CREATING A RESPONSIBLE PAYMENT CULTURE

A CALL FOR EVIDENCE IN TACKLING LATE PAYMENT

October 2018
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The call for evidence can be found on the BEIS section of GOV.UK: https://www.gov.uk/government/consultations/creating-a-responsible-payment-culture-a-call-for-evidence-on-tackling-late-payment

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Any enquiries regarding this publication should be sent to us at responsiblepaymentculture@beis.gov.uk.
Foreword

Kelly Tolhurst MP, Minister for Small Business, Consumers and Corporate Responsibility

As we take forward an ambitious Industrial Strategy to ensure that the UK is the best place to start and grow a business it is important we have in position the right levers to protect businesses of all sizes.

Over recent years we have introduced a package of measures to build a culture change in payment practices, and have made some progress in reducing the level of late payment debt owed – halving it from 2012 to 2017. However, the recent collapse of Carillion has highlighted a serious issue around the continuing prevalence of payment practices that negatively affect small businesses.

Small and medium-sized businesses are disproportionately affected by late payment. Because of their size they may be less able to cover financial shortfalls, find temporary finance more difficult and more expensive to obtain and have less robust credit management systems. Late payment can therefore prevent a business from investing in opportunities to grow.

In addition, payment terms beyond 60 days are unacceptable, in the vast majority of cases, and as the Minister responsible for small businesses I am keen to hear more about the experiences and impacts of late and lengthy payment practices and how we can do more as a Government to tackle the heart of the issue. It is important we continue to look at how we can refine existing measures and explore the use of new measures to eliminate the problem.

I encourage businesses of all sizes to respond to this call for evidence; I want to understand the impacts, experiences and reasonings for particular payment practices and views on what more can be done to create a responsible payment culture.

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1 Bacs 2017 Q1 Late Payments Research
2 European Commission, 2015, ‘Ex-post evaluation of Late Payment Directive’
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General information

Purpose of this call for evidence

The Government is issuing this call for evidence so that it can gather data and information on how to create a responsible payment culture for small businesses.

Issued: 4 October 2018

Respond by: 29 November 2018

Enquiries to:
Responsible Payment Culture CFE
The Department for Business, Energy & Industrial Strategy (1st Floor, Orchard 3)
1 Victoria Street
London, SW1H 0ET
Email: responsiblepaymentculture@beis.gov.uk
Consultation reference: Creating a Responsible Payment Culture

Territorial extent:
UK-wide

How to respond

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome. We encourage responses to be made via the online tool here, alternatively email responses should be sent to responsiblepaymentculture@beis.gov.uk and written responses to:

Responsible Payment Culture CFE
The Department for Business, Energy & Industrial Strategy (1st Floor, Orchard 3)
1 Victoria Street
London, SW1H 0ET
Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the GOV.UK website. This summary will include a list of names or organisations that responded but not people’s personal names, addresses or other contact details.

Quality assurance

This call for evidence has been carried out in accordance with the Government’s Consultation Principles.

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the call for evidence) please address them to:

Email: beis.bru@beis.gov.uk
Executive Summary

The Government’s Industrial Strategy aims to make Britain the best place to start and grow a business; removing barriers to growth is key to this. Businesses of all sizes should be able to compete and thrive, enabling a more productive business environment with small businesses able to access opportunities to grow.

The Government is building an environment in which small and medium-sized businesses can continue to prosper. Tackling the continuing issue of late payments is vital for this to happen. Businesses with good credit and cash flow management build a positive relationship with their creditors and free up cash to invest in growth and innovation. We are also interested in business views on the length of payment terms.

In recent years the Government has taken steps to tackle the problem of late payment, introducing measures such as the Small Business Commissioner to deal with small businesses’ late payment disputes and providing transparent information on large businesses payment behaviour through the Payment Practices Reporting Regulations. As of 2017, the amount owed to smaller businesses in late payments more than halved from the previous five years\(^3\) but we understand the need to go further to tackle unfair payment practices.

