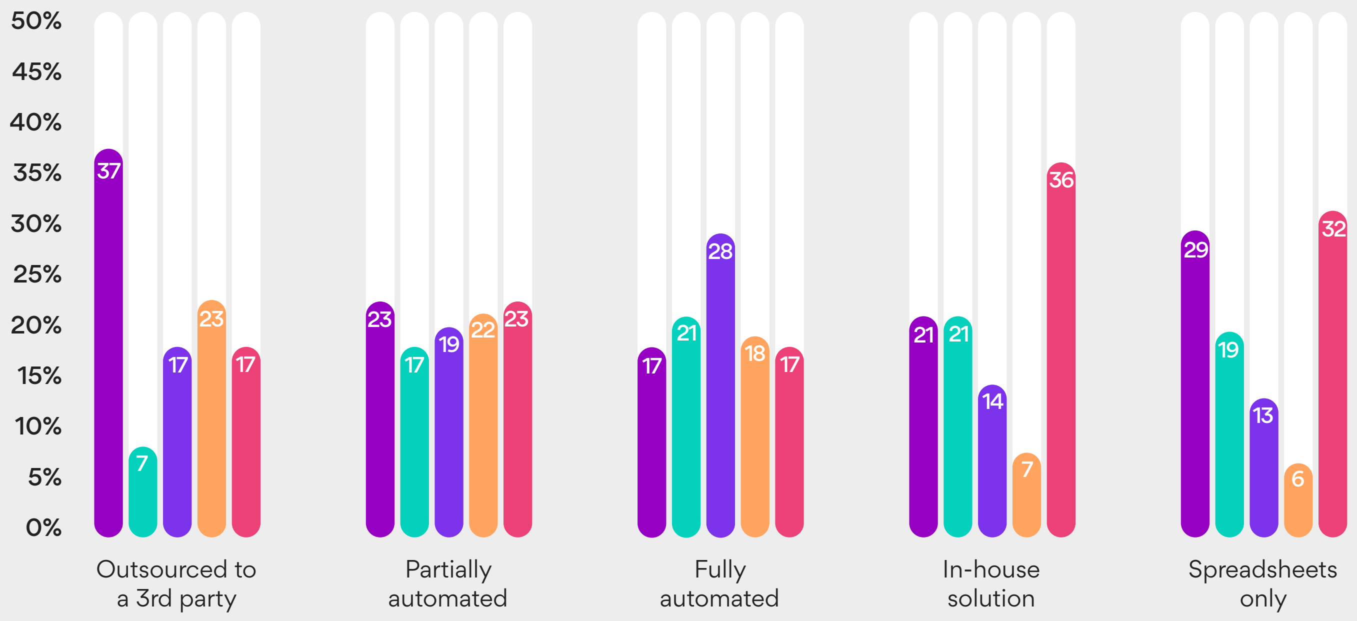
With 33% reporting data inconsistencies caused by multiple systems, acquirers are particularly affected by integration issues. They're also the least likely to struggle with chargebacks and disputes (10%), likely due to more streamlined payment flows.

### Neobanks

Face the most varied challenges, with almost 80% citing matching cross-currency transactions, various payment channels or handling chargebacks and disputes.

The type of of reconciliation solution companies currently use strongly influences the data matching challenges faced.

Data matching challenges by solution approach




## 3rd party outsourcing

Outsourcing reconciliation exacerbates cross-currency transaction challenges, with 37% reporting issues. This is likely due to outsourcing partners managing diverse currencies across clients, making it difficult to streamline matching.

## Partially automated solutions

Partly automated reconciliation systems struggle with inconsistent data (22%) and delays from high transaction volumes (19%). High transaction volumes often overwhelm partially automated systems because they rely on manual intervention for certain stages and lack real-time data integration.

## Fully automated solutions

Even those with fully automated tools report complexities with high transaction volumes (28%), suggesting limits in configuration or scalability. Inconsistent data entries (18%) point to gaps in data standardisation practices, which impacts accuracy.

## In-house solutions

In-house setups face difficulties with cross-channel transaction matching (36%) and handling chargebacks/disputes (21%). Such complexities arise when internal systems lack the integration and specialisation required to manage varied payment channels and complex cases.

