

AP fraud risk benchmarking report

Where does your organisation stand, and what are the governance standards to meet?



Introduction

Fraud in accounts payable is an ongoing, systemic risk that affects organisations of every size, in every sector.

Organisations across the UK lost **£576 million** to reported fraud in 2025.

BDO FraudTrack 2026, December 2024–November 2025

This reflects only publicly reported cases meeting BDO's £50,000 reporting threshold — the true cost to organisations is higher once smaller-value and unreported fraud is accounted for.

Duplicate invoices, inconsistent invoice numbers, dormant supplier records, and poor supplier master hygiene are the everyday reality of AP teams operating without the right controls. And all of these factors are ways for fraudsters to take advantage.

This report helps finance teams answer a simple but important question: **where do we sit relative to our peers, and is that good enough?**

Using FISCAL data, this report benchmarks four key fraud risk indicators. For each, we identify the **best-in-class** (the benchmark to aim for) and the **highest-risk** (where process improvement is most urgent).

Reading this report

All data is drawn from FISCAL's aggregated anonymised AP activity from UK organisations across industries. Rates are expressed as a percentage of total invoices processed within each industry.

QUARTILE BENCHMARKS

For each fraud risk indicator, industries are ranked from lowest to highest risk. The data is divided into four equal groups with:

Best-in-class quartile (Q1) — the lowest-risk quarter of industries. This is the benchmark to aim for. If your sector sits here, your controls are performing well relative to peers.

Highest-risk quartile (Q4) — the highest-risk quarter of industries. If your sector appears here, it is a clear signal for urgent review.

The middle two quartiles represent broadly average performance.

A NOTE ON INTERPRETATION

These benchmarks are a useful indicator of relative performance. However, an organisation in the best-in-class quartile may still have significant internal fraud risks.

The full context of fraud governance

Demonstrating effective control over risk is not a new expectation for UK organisations. The UK Corporate Governance Code already requires boards to monitor the effectiveness of their internal control systems and confirm this in the annual report.

Since September 2025, the **Failure to Prevent Fraud** provisions of the Economic Crime and Corporate Transparency Act (ECCTA) 2023 have sharpened the consequences of falling short of that standard for large organisations, where it benefits them. It introduces direct criminal liability where reasonable fraud prevention procedures are not in place, with the punishment for a conviction being **unlimited fines**.

The benchmarks in this report are a practical starting point for understanding where your controls are and how they can improve.

Reasonable fraud prevention procedures

The UK Government has published guidance setting out six principles that a reasonable fraud prevention framework should reflect:

- 1 Top-level commitment** — leadership visibly committed to preventing fraud.
- 2 Risk assessment** — regular, documented assessment of fraud risks specific to the organisation.
- 3 Proportionate prevention procedures** — controls matched to the organisation's risk profile and complexity.
- 4 Due diligence** — thorough checks on employees, contractors, suppliers, and other associated persons.
- 5 Communication and training** — staff aware of fraud risks, their responsibilities, and how to report concerns.
- 6 Monitoring and review** — ongoing assessment of controls, incorporating audits, feedback, and best practice.

WHAT IT MEANS IN PRACTICE

Organisations need to be able to **demonstrate** that they have effective controls and procedures in place. That requires documentation, audit trails, and measurable evidence of ongoing monitoring.

Risky invoices

1.3%

of all invoices are confirmed as risky by our customers.

Rolling 12 months to May 2026 — UK cross-industry average

While 1.3% seems like a small number, having this percentage of risky invoices represents real financial exposure. If a company has just 10,000 invoices in a year that's **130 risky invoices** — a substantial amount when you consider how much those invoices could be worth as well.

"Risky" covers more than one type of problem: duplicate or altered invoices, and dormant supplier accounts reactivated to divert payment. There's even the possibility of staff manipulating payables or supplier records, creating false accounting for the organisation's own benefit. This sits within ECCTA's failure to prevent fraud offence.