The level of late payment debt owed to small and medium-sized businesses remains far too high and many small firms still have no choice but to trade on terms which are too long, imposed on them by larger customers. Alongside this call for evidence the government will take immediate action to tackle late payment, by introducing a new, tough and transparent compliance regime to underpin the Prompt Payment Code. The Small Business Commissioner will join the Code’s Compliance Board to provide independence from industry and the Board will report on all cases of signatories being removed from the Code. Further reform to the Code will be considered through this call for evidence, including whether the Small Business Commissioner should have a greater role in its administration. The government is clear that change needs to come from the top; this call for evidence considers the best way to ensure all companies have responsible payment practices in their supply chains, including whether all company boards should give one of their non-executive directors specific responsibilities for the company’s prompt payment performance.

As well as business to business transactions, the Government is also considering options on what more we can do to create a responsible payment culture in public sector contracts, through Crown Commercial Service’s consultation on ‘how Government should take account of a supplier’s approach to payment in the procurement of major contracts’\(^4\). The Government has also recently announced a strengthening of its own commitment to prompt payment with

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\(^3\) Bacs 2017 Q1 Late Payments Research

an ambition that they will pay 90% of their undisputed invoices from SMEs within 5 days and ensuring Government Departments have a dedicated non-executive director responsible for prompt payment

The Government is ensuring we have the right support in place for small businesses – creating a responsible payment culture is key. We are keen to hear views from businesses of all sizes and in all sectors, right across industry. This call for evidence considers the following:

1. **Creating a responsible payment culture – the problem under consideration:** This analytical chapter sets out a brief summary of evidence to support stakeholders in responding to the questions posed in this call for evidence. It covers the background to the issues and the evidence on current payment practices such as timings, differences by sectors and firm sizes, trends, causes and impacts.

2. **Existing payment practices and experiences:** This section seeks evidence on existing payment practices and experiences from both suppliers and buyers. We invite businesses to submit evidence on late payment, their typical payment terms and how these have changed over recent years.

3. **Existing measures to improve payment practices:** This section gathers views on existing measures to create a responsible payment culture and what more can be done to further refine measures and promote good practice. It also seeks views on experiences from other countries which have measures in place to improve payment practices.

4. **New measures to improve payment practices:** This section seeks views on new measures to encourage a responsible payment culture. It seeks opinions on how Government can go further to empower small business, including options for technology to enhance the payments process.
1. Creating a responsible payment culture – the problem under consideration

This section sets out a brief summary of evidence to support stakeholders in responding to the questions posed in this call for evidence. It sets out the background to the issues and the existing evidence on current payment practices.

1.1 UK companies often supply goods and services on credit, agreeing to defer payment for a period after delivery rather than requiring immediate payment. This form of payment, known as ‘trade credit’ is a common part of business practice in the UK with around half of Small and Medium-sized Enterprises (SMEs) giving trade credit and two-thirds receiving trade credit in 2017.\(^5\)

1.2 Late payment has been a problem for UK businesses for a number of years. Late payment occurs when a business has been supplied goods or services on credit but fails to pay within the agreed term. Legally, if no explicit payment terms have been agreed, payment is assumed to be due after 30 days for the purposes of charging statutory interest.\(^6\)

1.3 Delayed payment causes problems for businesses as it adversely affects their liquidity. This can constrain the ability of a business to invest for future growth, and in the worst cases it can force businesses to exit the market. Small businesses are especially exposed to liquidity problems when they do not receive payment on time.

1.4 There is some emerging evidence that the length of payment terms is increasing. Even when invoices are actually paid within the agreed time it can create similar problems as that of late payments, when suppliers are subject to lengthy waits between goods and services being received and the payment of them.


\(^6\) Section 4(2A) of the Late Payment of Commercial Debts (Interest) Act 1998
Creating a Responsible Payment Culture

Terminology: Payment terms, delays and durations

- **Payment term** is the period set out in the contract or invoice and agreed by the two parties.
- **Payment delay** is the period starting after the due date according to the contract or invoice (payment term), until the payment is received. A payment with a delay is considered ‘late’.
- **Payment duration** is the total period of time required for the payment to reach the creditor, i.e. the agreed payment term plus any delay.