## Spreadsheets only

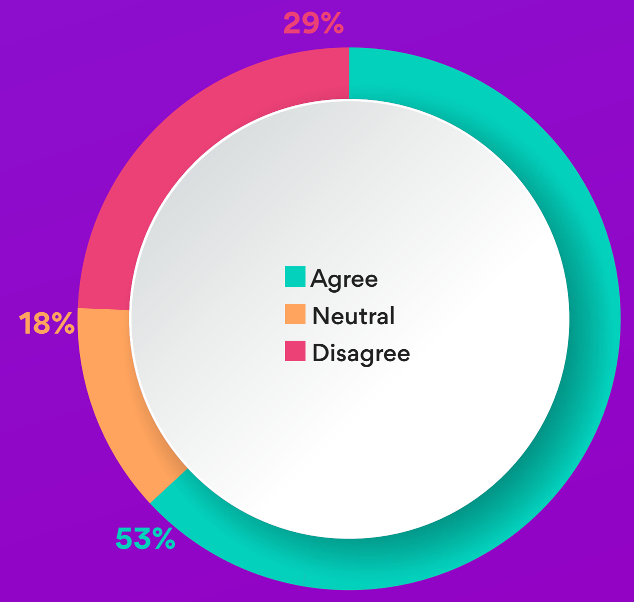
Spreadsheet-only users report a high frequency of issues with matching cross-currency transactions (32%) and chargebacks/disputes handling (29%). Cross-currency matching requires manual entry and validation, which is time-consuming and error-prone. Similarly, chargebacks are difficult to track without specialised tools and create additional friction for manual workflows.

# Data reporting and compliance

Working in compliance and finance often feels like a never-ending cycle of racing against tight deadlines while continually adapting processes to meet changing requirements. Successful reporting demands accuracy, specialised knowledge and effective systems.

Despite their best efforts, most payment professionals feel overwhelmed by the time spent on data reporting. Over half (53%) agree that they have too much bandwidth tied up creating reports, underscoring the need for efficiency improvements in how reporting is managed and delivered.

**We spend too much time creating reports to meet regulatory, card scheme or internal requirements**



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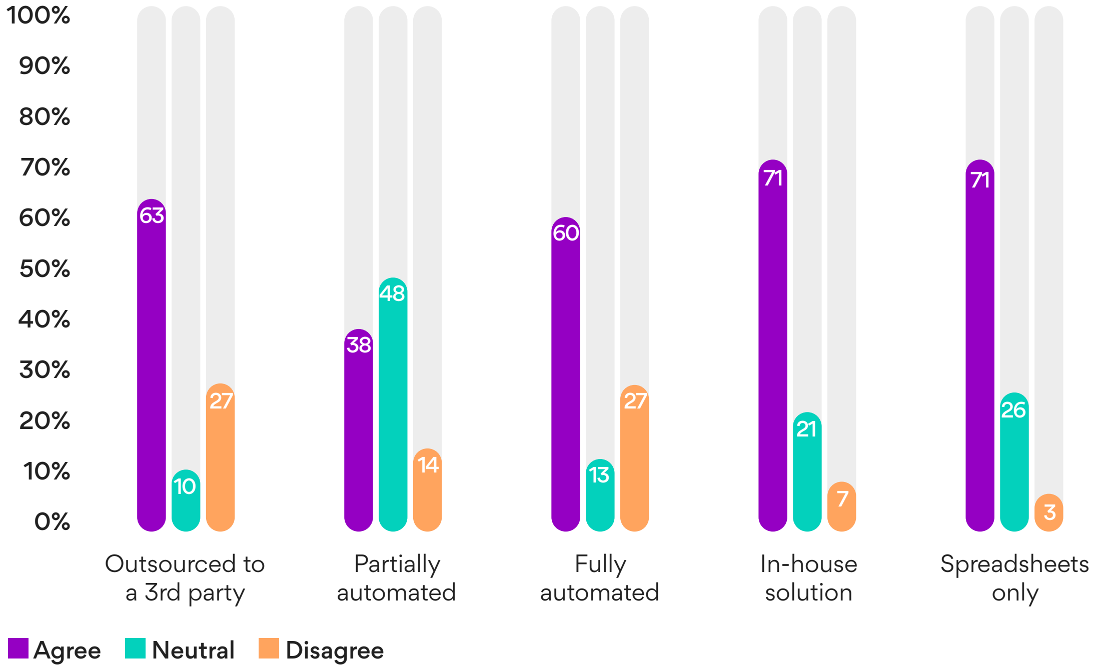
Agreement on the time-drains of reporting varies, with notable differences based on the type of solution approach deployed.

