# Where revenue leaks in building materials distribution

Building materials distribution runs on high-volume, low-margin invoicing across trade credit accounts, so small slips on price, collection and credit notes barely register on any single order. Across thousands of deliveries a week those slips add up to real money that never reaches the bank.

## WHERE IT LEAKS

### Failed Direct Debits on trade accounts

Merchants collect from trade credit customers by Direct Debit, and when a collection fails the goods have already left the yard while the unpaid balance sits quietly in the ledger.

### Deliveries that never became invoices

Stock goes out on a delivery note but the matching invoice is delayed, mis-keyed or forgotten, so goods leave the business with nothing billed against them.

### Duplicate invoices that turn into disputes

In a high-volume run the same order can be billed twice, and once a customer spots it they often hold or short-pay the whole account until it is sorted, delaying cash that was genuinely earned.

### Credit notes that outlive the return

Credit notes raised for returned or damaged goods sometimes get duplicated, applied twice or left sitting unapplied, so more value leaves the ledger than the actual return justified.

### Short payments left unchased

Trade customers deduct for a disputed line, a damaged pallet or a claimed discount and pay a round sum, and the small shortfall against the invoice is too minor to chase but recurs across thousands of accounts.

### Price uplifts that never reached the invoice

Agreed annual increases, surcharges and contract pricing do not always flow through to the billing system, so lines quietly invoice below the current run-rate.

## THE SCALE

Across a business, revenue leakage is commonly estimated at around 1% to 3% of turnover. GoCardless reports that roughly 2.9% of Direct Debit payments fail, observed across about 55,000 businesses, and failed collections are only one of the leaks above. As an illustration only, on a merchant turning over £40m, 1% to 3% is roughly £400,000 to £1.2m a year.

## HOW IT IS FOUND

All of this is visible in your own finance data, read-only, with no change to your systems, and a first pass is usually back within days.

## COMMON QUESTIONS

### Does this work if our invoicing is messy or spread across branches?

Yes. The check reads the finance data itself, the invoices, payments, credit notes and collections, rather than relying on tidy notes or a single system, so branch splits and high-volume runs are normal input, not a barrier.

### Is it safe to connect our finance systems?

The review is read-only. It looks at your invoices, payments and ledger data and never writes back, changes a record or moves money, so nothing in your systems is altered.

### We already run credit control tightly. Would there be anything left to find?

Usually yes. Tight credit control catches overdue invoices, but leaks like duplicate billing, uninvoiced deliveries, under-applied price uplifts and unapplied credit notes sit inside invoices that look correct, so they rarely surface in an aged debt report. One finance team found over £49,000 of leakage in the first month of looking.

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If you would prefer your own number to an estimate, you can have your finance data read and the leaks totalled for free.

**Get your free number**