1.5 As well as supporting respondents in responding to this call for evidence, the summary analysis in this section aims to help identify where key evidence may have been overlooked and where further evidence gathering would be most beneficial. It has been produced in the interests of open and transparent policy-making, supported by a well-informed evidence gathering process. We welcome any evidence that respondents to the call for evidence can provide to improve the quality of the early analysis presented here.

1.6 A full Regulatory Impact Assessment will be produced and published, with accompanying scrutiny from the Regulatory Policy Committee, if specific proposals are taken forward. Evidence gathered through the call for evidence process will be used to refine the initial analysis presented here.
Evidence on current payment practices

**Headline statistics**

- **50% of SME employers in the UK give their customers trade credit**, rising to 84% in the manufacturing sector, 61% in the information and communication sectors and 56% in construction. 66% of SMEs receive trade credit from their suppliers.\(^7\)
- **The average time that large businesses take to pay** after receiving an invoice is roughly 37 days.\(^8\)
- Roughly **half of invoices in the UK are paid within 30 days**; and roughly nine in ten are paid within 60 days.\(^9\)
- **Late payment was considered a problem** for 55% of UK SME employers that offer trade credit (equal to 27% of all SME employers).\(^10\)
- Over half of SMEs that experience late payments wait **one month or longer beyond the agreed terms** for the invoice to be paid; a fifth wait longer than two months.\(^11\)
- The **main causes of late payment** reported by business are insufficient cash flow, imbalances of power between companies, the structure of supply chain, administrative inefficiencies and intentional use of late payments as a form of financing.\(^12\)
- 32% of SMEs report that late payments mean they **pay their own suppliers late**; 25% say it means they **have to rely on their bank overdraft**; and around 15% say it means they **struggle to pay staff or business bills**.\(^13\)
- Around half of SMEs report **additional costs of over £100 a month** due to late payments.\(^14\)
- Late payment is seen as a **major obstacle to business success** among 33% of SME employers.\(^15\)
- **SMEs are disproportionately affected** by late payment: SMEs may be less able to cover temporary financial shortfalls; find that temporary finance (when available) comes at higher cost; and have less robust credit management systems for managing late payments.\(^16\)
- Average payment terms and payment durations of 25-30 days are found to be **better than average relative to other European countries**.\(^17\)
- **24% of UK businesses report that late payments are a threat to their survival**, the highest reported level among all European countries.\(^18\)

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\(^7\) BEIS, *Small Business Survey 2017: SME employers, Table 147*
\(^8\) BEIS, 'Check when large businesses pay their suppliers’
\(^9\) BEIS, 'Check when large businesses pay their suppliers’
\(^10\) BEIS, 24 May 2018, *Small Business Survey 2017: SME employers, Table 150*
\(^11\) Bacs 2017 Q1 Late Payments Research and Federation of Small Businesses, 2016, *Time to Act: The Economic Impact of Poor Payment Practice*
\(^12\) See European Commission, 2015, *Ex-post evaluation of Late Payment Directive* and Intrum Justicia, 2018, *‘European Payment Report’*
\(^13\) Bacs 2017 Q1 Late Payments Research
\(^14\) Bacs 2017 Q1 Late Payments Research
\(^15\) BEIS, 24 May 2018, *Small Business Survey 2017: SME employers, Table 76*
\(^16\) European Commission, 2015, *Ex-post evaluation of Late Payment Directive’*
\(^17\) See Intrum Justicia, 1 June 2018, *‘European Payment Report’*; Atradius, 11 April 2017, *‘Payment Practices Barometer UK 2017’*
\(^18\) Intrum Justicia, 1 June 2018, *‘European Payment Report’*
Evidence from the payment practices reporting requirement

1.7 The payment practices reporting platform offers open access to the headline payment practices of all large businesses, with over 6,500 businesses reporting in the first ten months, from 27 October 2017 to the end of August 2018. The objectives of the reporting requirement are to drive transparency and inform small business suppliers. It is clearly a rich stream of data to draw on for context to support this Call for Evidence.

1.8 Reporting businesses state the proportion of invoices that they pay within 30 days, the proportion paid within 60 days and the average time taken to pay. The first ten months of data suggests that just over half (53%) of invoices are reportedly paid within 30 days and a further one-third (33%) within 60 days. This leaves, on average, roughly 10% paid more than 60 days after the invoice was received.

