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Managing risk, enabling trade

Atradius Payment Practices Barometer

B2B payment practices trends Canada 2026

In this report

About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **Canada**.

The survey was conducted between the end of Q2 and mid Q3 2026. The findings should therefore be viewed with this context in mind.

B2B payment practices trends

B2B payment delays limit operational cash for Canadian businesses

Despite ongoing economic headwinds from US tariffs, trade policy uncertainty and geopolitical risks, Canadian businesses continue to rely heavily on trade credit to support sales and customer relationships. On average, around half of business-to-business (B2B) sales are transacted on credit terms, making Canada the most trade credit reliant market in North America. By comparison, US businesses use of trade credit less often, while Mexican companies are considerably more cautious, extending credit for only around 30% of B2B sales and preferring upfront payment. In Canada, manufacturing SMEs are the most active users of B2B trade credit. While most businesses have maintained stable trade credit policies in recent months, companies increasing credit offerings significantly outnumber those reducing them. However, both groups remain smaller than the regional average, underscoring the overall stability of trade credit practices in Canada.

Although Canada appears the most trade credit reliant market in North America, businesses tend to offer shorter payment terms than their regional peers. This reflects an approach that balances broad use of trade credit with effective cash flow and payment risk management. Nearly two-thirds of B2B invoices are due within one month from invoicing, Longer payment terms are less common, with fewer Canadian businesses extending terms beyond two months. This indicates that businesses support customers through the use of trade credit, while limiting exposure to payment risk by encouraging faster settlement of invoices. SMEs in construction and services are more likely to offer extended payment terms to B2B customers than their peers across other business segments. Compared with the regional average, Canadian businesses are significantly more likely to maintain existing payment arrangements, highlighting a preference for predictability in B2B trading relationships.

Survey data suggest that B2B payment behaviour in Canada has changed little in recent months. Around seven in ten companies in both the market and North America continue to deal with late payment from business customers. In Canada, overdue invoices account for an average of 25% of B2B receivables, slightly above the regional average. Most Canadian suppliers report no change in the level of late payments, with stability far more common than across North America. However, among those experiencing a shift, more businesses say late payments have increased than decreased. This indicates that, although payment trends remain broadly stable, late payment remains a challenge for Canadian suppliers.

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B2B payment practices trends

Customer cash flow bottlenecks are the leading cause of late payment in Canada, cited by nearly half of businesses, broadly in line with the North American average. Banking delays rank second, affecting around 36% of companies across both Canada and the wider region. Beyond these reasons, Canadian businesses are more likely than their regional peers to attribute late payments to inefficiencies in payment administration and processing. This suggests that operational challenges, alongside customer liquidity pressures, continue to play an important role in delaying payment.

According to survey data, widespread late payment across Canada has not prevented businesses from keeping collection times broadly in line with agreed payment terms. This is in line with the relatively low levels of bad debt reported by Canadian firms. More than seven in ten Canadian businesses, a notably higher share than across North America, report write-offs of less than 1% of B2B invoices suggesting that most overdue invoices are ultimately collected rather than written off. When receivables are written off, the most common reason is customer inactivity or unreachability, cited by one-third of businesses, a notably higher share than across North America.

However, with economic challenges expected to continue, longer payment delays could put more pressure on suppliers' cash flow and working capital. This is already a concern for many Canadian businesses. More than one-third say late payment reduces the cash available for day-to-day operations, a higher share than across North America. Canadian businesses are also more likely to face higher financing costs, suggesting that some need to use more expensive funding to cover temporary cash shortages. Overall, the findings suggest that payment delays can increase financing costs and reduce financial flexibility.

To manage the impact of customer payment risk on the business, Canadian businesses are adopting a range of measures to protect cash flow and limit exposure to non-payment. The most common approach is to trade on cash terms or request advance or secured payment, although this is less widespread than across North America. Canadian businesses are also more likely than their regional peers to shorten payment terms, automate payment reminders and digital payment processes, use credit insurance, and take legal action when necessary. These measures reflect a proactive approach to managing payment risk, helping businesses maintain control over receivables while continuing to support B2B trade on credit.

Key insights on the next page

Key insights

Canada

Payment behaviour of B2B customers (12 months)

Exposure clusters: reported level of B2B invoices paid late by percentage of respondents

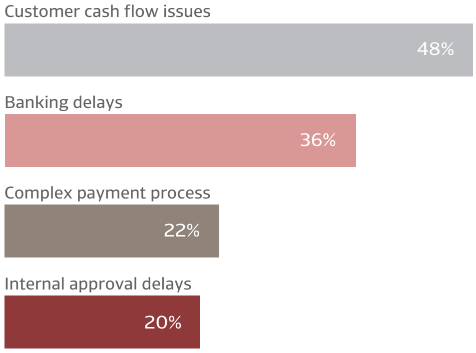
B2B invoices paid late	Respondents
0%	28%
1% - 30%	40%
31% - 60%	25%
61% - 100%	7%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada – 2026

Top 4 reasons B2B customers pay invoices late

% of respondents - multiple response



Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada – 2026

Breakdown of past due payments

% of past due invoices by payment timing

Payment timing	Respondents
<30 days	73%
31-60 days	15%
61-90 days	5%
> 90 days	7%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada – 2026