The four indicators on the following pages break the risky invoice rate down by source, by industry, and by what a best-in-class response looks like.



Inconsistent invoice numbers

Inconsistent or suspicious invoice numbering is one of the most direct indicators of invoice manipulation risk. Anomalies in invoice number sequences (gaps, duplicates, non-sequential patterns, or formatting irregularities) can signal attempted fraud, duplicate submission, or data entry failures that create opportunities for overpayment. Every invoice number anomaly closed strengthens the evidence base an organisation can point to when demonstrating reasonable fraud prevention procedures.

1.77% **CROSS-INDUSTRY AVERAGE**

of invoices flagged for inconsistent or suspicious invoice numbering. *UK customers, rolling 12 months to May 2026.*

RATE BY INDUSTRY • % OF INVOICES FLAGGED

Local Government		2.53%	Manufacturing		1.17%
Pharmaceutical and Biotech		2.02%	Transport and Logistics		1.17%
Healthcare		1.65%	Leisure and Hospitality		1.16%
Business Services		1.55%	Blue Light		1.12%
Social and Public Housing		1.50%	Publishing and Media		0.82%
Retail		1.34%	Energy and Production		0.67%
Utilities		1.33%	Education		0.64%
Prop. Mgmt and Construction		1.18%	Engineering		0.63%

BEST IN CLASS QUARTILE • Q1: 0.63% – 0.82%

Industries: Engineering, Education, Energy and Production, Publishing and Media. These sectors have the lowest rate of inconsistent invoice number anomalies relative to total invoices processed.

HIGHEST-RISK QUARTILE • Q4: 1.55% – 2.53% (OR OVER)

Industries: Business Services, Healthcare, Pharmaceutical and Biotech, Local Government. Organisations in these sectors have significantly elevated rates of invoice number anomalies.

What to do if your organisation is in the highest-risk quartile

The most effective control for invoice number anomalies is forensic-level analysis of every invoice **before the payment run** to flag inconsistent invoice numbers, sequence breaks, and format anomalies. This approach turns a reactive, manual audit process into a continuous, automated control.

For organisations with high flagging rates, supplier-level investigation is also worthwhile: persistent anomalies from specific suppliers often indicate systemic issues with their invoicing processes that can be addressed directly.

Duplicate invoices

Duplicate invoice submission (whether intentional fraud or accidental resubmission) is one of the most common causes of AP overpayment.

We identified invoices that share significant characteristics with previously processed invoices, categorised into two groups: **high-risk duplicates** (the most likely true duplicates) and **all duplicate flags** (which include compliance variants, near-matches, cross-supplier similarities, and typo submissions).

CROSS-INDUSTRY AVERAGES **0.59%** average high-risk duplicate flag rate.

1.10% average all-flags rate.

RATE BY INDUSTRY • % OF INVOICES FLAGGED

	HIGH-RISK	ALL FLAGS		HIGH-RISK	ALL FLAGS
Business Services	2.50%	4.73%	Engineering	0.46%	0.63%
Energy and Production	1.90%	2.88%	Pharmaceutical and Biotech	0.40%	1.11%
Education	1.57%	2.95%	Retail	0.36%	0.83%
Prop. Mgmt and Construction	0.96%	1.50%	Healthcare	0.35%	0.91%
Manufacturing	0.74%	1.38%	Publishing and Media	0.31%	0.77%
Local Government	0.63%	1.56%	Utilities	0.28%	0.61%
Blue Light	0.65%	1.19%	Transport and Logistics	0.24%	0.60%
Social and Public Housing	0.64%	1.17%	Leisure and Hospitality	0.19%	0.32%

BEST IN CLASS • Q1: 0% – 0.31% (HIGH-RISK)

Industries: Leisure and Hospitality, Transport and Logistics, Utilities, Publishing and Media. These sectors show the lowest rate of high-confidence duplicate invoice flags.

