New research reveals small businesses lose £17,000 to FX

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· Survey of 250 SMEs reveal losses; SMEs overpaid banks $7,500 in mark-up alone

· Australian fintech launches free Currency Score™ to address SMEs' wasted FX spend

Melbourne, Australia – 08 July 2021 – In 2020, UK SMEs paid 10x more than corporates for their foreign exchange (FX) when using their banks and wasted an average of £17,000 on their international payments according to fintech company Fluenccy.

Alarming research conducted by Professor Harald Hau from the University of Geneva and other academics from the ECB and IMF[1] triggered Founder Tony Crivelli to conduct his own research more broadly. His findings revealed that relative to larger companies:

- SMEs lost an average of $32,500 on foreign exchange and international payments by transacting solely with their bank.
- $7,500 came from overpaid FX fees and mark-up and $25,000 from getting it wrong on the currency market.
- 83% of SMEs only used their bank for foreign currency and international payments.
- Only 9% had access to a system that allowed them to monitor and control the impact of FX on their business.

The research, conducted in Australia, Canada, Europe, the UK, and New Zealand, showed that Australian SMEs lost the most due to currency markets – an average of AUD$25,000. UK SMEs faired second worst (average loss of £17,000), followed by New Zealand (NZ$24,500) and Canadian (CAD$23,000). Only European SMEs avoided huge losses due to the relative steadiness of the Euro in 2020.

"2020 was a terrible year for small businesses. Hidden currency losses are the last thing they need with so many other challenges," said Tony Crivelli, Founder and CEO, Fluenccy. "We set out to end this problem once and for all. There is no reason on earth SMEs should be losing so much on FX."

To address the wasted spend, Fluenccy launched Currency Score, a new and free tool that allows SMEs to see their effective foreign currency rate and compare that to a new industry benchmark and identify savings they often don't know exist.

Currency Score was built for SMEs and start-ups who regularly use FX but don't have the expertise or time to analyse the impact on their bottom line. It measures their FX buying activity and provides a straightforward number – just like a credit score.

A score of 500 out of 850 shows they're doing pretty well. Anything below indicates they could be doing better.

By syncing and tracking 12 months of invoice and payment data from a secure Xero integration with Fluenccy's proprietary algorithms, small businesses can see how effective they are at buying FX quickly, simply, and for free. Currency Score shows their bank's FX mark-up, what rate they averaged, and how much they could be saving. Snapshot graphs in the full report make the data and possible losses easier to see and understand (but potentially harder to stomach).

About Fluenccy

Corporates have long had access to specialised software and expert service from internal finance teams to achieve better FX rates. Getting this type of business FX insight for SMEs has, up to now, been difficult. Tony Crivelli (CEO & Founder), with over 25 years of experience in cross-border payments for Corporates and SMEs, wanted to level the playing field. He started Fluenccy and now SMEs can get both in one app.

Fluenccy dispels the myth that fluctuating FX rates even themselves out and that only a corporate can access the best rates using a sophisticated foreign currency strategy. The company is freestanding and independent; it doesn't sell or buy FX and has no exclusive affiliation to any FX suppliers. It just helps SMEs get a better rate.

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For more information, contact founder Tony Crivelli at hello@fluenccy.com.

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[1] Source:
http://www.haraldhau.com/wp-content/uploads/FX_PriceDiscrimination_in_FX_OTC_markets.pdf

Company Contact:

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Fluenccy

T. +61487098648
E. marketing@fluenccy.com
W. https://www.fluenccy.com

Additional Contact(s):
Tony Crivelli, Founder and CEO of Fluenccy - hello@fluenccy.com

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