1.9 The average payment duration reported, averaged across all reporting businesses, is 37 days. Consistent with the reporting on the percentage of invoices paid in 60 days, this suggests that roughly 10% of businesses do not consistently pay within 60 days (see Figure 1).

Figure 1: Distribution of reported average time taken to pay invoices, October 2017 to August 2018 (based on 6,570 reports, of which 703 had no qualifying contracts)

Source: BEIS analysis of Payment Practices Reporting data.

19 BEIS, ‘Check when large businesses pay their suppliers’. 
1.10 We can usefully corroborate these figures with surveys of SMEs, which are reported from the perspective of smaller businesses waiting for payment from their business customers. Atradius finds that the average time taken for domestic customers to pay from the date of the invoice is 32 days, which is slightly less than the average of time for payments coming from foreign customers (36 days). This supports the payment practices reporting data of average payment times of approximately 37 days.

Differences by firm demographics (sector and business size)

1.11 The BEIS Small Business Survey offers insights into the sectors and business sizes where late payments are more problematic. Late payment was considered to be a problem for 55% of SMEs that give credit, and reported to be a problem more frequently in construction (57%) and professional/scientific (63%) sectors. Echoing this, the construction and professional/scientific sectors were relatively more likely to report late payment as a ‘major obstacle’ to the success of the business (48% and 42% of SMEs in those sectors compared to an average across sectors of 33%).

20 Atradius, 11 April 2017, ‘Payment Practices Barometer UK 2017’
21 BEIS, 24 May 2018, Small Business Survey 2017: SME employers
1.12 15% of micro-sized businesses (those with 1-9 employees) that give credit report that late payment is a ‘big’ problem which is marginally higher than small (10-49 employees - 14%) or medium-sized businesses (50-249 employees - 12%). However, micro-sized businesses are slightly less likely to report late payment as a ‘small’ problem: 40% of micro sized businesses compared to 46% of both small and medium ones. Late payment is considered to be a ‘major obstacle’ to business success by 33% of micro businesses and 36% of small businesses, both marginally more than the 32% of medium-sized businesses.

1.13 European survey evidence from 2016 finds that SMEs are generally more dependent on fast payments and report that late payments pose a greater threat to liquidity (48% of SMEs report impact as medium to high, compared to 38% of non-SMEs), business’ survival (35% to 28%) and potential to grow the company (41% to 30%).

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**Figure 2: Sectors where late payment is a ‘major obstacle to business success’, 2016 and 2017**


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22 BEIS, 24 May 2018, Small Business Survey 2017: SME employers
23 Intrum Justicia, 2016, European Payment Report
European SMEs in the survey view late payment as a threat to overall survival, compared to 23% of large companies.

1.14 Agreed payment terms are generally consistent for business and non-business customers as well as customers in the public sector: reported to be between 20 and 26 days for each of these groups. The average time taken to pay is similar between UK business and public sector customers, at 29-30 days, and survey evidence suggests that the UK public sector is one of the fastest to pay suppliers across Europe.

Trends in payment practices over time

1.15 Since 2014, Bacs have conducted regular surveys of 300-350 businesses across the UK and found that the proportion of businesses experiencing late payments has decreased from 59% in Q3 2014 to 37% in Q1 2017. Accordingly, outstanding debt is estimated to have reduced from approximately £26bn to £14bn over the same period. However, Small Business Surveys going back to 2008 suggest that late payment problems have consistently affected SMEs over the past ten years, and are increasingly reported to be a ‘big problem’.

Figure 3: Number of small and medium-sized businesses reporting late payment as a problem, 2008 to 2017 (excluding 2009 and 2011)


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24 Intrum Justicia, 2018, European Payment Report
1.16 The BEIS Small Business Survey finds the number of SMEs reporting late payment to be a major obstacle to success of the business has consistently been around 30-33% over the past three years.\(^{26}\)

1.17 Across the range of surveys available, payment terms and durations have been roughly constant or increasing over the last five years. The Payment Practices Barometer\(^{27}\) suggests increases of 6-7 days in average payment durations from 2015 to 2016, while the European Payment Report\(^{28}\) found increases of several days in payment terms and durations between 2016 and 2017. Other surveys suggest payment terms and durations have been persistently around 25-35 days over the last five years.