HIGHEST-RISK • Q4: 0.96% – 2.50% (OR OVER)

Industries: Prop. Mgmt and Construction, Education, Energy and Production, Business Services. These sectors carry elevated duplicate invoice risk.

What to do if your organisation is in the highest-risk quartile

Duplicate invoice detection requires controls at two distinct points in the AP process. Best-in-class organisations operate both.

Before the payment run, transaction analysis should run on every invoice, identifying duplicates, near-duplicates, cross-supplier matches, and compliance variants. This catches attempted duplicate fraud at the point of processing, blocks it before financial loss occurs, and logs the decision for the audit trail. But this cannot be basic three-way matching. Best in class teams use specialist software designed for forensic level analysis, covering amount tolerances, date variations, supplier name variants, and reference number anomalies that a standard system-level check will miss.

After payment, supplier statement reconciliation is a complementary and equally important control to confirm everything is correct. Discrepancies, including duplicate payments that have already gone through, unmatched credits, missing invoices, and rebates not yet claimed, are commonly found here.

Operating all controls together closes the gap between prevention and recovery, and gives finance teams the documented evidence of ongoing monitoring. Combining this with regular AP audits will create extremely strong controls all around.

Supplier master file health

Two related but distinct metrics reflect the overall health of the master supplier file:

Supplier dormancy rate — the percentage of active, recurring suppliers with no recent invoice activity.

Duplicate pair rate — the percentage of active suppliers with at least one detected duplicate record.

Both metrics use active, non-one-time suppliers (sundry suppliers excluded) as the base population. Invoices processed against dormant supplier records represent a significant fraud risk. Dormant supplier records can be reactivated with fraudulent bank details and used to divert payments. Monitoring the master supplier file for dormant and suspicious records is one of the clearest forms of evidence an organisation can offer that its fraud prevention procedures are reasonable.

CROSS-INDUSTRY AVERAGES • UK CUSTOMERS

56.0% average supplier dormancy rate — more than half of active recurring suppliers have no recent invoice activity.

33.2% average duplicate pair rate — one in three active suppliers has at least one detected duplicate record.

These are striking averages. They point to a sector-wide challenge in master supplier file maintenance that creates a broad attack surface for fraud, and a significant compliance gap under due diligence and monitoring.

SUPPLIER DORMANCY BY INDUSTRY • % OF ACTIVE SUPPLIERS

Prop. Mgmt and Construction	80.8%	Local Government	56.3%
Energy and Production	80.2%	Healthcare	53.9%
Blue Light	70.5%	Utilities	40.0%
Business Services	69.1%	Engineering	36.7%
Social and Public Housing	63.8%	Leisure and Hospitality	30.2%
Manufacturing	62.4%	Retail	23.1%
Education	60.7%	Transport and Logistics	8.0%
Publishing and Media	57.9%		

Quartile benchmarks — supplier dormancy

BEST IN CLASS • Q1: 8.0% – 36.7% DORMANCY

Industries: Transport and Logistics, Retail, Leisure and Hospitality, Engineering. These sectors maintain the most current supplier files, reflecting regular review and clear policies for managing inactive suppliers.

HIGHEST-RISK • Q4: 70.5% – 80.8% (OR OVER)

Industries: Blue Light, Energy and Production, Prop. Mgmt and Construction. More than seven in ten active suppliers in these sectors have no recent invoice activity. This is a dominant characteristic of the supplier file.

Supplier master file health (continued)

DUPLICATE PAIR RATE BY INDUSTRY · % OF ACTIVE SUPPLIERS

Prop. Mgmt and Construction		53.2%	Engineering		10.4%
Local Government		33.7%	Utilities		8.9%
Leisure and Hospitality		31.8%	Business Services		8.8%
Retail		29.3%	Education		8.0%
Manufacturing		28.8%	Publishing and Media		7.1%
Energy and Production		20.8%	Blue Light		5.7%
Healthcare		11.1%	Transport and Logistics		4.2%
Social and Public Housing		10.8%			

BEST IN CLASS · Q1: 4.2% – 8.0%

Industries: Transport and Logistics, Blue Light, Publishing and Media, Education. These sectors have the most deduplicated supplier files, with fewer than one in 12 suppliers carrying a detected duplicate.