- **In-house tool and spreadsheet users spend the most time on reporting (71%), hinting at a lack of integration or automation.**
- **Outsourcing typically aims to reduce internal workload, but the high level of agreement (63%) suggests companies remain heavily involved in overseeing and reformatting source data.**
- **Around two-thirds (60%) of fully automated users say reporting takes too much time, which hints at gaps in system configuration, data integration or customisation.**
- **Those using a partially automated setup have a balanced approach, with 48% feeling neutral. This neutrality likely reflects a perception of spending "the right amount of time" on reporting tasks, as partial setups often include bespoke and specialised workflows with unavoidable manual steps.**

**We spend too much time creating reports" agreement by solution approach**

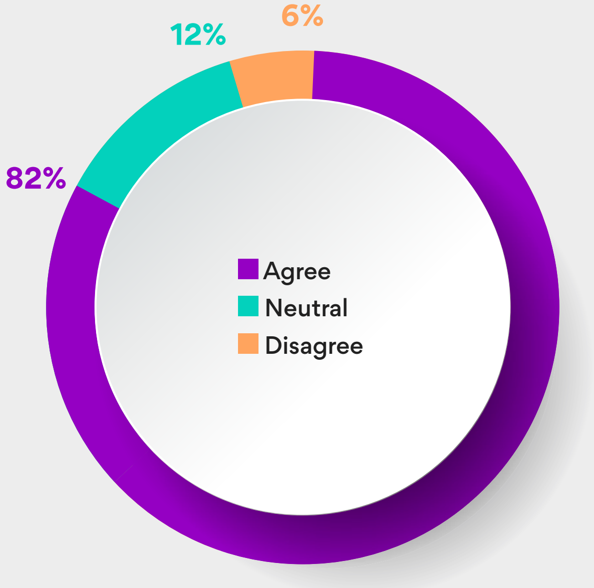


## Race against the clock

Meeting reporting deadlines—for regulatory submission windows, period-end, audit preparation or internal reviews—is always a race against the clock. But, with such a heavy reporting time burden, it's no surprise that 82% of UK payments companies struggle to meet reporting deadlines. The challenge here lies in the complexity of aggregating data across disparate systems.

Spreadsheet-only users face the greatest difficulty (94%), likely due to the time-intensive nature of inputting, verifying, reconciling and formatting data manually. Processes become increasingly unsustainable as transaction volumes grow, compounding deadline pressures further.

"Our company frequently face challenges in meeting reporting deadlines"



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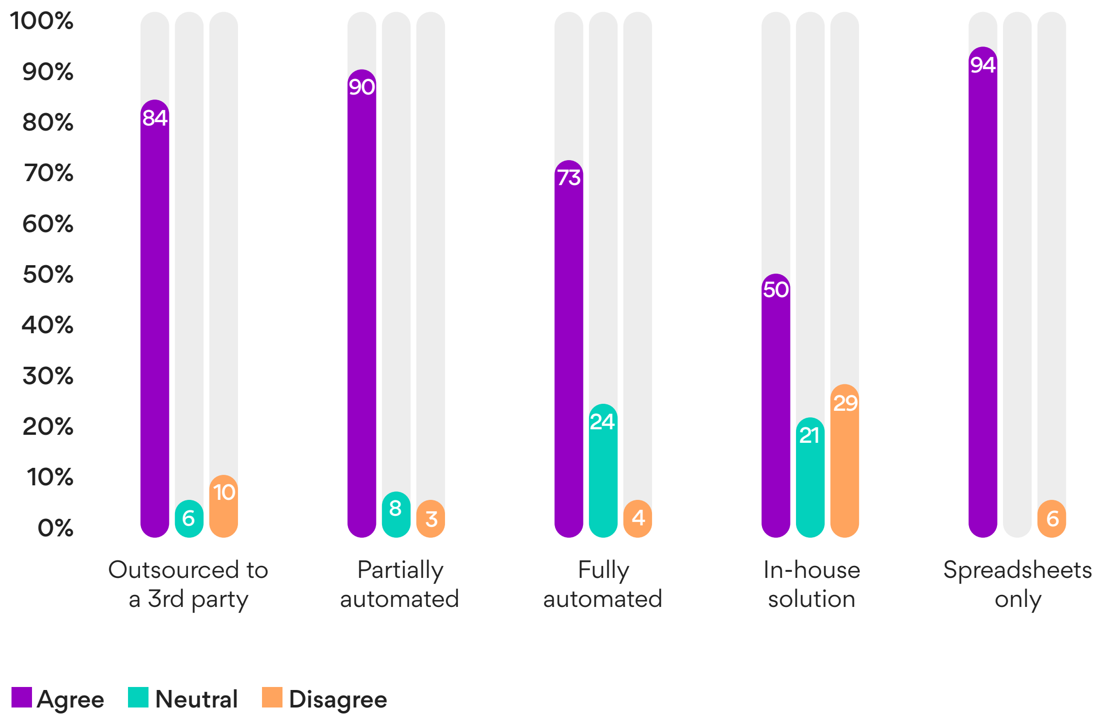
"Our company frequently faces challenges in meeting reporting deadlines" by solution approach