1.18 In time, the payment practices reporting requirement will provide a comprehensive and reliable time-series of how practices are changing over time, as businesses report in each of their reporting periods.

Factors causing payment delays

1.19 Payment behaviour is clearly a complicated, multi-faceted problem with many potential causes, but survey evidence suggests some consistent themes. Three high-level drivers across countries are thought to be macroeconomic, cultural and institutional factors: the current economic situation, the prevailing business culture and power imbalances in the supply chain.\(^{29}\)

1.20 In practice, the main causes of late payment reported by business are insufficient cash flow, imbalances of power between companies, the structure of the supply chain (and the potential accumulation of delays at each point), administrative inefficiencies and intentional use of late payments as a form of financing.\(^{30}\) Businesses most commonly cite liquidity constraints (43%) or because goods delivered or services provided did not correspond to what was agreed in the contract (26%).\(^{31}\)

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27 Atradius, 11 April 2017, *Payment Practices Barometer UK 2017*
28 Intrum Justicia, 2017, *European Payment Report*
29 European Commission, 2015, *Ex-post evaluation of Late Payment Directive*
31 Atradius, 11 April 2017, *Payment Practices Barometer UK 2017*
The issue of unequal bargaining power

When businesses form contracts with each other their ability to agree on favourable payment terms (and how they will abide by them) will depend on their respective bargaining power, particularly the extent to which one party needs the contract from the other and the availability of other options.

In the context of a relationship between buyer and supplier, the relative power will be determined by the number of alternative suppliers for the buyer, and the number of alternative buyers for the supplier.

The typical situation that creates a problem in payment practices involves one or a handful of large buyers who are supplied by smaller businesses. If the supplier is reliant on the buyer and could suffer serious detriment if the relationship breaks down (e.g. large loss of sales that cannot be replaced elsewhere) then the supplier lacks the key tool of the market in disciplining unfavourable behaviour – the ability to take one’s business activity elsewhere. Therefore the buyer is in a position to dictate terms, or make a “take it or leave it” offer.

This could partly explain why small businesses are reluctant to use existing legislation on late payment as a way to obtain redress or prevent unfair contractual behaviour. It is also seen in the “climate of fear” reported in the groceries sector where suppliers are reluctant to take steps to tackle unfair behaviour.32

Impacts of payment delays

1.21 Late payment is found to have significant consequences for companies and the economy. It directly creates administrative costs for creditors and cash flow issues, and can indirectly lead to income loss, hindered growth and inability to pay or hire employees.

1.22 A number of business surveys find that businesses most frequently report these issues:

- The European Payment Report finds the consequences reported to have the most impact are in terms of income loss (52% report medium or high impact), hindering business growth (41%), incurring interest costs (36%) and not being able to hire new employees (32%).33
- Bacs surveys find that 40% of SMEs say late payments have no impact, 32% say it means they pay their own suppliers late, 25% say it means they have to rely on their bank overdraft, and around 15% say it means they struggle to pay staff or business bills.34

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32 Groceries Code Adjudicator, 2017, Statutory Review 2013-2016. Since the publication of the Review, the GCA has been working with direct suppliers to improve awareness of the Code, such as increasing the number of suppliers who are trained on the Code. The Government has also set out a strategic goal for the GCA to address the reluctance of suppliers to raise issues for fear of commercial consequences from retailers.

33 Intrum Justicia, 2017, ‘European Payment Report’

34 Bacs 2017 Q1 Late Payments Research
• The Federation of Small Businesses reports that 37% of small businesses have run into cash flow difficulties, 30% have been forced to use an overdraft and 20% report it has caused a profit slowdown.\textsuperscript{35}

1.23 Bacs estimate the median amount owed to SMEs in 2017 as a result of late payments was £3,000, with the mean considerably higher (£22,000) due to some being owed considerably larger sums.\textsuperscript{36} In addition to the costs of interest to finance cash flow shortfalls, the out of pocket costs include time spent chasing payments which are estimated to be, on average, around £300 per month for an SME affected by late payments.