Reported bad debts

% of respondents - bad debts levels

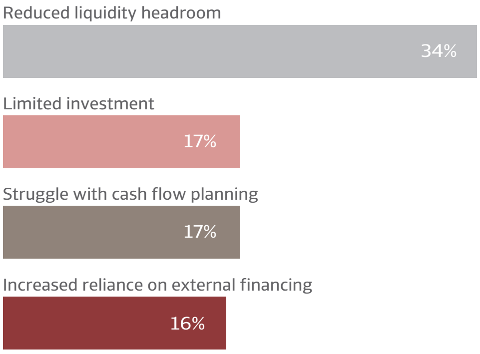
Bad debts	Respondents
<1% bad debts	71%
1% - 2% bad debts	10%
2% - 5% bad debts	11%
> 5% bad debts	8%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada – 2026

Top 4 impacts of customer payment risk on working capital

% of respondents - multiple response



Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada – 2026

Looking ahead

Economic headwinds raise payment concerns among Canadian firms

Looking ahead to the next months, Canadian businesses are preparing for a more challenging payment environment and appear less confident than their North American peers about the outlook for B2B payment behaviour. While three in five companies do not expect any significant change in customer payment practices, those anticipating a worsening outnumber those expecting an improvement by a much wider margin than across the region. This cautious outlook likely reflects ongoing economic uncertainty and concerns about customers' ability to maintain healthy cash flow in the months ahead. The most pessimistic expectations come from large trading companies, which are more likely than other business segments to anticipate a deterioration in B2B payment behaviour.

Expectations of a more challenging payment environment are matched by concerns about the financial health of B2B customers. More than one in four Canadian businesses expect customer insolvency risk to increase in the coming months, although most do not expect a rise in actual insolvencies. This suggests that businesses are more concerned about slower payments and cash flow pressures than about a sharp increase in customer failures.

Concerns about B2B payment behaviour are mirrored in expectations for profitability. Canadian businesses are notably less optimistic than their North American peers about profit margins in the months ahead. While most expect margins to remain stable, relatively few anticipate improvement and a growing minority foresee deterioration. This points to expectations of subdued financial performance amid continued economic uncertainty and pressure on customer cash flow.

When asked about the factors most likely to disrupt B2B customer payment behaviour in the months ahead, Canadian businesses point first to the broader economic environment. Nearly seven in ten cite an economic slowdown as their main concern, while almost six in ten highlight inflation and rising cost pressures. Many also worry about the impact of higher interest rates on customer cash flow. Compared with businesses across North America, Canadian companies are more concerned about supply chain disruptions, sector-specific downturns and fraud risk. Geopolitical instability is also a slightly greater concern. By contrast, currency volatility attracts much less attention in Canada than elsewhere in the region.

Overall, the findings suggest that Canadian businesses expect B2B payment behaviour to be shaped mainly by weak economic growth, ongoing cost pressures and challenges affecting specific industries. These concerns help explain why many companies remain cautious about the outlook for customer payment performance and profitability in the months ahead.

Key insights on the next page

Key insights

Canada

Top 3 risks businesses expect to shape B2B payments (next 12 months)

% of respondents - multiple response

#1 | Economic uncertainty

#2 | Inflation and cost pressures

#3 | Interest rates increases

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada– 2026

Expected insolvency risk outlook (next 12 months)

% of respondents

Stay elevated	Rise further	Not sure
58%	28%	14%

Sample: all respondents in the surveyed market

Source: Atradius Payment Practices Barometer Canada – 2026

Economic uncertainty and concerns about customer cash flow are weighing on working capital and contributing to a cautious outlook for B2B payments among Canadian businesses. Many companies expect payment conditions to become more challenging in the months ahead as weaker economic growth, persistent inflationary pressures and tighter customer liquidity increase the risk of slower B2B payment behaviour

Survey design

Sample overview – Total interviews = 210

Business sector	% of respondents
Industry	21%
Construction	21%
Trade	17%
Services	41%
TOTAL	**100%**

Business size	% of respondents
Micro <10 employees	27%
SME 10-49 employees	31%
SME 50-249 employees	23%
Large 250 or more employees	19%
TOTAL	**100%**

Survey methodology

We updated our panel to better reflect the market structure across activities and size classes. Additional details on the survey sample design can be found in the statistical appendix. For this edition, comparisons with previous reports are not possible, with annual variation captured only through respondent feedback.

Survey scope

Population: Companies in Canadawere surveyed, with interviews conducted with the appropriate contacts responsible for accounts receivable management.

Sample design: The Strategic Sampling Plan enabled analysis of Canadadata by sector and company size.

Selection process: Companies were contacted via an international internet panel, and respondents were screened for role and quota control at the start of the interview.

Sample: A total of 210 businesses participated, with quotas maintained across four company size categories.

Interview method: Computer-Assisted Web Interviews (CAWI), each lasting approximately 15 minutes.

Timing: The survey was conducted between the end of Q2 and mid Q3 2026. The findings should therefore be viewed with this context in mind.

This report and the regional statistical appendix form part of the 2026 Atradius Payment Practices Barometer series, both available for download in Knowledge and research

Interested in finding out more?

Please visit the Atradius website to access our latest publications. Click here to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers.

To find out more about B2B receivables collection practices in Canada and worldwide, please visit atradiuscollections.com.

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