Other solution types face challenges.
For example:

- **90% of partially automated users report difficulties, highlighting the inefficiencies of manual intervention and lack of integration.**
- **Fully automated systems fare somewhat better but still have a large portion (73%) of reporting challenges, uncovering delays caused by misconfiguration or misalignment.**
- **In-house solutions show mixed results. Although fundamental inefficiencies exist (50% agreement), the room for customisation also clearly allows for optimisation, with nearly 30% disagreement—the highest of any subcategory.**

# Source and impact of reconciliation errors

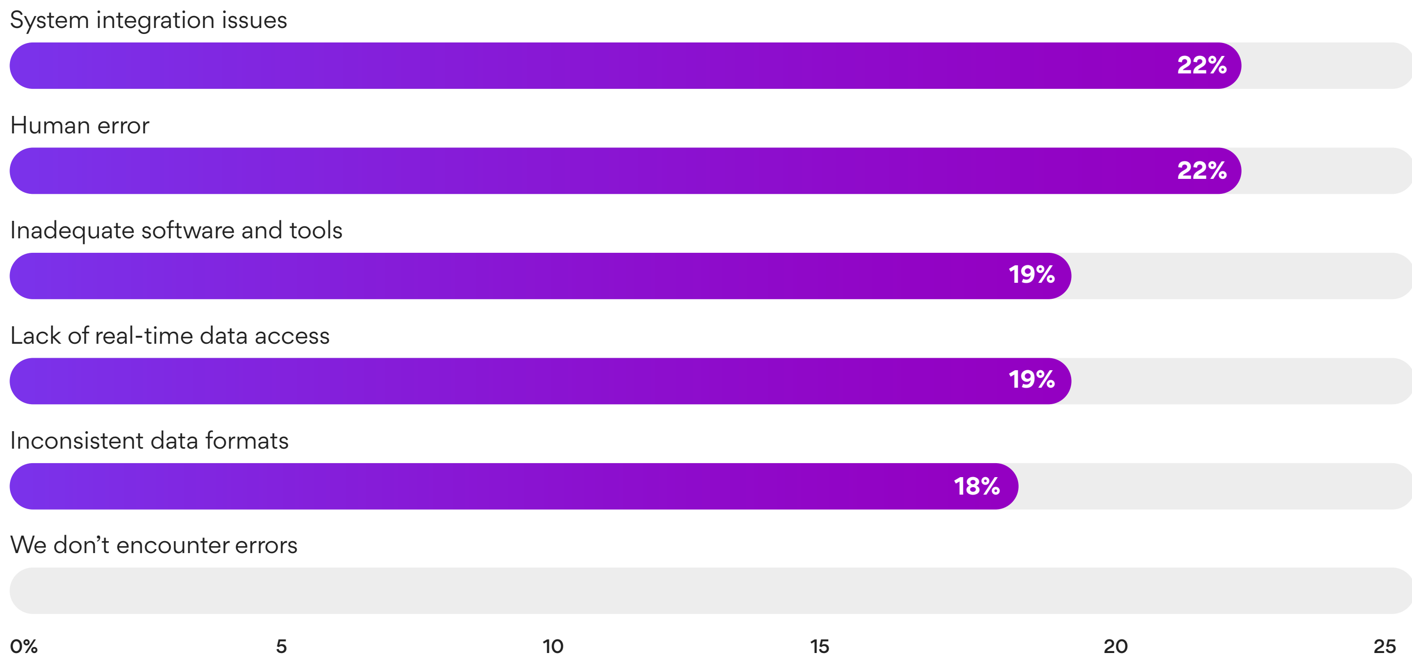
Reconciliation errors occur when financial transactions don't align across systems or records, creating discrepancies that impact financial accuracy and operational efficiency. The prevalence of errors ties into broader challenges like manual processes, system misalignments or data inconsistencies.