1.24 SMEs are generally more likely to experience long payment durations due to their reduced negotiating power, and suffer detriment because they may not have easy access to finance to cover temporary shortfalls, may face more expensive rates for accessing finance, and not always have appropriate credit management systems for preventing or managing payments.\textsuperscript{37}

1.25 At the extreme, late payments can lead to insolvency. A recent European survey found that a quarter (24\%) of UK companies report that late payments are a threat to their survival, which is the highest reported level among all polled European countries.\textsuperscript{38}

\begin{framed}
Risk of exit of affected suppliers

Suppliers affected by late payment may be forced into accessing credit in order to cover a cash flow problem, incurring the cost of credit. This is known to be a problem when payment is late (unexpected), with 25-30\% of small and medium-sized businesses reporting that they have to use a bank overdraft.\textsuperscript{39}

The Federation of Small Businesses estimate that tens of thousands of UK businesses are failing each year due to late payments.\textsuperscript{40} SMEs report that outstanding late payments of approximately £20,000-50,000 would jeopardise their business; nearly one in ten report a value of less than £5,000.\textsuperscript{41} Alternatively, small businesses may find it difficult to access credit and owners may be forced to use personal forms of credit (e.g. borrowing against their house or taking out personal loans).

Slow or late payment can also have a knock-on effect through a supply chain. The knock-on effect of one customer paying a supplier late leading to that supplier paying its own supplier(s) late can quickly spread the impact of late payment to multiple firms, increasing the demand for credit at a time when access to credit may be at a premium.
\end{framed}

\textsuperscript{35} Federation of Small Businesses, 2016, \textit{Time to Act: The Economic Impact of Poor Payment Practice}
\textsuperscript{36} Bacs 2017 Q1 Late Payments Research
\textsuperscript{37} European Commission, 2015, ‘Ex-post evaluation of Late Payment Directive’
\textsuperscript{38} Intrum Justicia, 2018, \textit{European Payment Report}
\textsuperscript{39} Bacs 2017 Q1 Late Payments Research and Federation of Small Businesses, 2016, \textit{Time to Act: The Economic Impact of Poor Payment Practice}
\textsuperscript{40} Federation of Small Businesses, 2016, \textit{Time to Act: The Economic Impact of Poor Payment Practice}
\textsuperscript{41} Bacs 2017 Q1 Late Payments Research
In the worst cases, delayed payment can force businesses to exit the market. A European Commission study found that between 2010 and 2013, delay in business to business transactions in Italy increased by 1 day, increasing the exit rate of businesses by 0.08 percentage points. The study suggested that eliminating chronic late payment in Italy, Spain and Portugal would reduce business exits as a share of business population by between 1.5 and 3 percentage points (between 124,000 and 248,000 fewer exits across the three countries).⁴²

**Sub-optimal levels of employment and investment**

As shown above, late payments mean affected suppliers have less cash available for recruitment and investment. Survey evidence finds impacts on the ability to hire are forcing businesses to lay off existing employees, with roughly a third of UK managers reporting that late payments impacted on redundancies in 2014.⁴³

Late payments are repeatedly found to affect cash flow and, subsequently, ability to invest and grow. Those having to wait for long periods before receiving payments will be suffering worse cash flow whilst bolstering the liquidity of other firms in the supply chain, and businesses generally supplying more trade credit than they receive may have restricted investment opportunities. The overall impact of this on the economy would depend on whether net suppliers of trade credit (disproportionately SMEs) have better or worse investment opportunities than the net receivers.

As well as reduced cash flow for investment, there may be further productivity impacts due to reduced growth and hiring potential and the need for staff to devote time to chasing payments rather than focus on other, more productive, activities.

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⁴² Connell (2014) *The Economic Impact of Late Payments* (European Commission Economic Papers 531)

2. Existing payment practices and experiences

This section seeks evidence of existing payment practices and experiences. We invite businesses to submit evidence on late payment, their typical payment terms and how these have changed over recent years.

2.1 There is evidence of invoices which are paid beyond agreed contractual terms – often referred to as late payment. Late payment is not always clear cut. When the goods or services being supplied are complex, reaching agreement on what is owed at what time may be difficult. Nevertheless, whether a contract is complex or straightforward, the customer and supplier should share clear expectations of when payment will be received.

