

Quickbooks v Xero

When it comes to modern accounting packages, there seem to be 2 market leaders – Quickbooks Online and Xero.

So which is better?

I will be honest. I don't know!

There's a very good reason for that. In our practice, we have decided to specialise in only one product – Quickbooks. This is mainly for historical reasons. We have been using Quickbooks (desktop version) for over 20 years, so have a certain affinity towards it.

I have always liked Quickbooks. Mistakes can be corrected easily, so nervous users need not be afraid of messing things up. Reporting capabilities are fantastic.

From what I have read, there is not much to choose between the Quickbooks and Xero. We have decided to devote our energies to supporting QuickBooks. Maybe in the future we will start working with Xero as well, but for the time being we will stick with what we know.

What do I mean by 'modern' accounting packages? These tend to have the following characteristics:

- Cloud-based
- Direct bank links
- Mobile app (optional)
- Advanced features such as ability to scan receipts from phone
- Monthly subscription

In the UK, a major factor in the move to more modern packages has been MTD (Making Tax Digital). MTD came into force for VAT in April 2019, and is due to come into force for income tax in 2022 (at the earliest). Old accounting products were not compatible with MTD, so users had to switch to new software which could talk directly to HMRC.

An unwelcome consequence for users is the fact that they now have to pay a monthly subscription. Gone are the good old days when you made a one-off payment of £100 for a product, and used it for 15 years. No doubt the software providers love it.

(By the way, what has happened to Sage? Again, I don't know. For years they were the market leader, and have a huge user base. For some reason, their new cloud-based product has not proved to be popular).

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