

**From complexity to control.
How CFOs are rethinking
spend management**





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Introduction

Small and medium-sized enterprises form the backbone of the UK economy, driving innovation, employment, and growth. Financial management in these crucial businesses is undergoing rapid change.

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Finance leaders, and particularly CFOs, are under increasing pressure to navigate tighter budgets, implement stronger cash controls, and ensure that every penny spent delivers value.

At the same time, SME financial operations have become more complex. Managing payments, expenses, and cash flow now often spans multiple disconnected systems, making it harder to maintain visibility, control, and efficiency.

Against this backdrop, there's renewed demand for automation, stronger security, and seamless integration in the financial tools that SMEs rely on.

This report presents findings from an original survey of finance leaders in UK SMEs. Our aim is to uncover the biggest spending challenges they face, the opportunities they see ahead, and the key trends shaping the future of SME financial management.

The insights gathered here provide a timely and valuable perspective for business leaders, technology providers, and policymakers alike. We hope it helps.



Executive summary



Maeve McMahon
President, EMEA
OFX

SME finance leaders are navigating a period of significant transformation. The pressure to optimise cash flow, tighten expense controls, and strengthen financial resilience has never been greater in recent memory. We see a finance function in transition, moving beyond basic bookkeeping toward a more strategic, technology-enabled role within the business.

Security and data privacy have become central concerns, reflecting the heightened risks associated with managing sensitive financial data across multiple platforms. At the same time, the appetite for change is strong. Finance leaders overwhelmingly acknowledge the benefits of adopting digital tools, automation, and AI. They're eager to move toward integrated platforms that bring together expense management, accounts payable, and treasury operations under one roof.

A clear priority emerging from this study is the need for more rigorous cash management and greater confidence in expense oversight. While CFOs recognise the critical importance of controlling cash flow and curbing unauthorised spending, many still struggle with fragmented systems and manual processes that limit their ability to act with speed and precision.

This report provides fresh insights into how SME finance teams are responding to these challenges, where they see the greatest opportunities, and what they view as the critical next steps for building a more resilient and future-ready finance function. We hope you'll find these findings insightful.



Key insights

88%

Nine out of 10 CFOs say that strategic cash flow management is either “essential” or “somewhat important.”

21%

Under a quarter of CFOs are “very confident” in their expense controls. 73% are only “somewhat” confident that they can prevent unauthorised transactions.

49%

Half of SME CFOs say that security or data privacy is their biggest issue in managing expenses.

44%

Less than half of SME finance teams have “mostly” or “fully” automated expense management.

98%

Virtually all finance leaders have seen positive outcomes from using digital tools, automation, and AI in their teams.

94%

Nearly all CFOs said that consolidating expenses, AP, and treasury onto one platform was a “high” or “top” priority.



The current SME expense and payment management environment

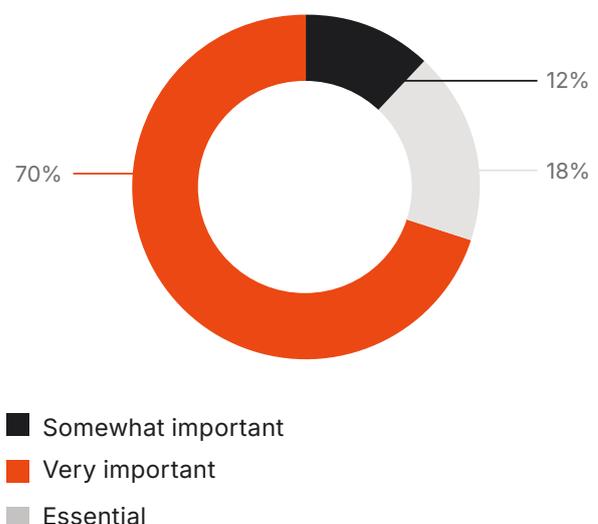
We begin with an examination of the status quo. This chapter looks at the biggest objectives, challenges, and preoccupations for modern finance teams.

Real-time spend visibility is a primary concern

When asked whether real-time visibility over transactions is important in their role, zero finance leaders disagree. The majority see it as "very important," and 18% see it as "essential."

88% of respondents also said that strategic cash flow management is either "very important" or "essential." No respondents stated that it was not important at all.

How important is real-time visibility over business transactions?



Security, privacy and costs are paramount

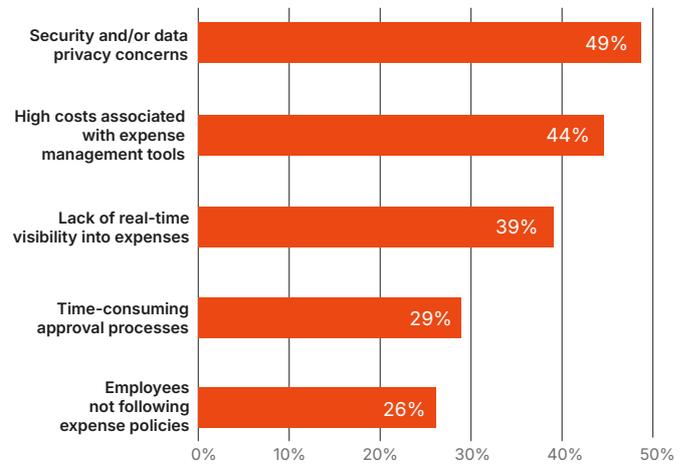
Typically expense grievances include manual data entry, poor communication, and lost receipts. But our report finds a new hierarchy of issues, based on the changing organisational expectations.