HIGHEST-RISK · Q4: 31.8% – 53.2% (OR OVER)

Industries: Leisure and Hospitality, Local Government, Prop. Mgmt and Construction. Between one in three and one in two active suppliers in these sectors have a detected duplicate record.

What to do if your organisation is in the highest-risk quartile

For organisations with large, messy supplier files, the challenge is that manual review at scale is simply not feasible.

The practical path forward has two stages. The first is an **initial forensic cleanse** to identify which supplier records are genuine duplicates, which are dormant, and which represent legitimate multi-site or related-party relationships that simply need to be understood and documented. This cleanse produces a baseline and, crucially, the documentation of that process serves as evidence of controls.

The second stage is **continuous monitoring**, because a supplier file that is clean today will degrade quickly without ongoing oversight. The controls that matter most at this stage are still supplier dormancy and duplication, but also automated matching of employee data against the supplier file, and changes to supplier details, especially payment information.

How do you measure up?

The chart below provides a summary view of where the best-in-class and highest risk quartiles sit across all metrics. Finance teams can use this as a starting framework for assessing their own position.

WHERE THE QUARTILE THRESHOLDS SIT · AT A GLANCE

Best-in-class Average range High-risk *Each metric shown on its own scale*

Inconsistent invoice numbers

% OF INVOICES FLAGGED

0 – 0.82%

1.55%+

Duplicate invoices

% OF INVOICES FLAGGED

0 – 0.31%

0.96%+

Supplier dormancy rate

% OF ACTIVE SUPPLIERS

0 – 30.2%

70.5%+

Supplier duplicate pair rate

% OF ACTIVE SUPPLIERS

0 – 8.0%

31.8%+

If your organisation's rates are broadly within the best-in class ranges, your AP fraud controls are performing well relative to sector peers. If you are within or above the high risk benchmarks, it's worth reviewing your processes and controls to reduce fraud exposure.

The controls to reach best-in-class

Three controls account for the majority of the improvement gap between the highest-risk and best-in-class quartiles across all metrics in this report. Each maps directly to one or more of the principles for reasonable fraud prevention procedures under ECCTA legislation.

1 Forensic pre-payment transaction analysis

Running regular (daily if possible) checks on every invoice before the payment run, covering duplicate detection, invoice number anomalies, suspicious patterns, and compliance variants, is the most impactful pre-payment control available to AP teams.

It converts what is otherwise a reactive, post-payment audit process into a continuous, evidenced control. The output is not just prevented fraud and associated costs; it is the documented proof of monitoring and review.

2 Automated supplier statement reconciliation

Supplier statement reconciliation is one of the most underused controls in AP. Not because finance teams underestimate its value, but because doing it manually at scale is impractical.

Automated reconciliation changes that: it covers 80%+ of supplier spend, runs continuously rather than periodically, and surfaces duplicate payments, unmatched credits, and missing invoices that the pre-payment check may not catch. It is also an important recovery mechanism which identifies value owed to the organisation that would otherwise remain unclaimed.

3 Continuous supplier file monitoring

A clean supplier master file at a point in time is only a snapshot. The control is the ongoing monitoring that keeps it clean: real-time monitoring and alerts for payment detail changes, automated duplicate detection as new suppliers are added, and dormancy tracking so that inactive records are visible rather than hidden in a growing file. Continuous monitoring transforms supplier file maintenance from a reactive, audit-driven activity into a proactive, evidenced risk control.