Nearly half of all reconciliation errors stem from system integration issues and human intervention (combined 44%), underscoring the dual challenge of aligning complex systems and maintaining manual oversight.

That said, challenges span the entire reconciliation workflow, with over half (56%) of errors attributed equally to inadequate software, lack of real-time data access and inconsistent data formats.



**What is the most common source of errors in your reconciliation process?**




> The prevalence of reconciliation errors ties into broader challenges like manual processes, system misalignments or data inconsistencies.

## Breaking down the errors: How your solution shapes challenges

The sources of reconciliation errors are widespread and closely linked to the type of solution employed.

**Spreadsheet-only users** attribute the highest portion of errors to manual oversight (25%) and the second-highest to system integration issues (29%). This is a self-fulfilling challenge: a lack of integration only necessitates manual intervention, creating more errors.

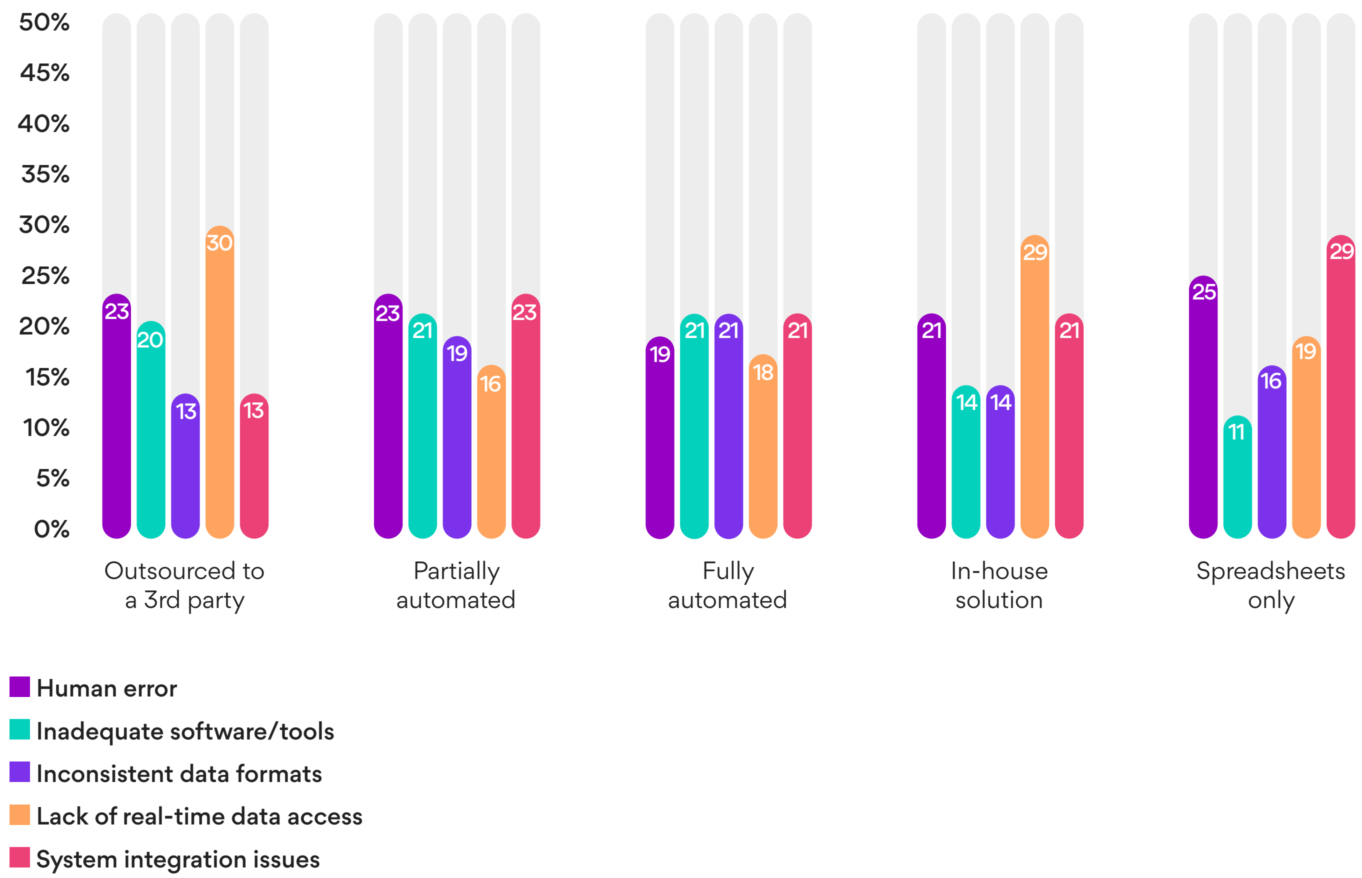
**Partially automated systems** surface balanced issues, which is expected given hybrid workflows. Those using **fully automated systems** show a similarly balanced error distribution, although they are the least concerned with human error (19%). In both cases, errors are likely tied to the nuances of how each system is set up, configured and integrated.