The biggest challenges today include security or data privacy concerns (49%), the cost of implementing expense management tools (44%), and a lack of real-time visibility into expenses (39%).

Several of these relate directly to changing expectations. Companies now expect faster, more transparent reporting, automation and additional insights into expense processes, more flexibility around payment methods and currencies, and better fraud preventions.

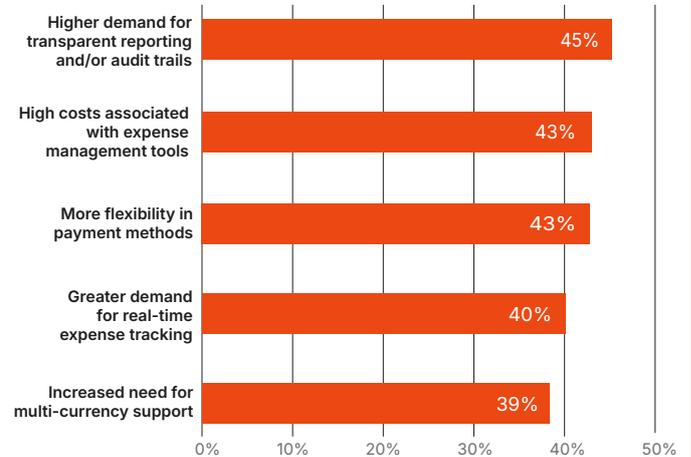
What are the biggest expense management challenges for your business?

Top 5 responses



How have expense management expectations evolved in the past 12 months?

Top 5 responses



Accounts payable sees similar struggles

Looking now at accounts payable, the number one issue faced by finance teams today is a lack of automation or inefficient reconciliation (42%) that have hindered the profession for decades.

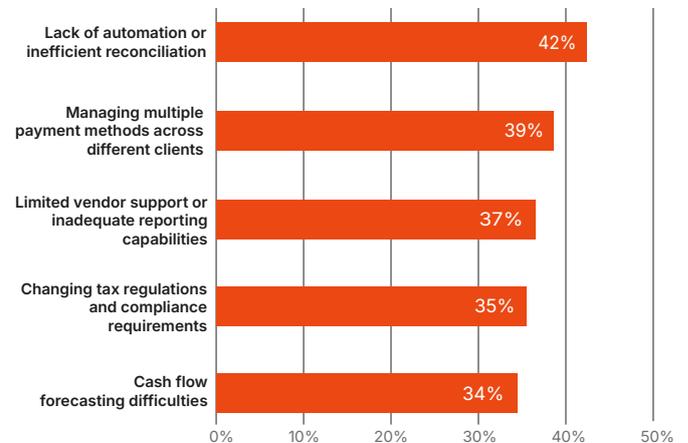
This is closely followed by the need to manage multiple payment methods across the business (39%), and insufficient vendor support and reporting (37%).

Finance teams need more control

As expectations evolve and business transactions become faster and more varied, the pressure on finance teams increases. SME leadership wants a tight lid on company costs, while also keeping business units efficient and agile.

Today, 79% of CFOs don't have full control of company transactions. While most finance teams report being "somewhat" in control of costs, this is below the standard of rigorous financial management many CFOs set for themselves.

How confident are you that your company can prevent unauthorised transactions?



What are your biggest challenges when managing invoice payments for your business?



- Not very - Gaps exist that pose a risk
- Somewhat - Controls could be improved
- Very - Strong controls, minimal risk

"Research and development projects are often uncertain, which leads to longer project cycles and higher costs."

—CFO from our research

Strategic cost categories cause difficulties

We might assume that the most frustrating expenses to manage stem from travel and small employee purchases.

But the most challenging expense categories for finance teams are contractors and marketing costs.

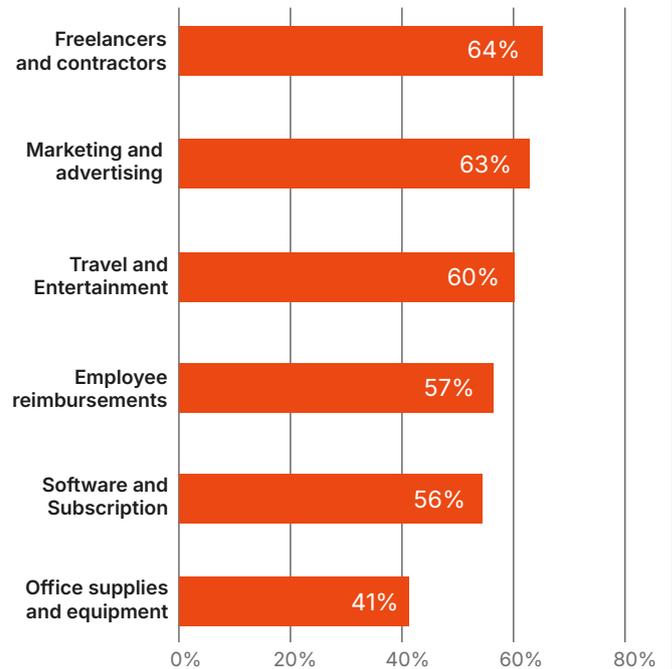
These are often larger expenses which may require more justification and debate, and have a significant impact on budgets and forecasts.