FISCAL IN ACTION

These controls run continuously inside FISCAL's platform — every supplier and invoice checked, evidenced, and audit-ready.



How FISCAL's platform supports these controls

FISCAL's AI-native P2P risk management platform performs all three of the controls outlined:

Transaction Risk Intelligence

analyses every invoice before the payment run, running forensic-level checks for duplicate invoices, inconsistent invoice numbers, compliance anomalies, suspicious payment patterns, incorrect POs, and data discrepancies. Risks are surfaced to the AP team for investigation and resolution before payment is authorised, with every decision logged and auditable. This is the last critical control before money leaves the organisation.

Automated Supplier Statement Reconciliation

requests, collects, processes, and matches supplier statements against AP records automatically — at up to 12 times the speed of manual reconciliation. Coverage extends to 80%+ of supplier spend without additional headcount. The platform surfaces missing invoices, duplicate payments, unmatched credits, and open items for AP teams to act on, and maintains a complete communication and decision audit trail.

Supplier Risk Intelligence

monitors the master supplier file continuously using AI, detecting dormant suppliers, duplicate records, changes to payment details, missing or incorrect data, and employee-supplier links that may indicate conflict of interest or insider fraud risk. The platform supports both an initial cleanse and ongoing maintenance, scaling supplier oversight to the full active file without increasing AP team workload.

Together, these capabilities mean that the controls described in this report can run continuously and automatically, rather than depending on periodic manual effort that leaves gaps between audits.

SEE THE HIGH-LEVEL RISKS IN YOUR ORGANISATION

FISCAL offers a free P2P Insights Report — a rapid independent analysis of your AP data, processes, and controls that shows your highest-risk transactions and suppliers, identifies gaps in your supplier file, and provides tailored advice on process improvement priorities. To book, visit fiscaltec.com or contact smarter@fiscaltec.com.

Methodology

This report draws on FISCAL's cross-customer analytics dataset, which aggregates anonymised AP activity data from FISCAL customer organisations in the UK. All figures are expressed as percentages of total invoices processed within each industry, enabling fair comparison regardless of organisational size.

- **Reporting period:** rolling 12 months to May 2026.
- **Geography:** UK customers only.
- **Invoice base:** sourced from FISCAL's daily risk rate aggregate, the authoritative denominator for risk rate calculations.
- **Supplier metrics:** based on active, non-one-time suppliers with sundry suppliers excluded, in line with standard AP hygiene benchmarking practice.
- **Industry classification:** all industry categories reflect the customer's self-reported primary sector. NHS Trust, NHS Other, and Private Health organisations have been combined into a single Healthcare category across all metrics. Pharmaceutical and Biotech is excluded from supplier master health metrics only, as the active non-one-time supplier population for this industry did not return sufficient data volume for reliable benchmarking after filtering; all invoice-level metrics for this industry are unaffected.
- **Quartile methodology:** invoice-level metrics cover 16 industries. Supplier master health metrics cover 15 industries. For each metric, industries are ranked by rate and divided into four equal groups. Q1 represents the lowest-risk quartile; Q4 represents the highest-risk quartile.

The benchmark statistics in this report represent aggregate patterns across the FISCAL customer base and should be interpreted as indicative benchmarks rather than absolute sector-wide norms. Individual organisations within each sector will vary significantly based on their specific controls, processes, and risk profile.



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FISCAL's P2P risk management software helps finance teams protect spend and strengthen risk controls. It's backed by our expert consultancy and support teams. The AI-native platform analyses every supplier and invoice, finding risks for your team to investigate and resolve.

FISCAL reduces fraud and compliance breaches, prevents duplicate payments, decreases supplier risk and automates statement reconciliation 12x faster. It integrates smoothly into your systems and processes, improving efficiency, and streamlining pay runs.

Since 2007, we have worked with organisations across local government, healthcare, retail, and many more sectors. We now protect over £340 billion each year with proven, data-driven intelligence.