**Outsourced solutions** are most affected by real-time data access (30%), reflecting the inherent delays of relying on external providers. Human error (23%) is another significant factor, as businesses must still manually validate or adjust third-party data.

**In-house solutions** struggle most with real-time data access (29%) but report below-average concerns about data inconsistencies (14%) and software limitations (14%). While bespoke tools are closely aligned with a company's specific data environment and reduce format inconsistencies, they have limitations when integrating with high-speed, real-time workflows.

> While bespoke tools are closely aligned with a company's specific data environment and reduce format inconsistencies, they have limitations when integrating with high-speed, real-time workflows.

Most common source of reconciliation errors by solution approach



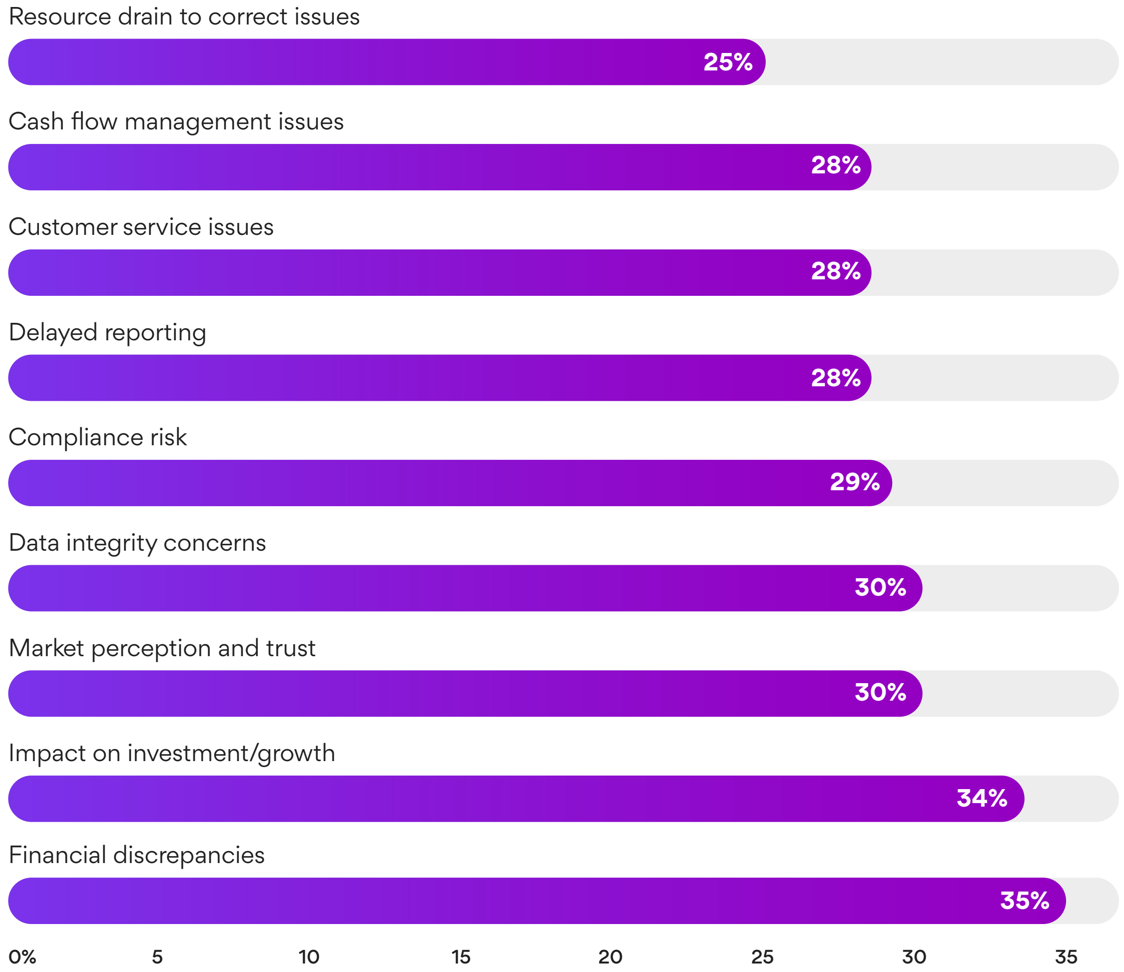
## The impact of errors

Reconciliation errors don't exist in isolation—they ripple through your business, creating downstream inefficiencies and compounding challenges. Determining the root cause is often difficult because of limited data visibility and interconnected reconciliation workflows.

The impact of reconciliation errors is most commonly tied to the time-drains of manual correction. Yet our findings reveal deeper concerns: reconciliation errors primarily undermine financial integrity and business confidence.

Top concerns, such as financial discrepancies (35%) and impact on investment/growth (34%), suggest that errors extend beyond operational inefficiencies and instead impact the foundations of trust in financial data, decision making and long-term strategic planning.

**What is the operational impact of reconciliation errors in your business?**




> **Investment and growth rely heavily on trust and performance metrics. External investors depend on accurate reporting to evaluate risk, while internal stakeholders need precise data to scale operations or expand into new markets.**

### Financial discrepancies

Payment companies handle large volumes of transactions daily. Even minor financial discrepancies act as a critical failure point that amplifies downstream challenges, leading to delayed reporting (28%) and compliance risk (29%). The complexity of resolving financial discrepancies will only escalate as transaction volumes and cross-border payments increase.