Overall, more than half of respondents struggle to manage any of these categories: freelancers, marketing costs, TandE, out-of-pocket expenses, and subscriptions.

It is troubling that these issues persist across such a broad range of common company expense categories.

Which of the following expense categories are "very" or "extremely" challenging to manage?

Top 5 responses



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Avoid expense admin aggravation. Reallocate your time to more important business.

Reimburse travel, admin and office expenses in seconds. Monitor all company spend in real-time from a central source of truth.

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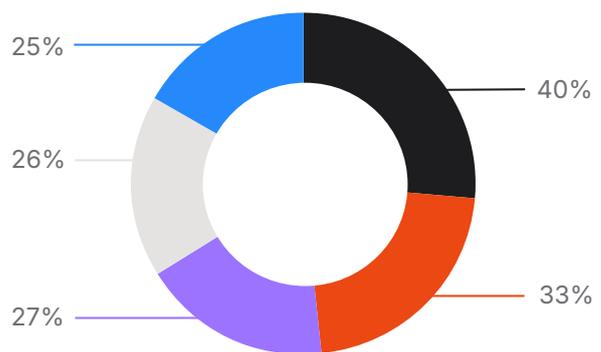
SME payment and expense trends

As we've seen, payment security is paramount for CFOs. Fraud prevention and safer spending overall are the leading focus for this year.

New technologies are also front of mind. CFOs are intrigued about the prospect for artificial intelligence to aid in fraud detection and data analysis, as well as the growing use of digital wallets and mobile payments. And a significant 26% of respondents consider blockchain worth examining, in the hopes that it could empower more secure company transactions.

How important is real-time visibility over business transactions?

Top 5 responses



- Security, fraud prevention, and compliance
- AI for fraud detection and data analysis
- Digital wallets and mobile payments
- Blockchain for secure transactions
- Predictive analytics for decision making

Security will be prized for years to come

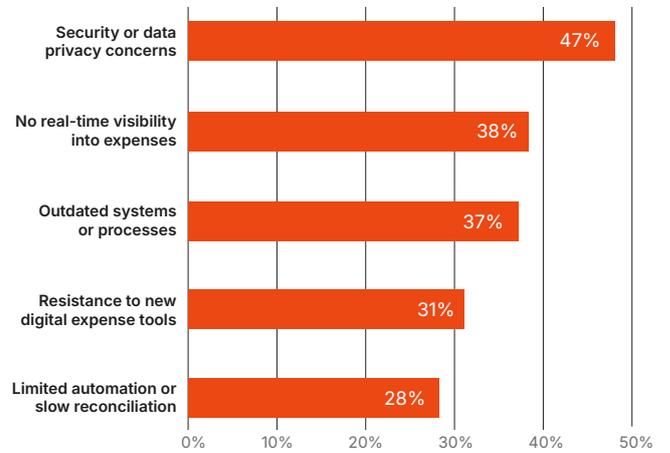
When asked to look forward three years, security remains a significant concern for CFOs (47%). A lack of real-time visibility into expenses (38%) and a reliance on outdated systems (37%) were the next most-common responses.

This suggests that CFOs envision having a difficult time moving their companies towards better tooling and more automation, even years from now.

CFOs clearly believe that costs and user experience will become less of an issue in the coming years. Both of these challenges fell in the order of results compared with the current state of expense management.

What will be your biggest expense management challenges in the next 2-3 years?

Top 5 responses

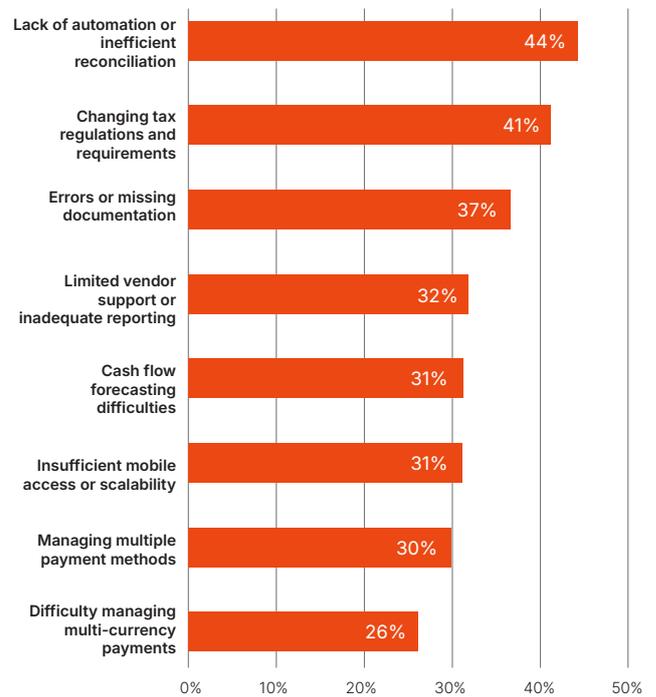


Automation is a key need for invoices

Specifically for invoice payments, CFOs expect the status quo to remain in place for the near few years. They see a continuing need for better automation, smarter tax navigation, and a reduction in errors or missing documents.

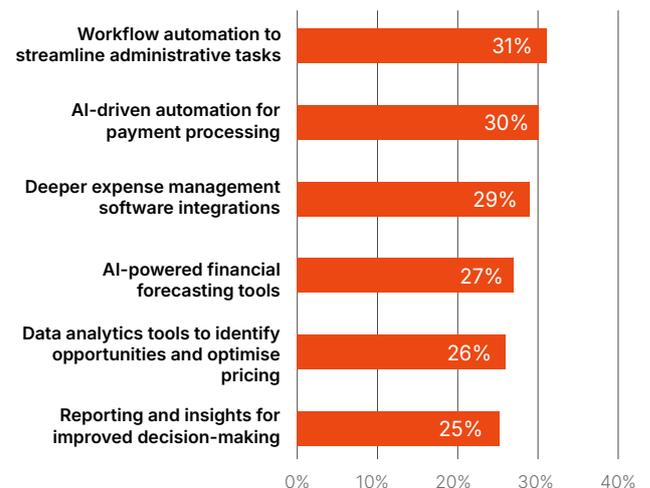
Looking even further ahead, finance leaders do seem optimistic that many of these challenges will eventually be overcome. Many are looking forward to automating administration and payments processing, and leaning on AI for better forecasts and analytics.

What will be the biggest challenges when managing invoice payments in the next 2-3 years?



How will technology shape payments and expenses in the next five years?

Ranked top 3





The state of spend management tooling

The rise of automation and its impact on business processes have been well publicised. And while its arrival in the finance function may have been later than other departments, the days of fully manual expense management seem to be behind us.

98% of respondents identified positive outcomes from using these tools. Chief among these include better expense tracking, increased efficiency, and smarter fraud detection.

How have digital tools, automation, and AI improved payments and expenses?



But 80% of the same group of respondents also identify issues with the technology in use today.

38%

cite challenges with integrating new tools into existing systems

37%

struggle to keep up with rapid technological changes

34%

have real concerns about data security and privacy risks with digital tools



"I enjoy driving digital transformation within the finance department, leveraging new technologies to improve efficiency and accuracy."

—CFO from our research

Automation is a work in progress

Automated processes have become a mainstay in company spending. The good news: only three finance teams in our survey say they rely on “entirely manual” processes to capture and reconcile expenses.

The less inspiring result, however, is that only 44% of respondents use “mostly” or “fully” automated expense processes.

SMEs lack true spend management systems

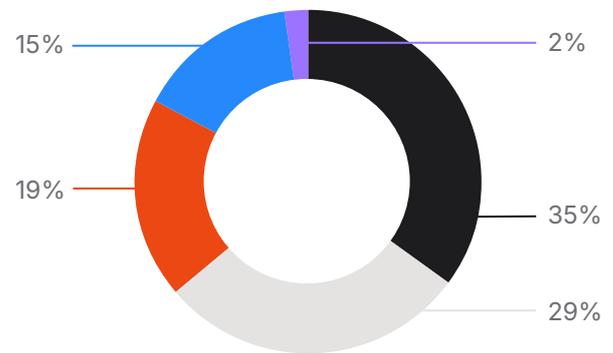
When asked for the platforms they use to manage company expenses and payments, most finance leaders listed cloud accounting platforms or ERPs.

Despite the ongoing challenges businesses face in managing spend, many aren’t ready to use the tools and platforms that could help overcome these easily.

When asked which platforms they would consider using, many respondents indicated that they would be interested in testing some of these spend management platforms.

This lack of dedicated, purpose-built software clearly contributes to the fact that many company expense processes are still not automated.

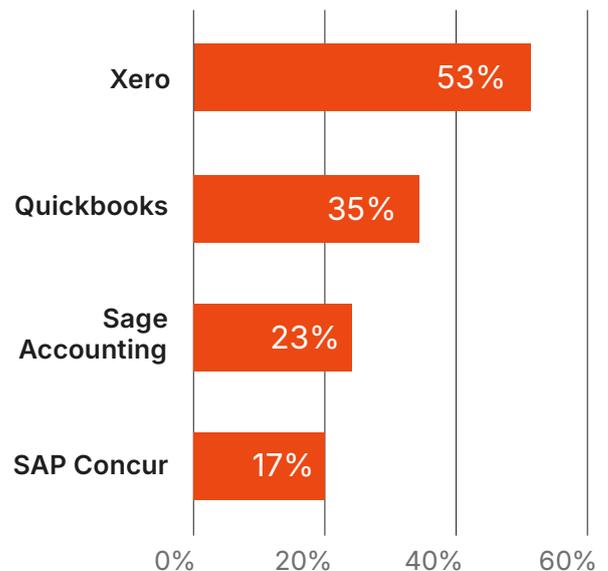
How do you reconcile out-of-pocket expenses?