### Impact on investment and growth

Investment and growth rely heavily on trust and performance metrics. External investors depend on accurate reporting to evaluate risk, while internal stakeholders need precise data to scale operations or expand into new markets. Reconciliation errors can undermine confidence in a company's financial health.

### Error impact is company-specific

The impact of errors is not uniform across different company types. For example:

- **50% of Neobanks say that reconciliation errors create compliance risk, and 44% say they undermine market trust**
- **E-money institutions are the most concerned with financial discrepancies (42%) but the least concerned with the resource drains of correction (18%)**
- **Payment card issuers and acquirers feel the impact of reconciliation errors across their operations from end to end**
- **Card payment processors are most affected by reconciliation errors impeding investment and growth objectives (40%)**

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# Kani's key recommendations

### Simplify. Simplify. Simplify.

System complexity is an issue underlying many challenges discussed in this report. Reconciliation and reporting processes become cumbersome through years of incremental change. The result is bespoke workflows and disjointed systems that are hard to manage and even harder to modernise.

Recommendation:
**Unify systems to eliminate silos and create streamlined, end-to-end workflows.**

### Maximise the ROI of back-office assessments

Although businesses conduct regular efficiency assessments, they clearly struggle to implement meaningful change. Focusing on small, actionable improvements—like higher match rates and reducing manual work—can deliver measurable ROI and drive long-term gains.

Recommendation:
**Act on assessment insights with targeted improvements that enhance efficiency and reporting accuracy.**

### Focus on exception management bottlenecks

Matching errors are a major pain point, often snowballing into time-consuming exception management. But remember that errors are inevitable and unlikely to be eliminated entirely. The key is to identify where errors arise and manage their impact.

Recommendation:
**Prioritise tools that minimise exceptions, achieve the highest possible auto-match rates and simplify resolution workflows.**

### Use reporting timelines as an efficiency benchmark

The universality of missed reporting deadlines suggests weaknesses in upstream reconciliation workflows. Delays caused by bottlenecks in data preparation or matching highlight areas needing attention. Businesses can identify inefficiencies by treating deadlines as a diagnostic tool before they impact results.