- Half manual, half automation
- Mostly manual
- Entirely manual
- Mostly automated
- Fully automated

What platforms do you currently use for expenses and payments?

Top 4 responses



Software sprawl is a key issue

As we saw in a previous chapter, 32% of finance leaders say that tracking spend across disparate platforms is a key issue. It's no surprise, then, that 94% of respondents said it was a "high" or "top" priority to consolidate key spend processes onto one platform.

In fact, only 1% said that it was not a priority at all. Not only does this highlight how challenging it can be when spend is spread across systems, it also suggests that virtually no companies have achieved this aim so far.

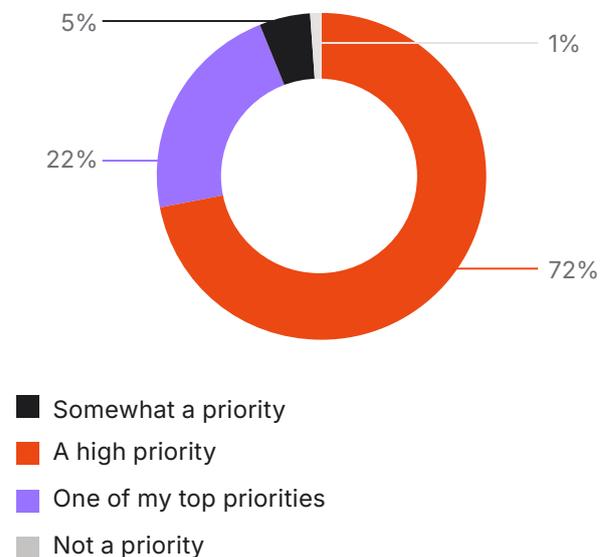
When asked why they want to make this change, the top responses include increased efficiency (58%), stronger compliance measures and smoother approvals (49%), and cost savings (48%).

CFOs want easy integrations

While relatively few finance teams have committed fully to spend management platforms, CFOs are still conscious of and ready to consider using them. For Finance teams, easy and fast integrations with the existing finance stack are critical.

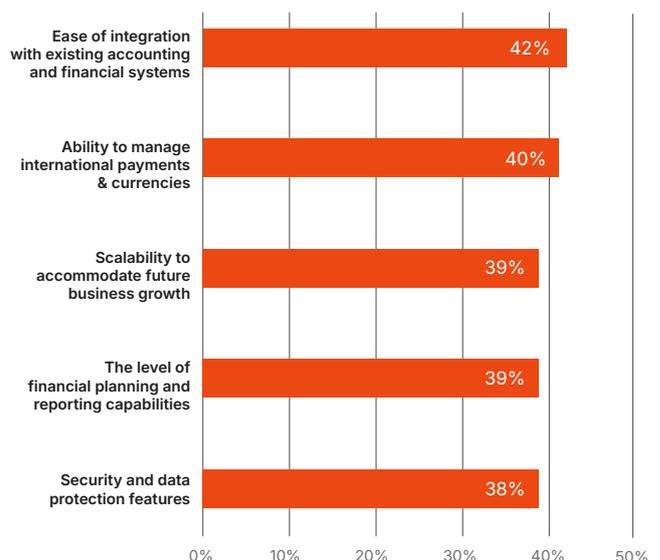
CFOs also want the ability to track and manage international currencies and payments, strong FPandA features, and scalability.

How much of a priority is consolidating expenses, AP, and treasury onto one platform?



How do you assess spend management solutions for your business?

Top 5 responses



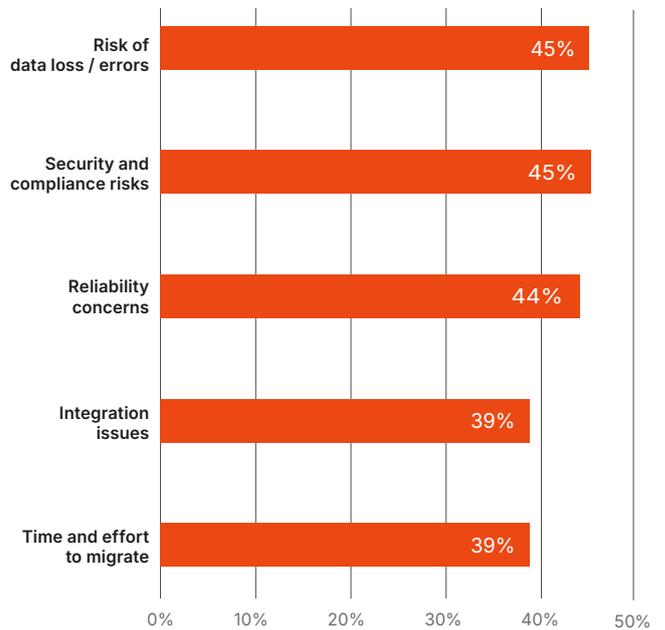
What's holding teams back?

When asked why they might resist changing to new platforms, CFOs gave a range of potential issues. Even with clear benefits and expected return on investment, inertia and likely delays prevent many teams from moving to better tools.

The most frequently listed challenges are the risk of errors and lost data (45%), security and compliance concerns (45%), and worries about overall reliability (44%).

What are the biggest hurdles to changing platforms?

Top 5 responses



Smarter automation.

Ditch the data entry and spreadsheets. Optimise your entire accounts payable workflow — from invoice to payment. Save time, cut costs and minimise risk.

Automate approvals, reduce manual work and manage global supplier payments. Unlock total visibility and control over your entire cashflow with our all-in-one scalable platform – built for growing businesses.

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Cross-border payments and currency volatility

One often overlooked aspect of company spending is the impact of global payments and international suppliers.

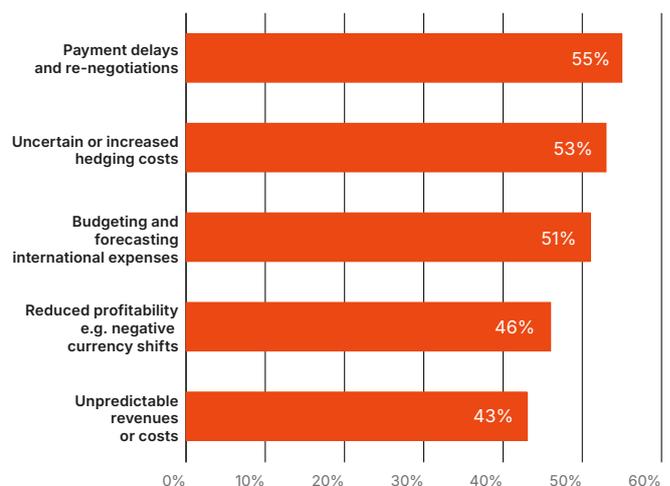
As it becomes easier to spend overseas — both while travelling and with global supply chains — finance teams must contend with the added complexities this brings.

As with so many business systems, the biggest issues are with unexpected delays, and uncertainty around costs.

International payments will almost always be slower and more complicated than domestic. There are different payment systems to wrestle with, and disparate legal and regulatory expectations.

How does currency volatility affect your business?

Top 5 responses



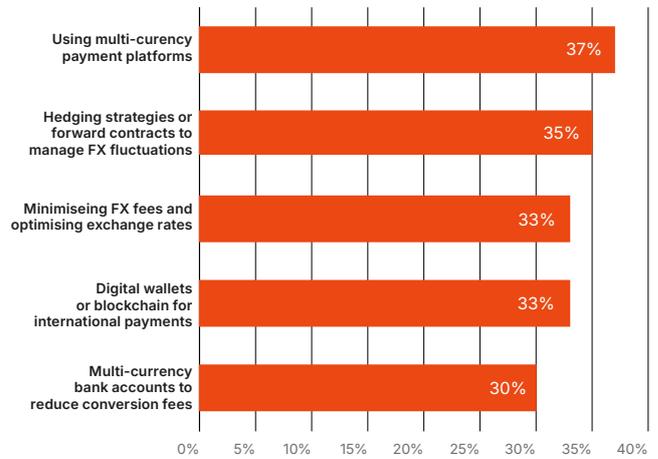
Currency fluctuations also have an effect on forecasts and cost management. Crucially, only 6 respondents (4%) report no challenges in managing international payments at all.

So what strategies do most SMEs turn to? Whether working with external advisors or third parties, or with in-house support, the most common responses are as follows.

Modern payment platforms make sending and receiving money internationally faster and cheaper. They also tend to offer the lowest possible FX fees, and may have features to hedge against currencies shifting against you in future.

As we'll see next, the best spend management strategies are carefully considered and empowered by modern tools. Optimising international payments is a crucial part of this.

How do you reduce costs on international payments?



Minimise FX risks with OFX

International exchange rates are a hidden cost for many SMEs. Currency fluctuations and unexpected fees can bring a halt to growth.

OFX lets you hold multiple currencies in advance, to load onto virtual or physical cards for employees. Employees can spend wherever they need, and you're never caught out by sharp changes in value.

Keep FX fees low, lock in great rates, and make easy, automated payments to international suppliers.

[Learn more](#)





CFOs' spend management best practices

Good spend management and controls are (and should be) a priority for SMEs. But many businesses have underwhelming, inefficient systems, and are losing money as a result.

For the final section of this report, we asked CFOs and finance leaders for their recommendations to make expenses and payments a more strategic, potent aspect of company cash management.