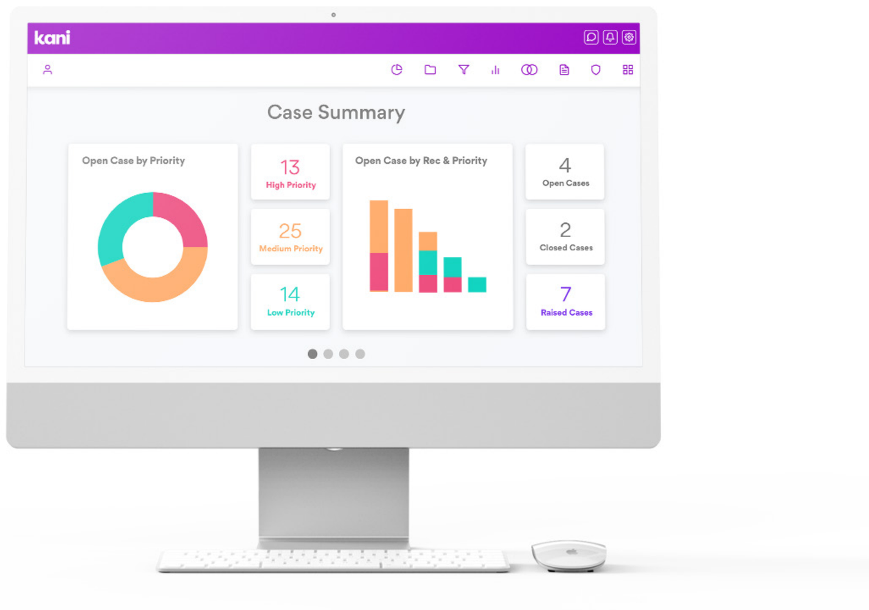
Recommendation:
**Use reporting timelines to pinpoint issues and improve upstream reconciliation processes.**



### Adapt tailored solutions

The most striking aspect of our findings is how unique each company is. The challenges faced, sources of errors and overall efficiency are dictated by company type, size and tech stack. Off-the-shelf solutions will fall short of addressing such bespoke needs. Success lies in finding legitimate experts who understand the intricacies of your operations.

Recommendation:
**Find automated tools that adapt to your unique workflows rather than adapting your operations to an out-of-the-box solution.**




### Automate now, save later

A three-hour data preparation routine is time that many can't afford to lose. Even more so given that it's only one step in a multi-stage process. Imagine what your team could accomplish if those hours were spent on strategic initiatives rather than repetitive tasks.

Recommendation:
**Look for solutions with built-in capability to automate the entire process, from data collection and standardisation to report formatting and data validation.**

> Off-the-shelf solutions will fall short of addressing such bespoke needs. Success lies in finding legitimate experts who understand the intricacies of your operations.

# The bottom line

Our 2025 survey reveals a sector at a crossroads, where the pressing demands of accuracy, speed and compliance often clash with legacy systems and outdated workflows.

Many are caught in a cle of inefficiency. Layered, bespoke workflows and partial automation dominate, reflecting the complexity of modern payment operations. While these approaches may "get the job done," they do so at the expense of time, resources and innovation. Even as companies invest in process assessments, inefficiencies persist—largely because their tools aren't equipped to address the growing scale and complexity of their data environments.

Despite these challenges, the path forward is increasingly visible. The growing adoption of advanced reconciliation tools highlights a sector ready to embrace the benefits of modernisation. Automated solutions that prioritise end-to-end integration, real-time insights and operational agility hold the key to breaking free from legacy constraints.

### The way forward

The findings in this report point to one overarching truth: modernising reconciliation and reporting is essential for keeping pace with a fast-evolving payments ecosystem. But modernisation isn't just about implementing technology. Success lies in finding a solution that fits your unique needs—not just today but five years from now.

Whether transitioning from spreadsheets, integrating advanced tools or consolidating workflows, businesses need a trusted partner who understands the nuances of reconciliation and reporting in the payments industry. The goal isn't just to improve efficiency—it's to position reconciliation and reporting as strategic enablers for growth and innovation.

As the payments industry continues to evolve, we look forward to revisiting these trends and tracking progress in the years to come.

For more information, please contact: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## "Canny"

1. **Having or showing shrewdness and good judgement, especially in money or business matters.**
   *"Canny investors will switch banks if they think they are getting a raw deal"*
2. **Northern English / Scottish colloquialism**
   Friendly, pleasant; nice. - *"She's a canny lass"*

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