1. Use a range of tactics to conquer cash flow

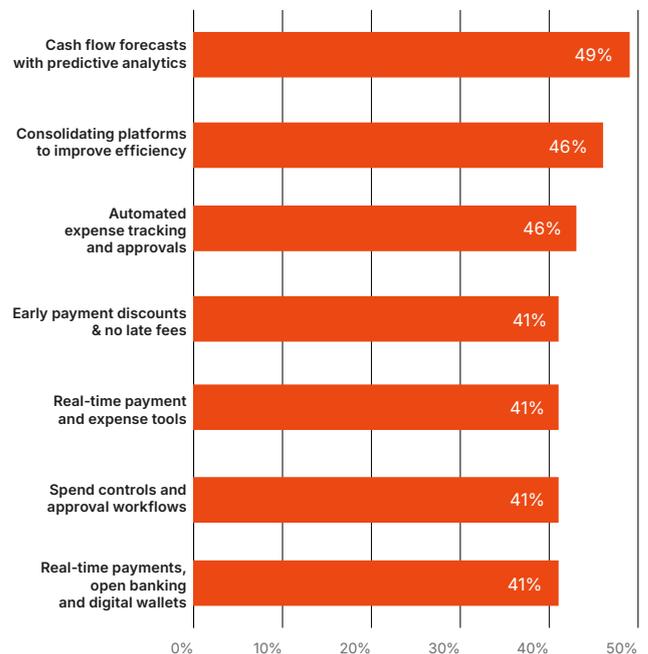
When asked how best to optimise cash flow, finance leaders emphasised the need to both create sound forecasts using predictive analytics (49%), and to work more efficiently by consolidating platforms (46%).

With more oversight and better planning, finance teams also avoid late fees and can access early-payment discounts.

Overall, seven different options were each endorsed by 41% of respondents or more. This shows both the range of tactics available to finance teams, but also the amount of work it can take to truly optimise cash flow.

What works best to optimise cash flow in payments and expenses?

Top 7 responses



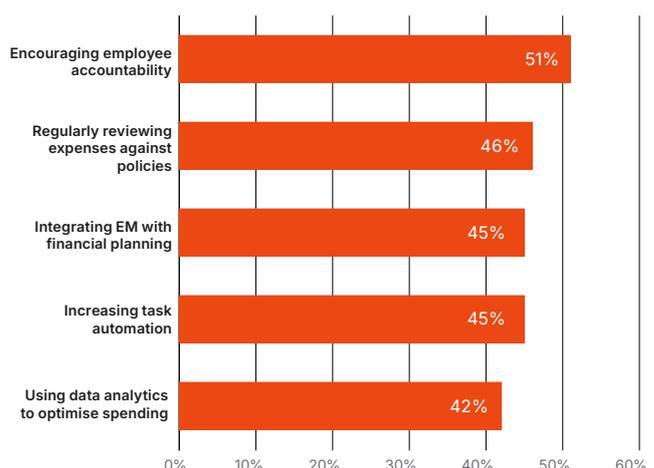
2. Align spending with business objectives

Optimising spending is often seen as a goal in its own right. But modern SMEs not only recognise the need to keep costs low, they also want to ensure that money spent actually has a higher-order purpose.

This can be difficult where Finance teams aren't deeply embedded in other departments. But CFOs say that by empowering employees to take more responsibility, and transparently reviewing spending against policies, Finance teams can help others spend successfully.

How can businesses better align expenses with strategic goals?

Top 5 responses



3. Find opportunities to upgrade

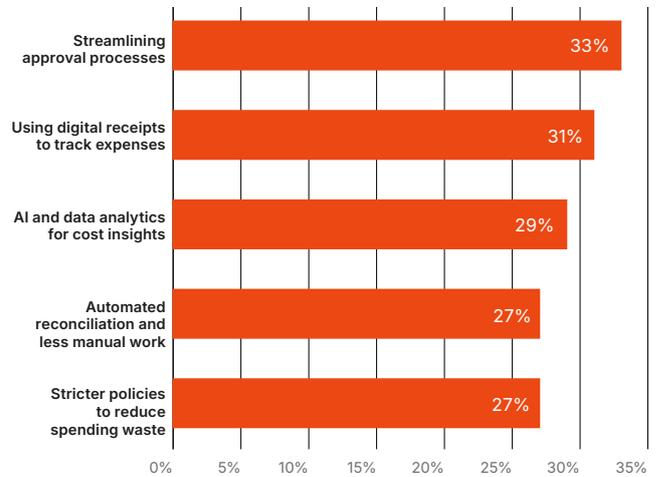
Very few company spend processes are perfect, and we've seen the wide range of issues that impact Finance teams and spending employees. The positive upshot of this is that there are tangible, actionable ways to improve and upgrade your company processes.

According to the finance leaders surveyed, the most overlooked opportunities to improve payment and expense processes include better approval processes to avoid unnecessary delays, digital receipt capture, and finding valuable cost insights with AI and data analysis.

Thankfully, these can all be relatively easily achieved with the right spend management tools.

What are the most overlooked opportunities to improve payment and expense processes?

Top 5 responses



“What I cherish most as a finance professional is the opportunity to engage in strategic financial planning. Analysing financial trends, forecasting budgets, and providing data-driven insights for business decisions that allow me to contribute directly to the company’s long-term success and growth.”

—Participant from our research



5 key actions to take

Real-time visibility over spending, streamline approvals and payments, and easy, error-free reconciliations should all be top priorities.

To move towards these goals, here are five concrete actions your organisation can take.

1 Go fully digital

Full automation is the ultimate goal, and manual (paper) processes make this impossible. Digital receipt capture and approval processes are faster, less prone to error, and more secure.

2 Automate invoices and expenses

Incomplete automation is the number one challenge for invoice processing, and less than half of companies have sufficient expense automation in place. The obvious answer here is better tooling.

3 Integrate and consolidate

Deeper integration between finance platforms is a key goal. As is consolidating all spend processes into one platform. Work to minimise disparate systems, and ensure those you have communicate fluidly with one another.

4 Build policies into systems

Clear company spending policies are vital. But even well written documents are overlooked or ignored. Instead, provide payment methods and approval workflows that ensure everyone pays within policy and on-budget. Most modern spend management platforms do this by default.

5 Audit, monitor and improve

No company finance process is ever truly a finished product. You should always be looking for ways to optimise and improve. This can include automating more steps, revising old policies, and identifying savings on fees or certain vendors.

While each of these actions is important in its own right, the simplest and best step towards achieving all five is to find the right tools for your business.

Today, very few UK SMEs use specialist spend management software. It's little wonder, then, that expense and invoice processes remain full of issues and hurdles.

Modern tools like OFX transform slow, error-ridden, and expensive spend processes into smooth, efficient systems.



Conclusion

While UK SMEs have made important strides in financial management, many still grapple with inefficient, fragmented spending processes that limit their ability to optimise resources. Too often, expense management remains a reactive, administrative task rather than a strategic function that can drive growth and strengthen the business.

The tools to improve are readily available, yet many organisations either ignore or struggle to integrate them effectively into their operations. Closing this gap will require not just investment in technology, but also a cultural shift that prioritises efficiency, transparency, and continuous improvement.

By embracing this shift, finance leaders can free up valuable time and resources, better positioning their businesses to navigate change and seize new opportunities.

To truly transform spending and cash management, SMEs need clear focus, determination, and the right technology. This is your opportunity to take expense and invoice processing from a back-office necessity into a competitive advantage.

Methodology

This research was commissioned by OFX and conducted by market research specialist Vitreous World. The anonymous survey took place online from 8-16 April 2025.

150 SME finance leaders surveyed across industries including retail, eCommerce, software, tech, media, advertising and marketing, hospitality, and more.

Two-thirds of companies surveyed have 51-200 employees, and one-third have 11-50.



About OFX

With over 25 years of experience as a global FX company, OFX operates from nine offices worldwide, including Sydney, Hong Kong, London and San Francisco.

Specialising in Foreign Exchange (FX) for businesses and individuals, OFX has built a reputation for secure, fast international money transfers with 24/7 expert support.

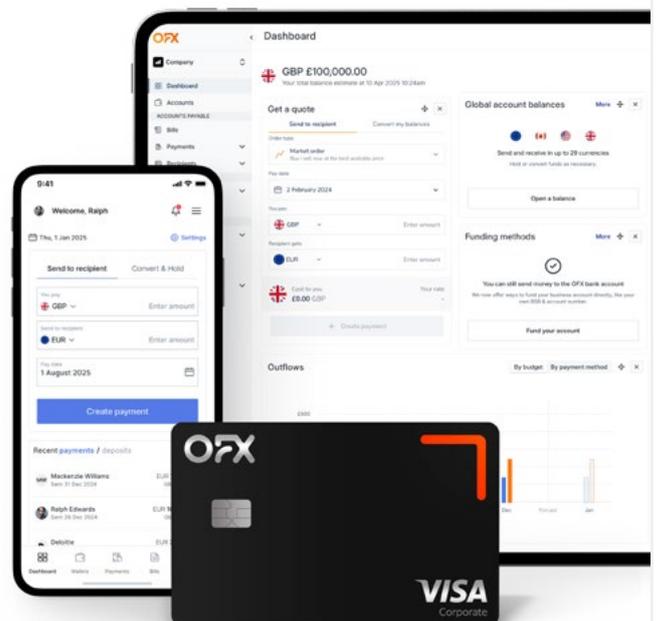
OFX's spend management platform gives companies even greater control over their operations. From supplier payments and payroll to corporate cards, this solution streamlines financial workflows, helping businesses manage their spending more efficiently and securely.

Combined with our world-class currency exchange and money transfer systems, companies can spend securely and efficiently anywhere in the world.

Automate payments and expenses today

Get the oversight, automation and control you need to manage company cash effectively. Our fully integrated accounts payable, corporate cards and expense management software integrates with your existing finance tools and streamlines your spending processes.

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