2.2 Digitalisation of business processes in general and e-invoicing in particular are opportunities to improve efficiency and cost savings\(^44\). They enable businesses to automate their processes when issuing, approving, paying and reconciling e-invoices; helping to improve security, avoiding accidental errors and supporting faster invoice approval times. Digitalisation of invoicing also enables a business to reconcile those invoices later in account statements and use the invoices as source documents in accounting.

2.3 A number of technological solutions exist to help streamline the administration involved with processing invoices, however the extent to which these are used by small businesses is less evident. We want to understand more about the extent to which this technology is used in UK businesses and what would increase adoption, particularly in SMEs.

2.4 Most large businesses have a set of standard payment terms which they use on a regular basis. These can vary depending on the product, company size or other variations. However all too often business are offered terms far beyond this, and we want to understand the reasons for this practice.

2.5 The Industrial Strategy sets out the Government’s aim to make Britain the best place to start and grow a business. As part of this call for evidence we want to gather further information on the extent of the problem of unfair payment practices. Whilst the

\(^{44}\) Reaping the Benefits of Electronic Invoicing for Europe, 2010
payment practices reporting requirement is starting to highlight the range of payment practices and policies offered by the UK’s largest businesses, we want to understand more about the proportion of late payments, typical length of payment terms and experiences of these. We also want to understand whether the culture in payment practices has changed in recent years, following the introduction of new measures within the Small Business, Enterprise and Employment Act 2015\(^{45}\).

### Questions

1. **Please answer the following questions thinking about when you **supply** to other businesses:**
   
   a. What percentage of payments from businesses and organisations that you supply to are late?
   b. How has the proportion of payments made late changed over the past 3 years?
   c. Do you research the payment performance of a business before entering in to an agreement with them? Please detail how you research this.
   d. What, if any, action do you take when you are paid late?
   e. How often do you experience invoices that are never paid?

2. **Please answer the following questions thinking about when you **supply** to other businesses:**
   
   a. On average, what is the typical payment term offered by businesses you supply to?
   b. How have the length of these terms changed over the past 3 years?
   c. Do you feel able to negotiate and/or challenge payment terms?

3. **Please answer the following questions thinking about when you **buy** from other businesses:**
   
   a. On average what is the typical payment term you offer your suppliers?
   b. How have the length of these terms changed over the past 3 years?

4. **a. What do you think are the reasons for long payment terms?**
   
   **b. How have long payment periods affected you?**

5. **Do you use technology to manage the payment process? How has it helped?**

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3. Existing measures to improve payment practices

This section seeks views on existing measures to create a responsible payment culture and what more can be done to further refine measures and promote good practice, including examples from other countries.

3.1 The Government understands the importance of prompt, fair and effective payment for all businesses, and particularly for small and start-up companies. Being paid promptly for work done ensures businesses have a healthy cash flow, improving productivity and potential for growth. This is especially important for smaller businesses who may not have the reserves of larger companies.

Late payment legislation

3.2 Previous UK Governments and the European Union have legislated to address late payment, through:

- The Late Payment of Commercial Debts (Interest) Act 1998 which created a statutory framework in the UK for tackling late payment; and
- The 2000 EU Late Payment Directive (re-cast in 2011), which resulted in amendments of the Late Payment of Commercial Debts (Interest) Act 1998 in 2002, 2013 and 2018 following transposition of the Directives;

3.3 The UK legislation gives suppliers the right to charge interest on late payment and reclaim administrative costs for chasing late payment. It also establishes maximum 30 day payment terms for transactions with public authorities and 60 day payment terms between businesses, unless they agree longer terms and this is not grossly unfair to the supplier.

3.4 The Late Payment of Commercial Debts (Interest) Act 1998 provides three specific aspects to consider when deciding what is “grossly unfair”:

- anything that is a gross deviation from good commercial practice and contrary to good faith and fair dealing;
- the nature of the goods or services in question; and
- whether the purchaser has any objective reason to deviate from the 60-day payment term.
3.5 The meaning of “grossly unfair” will depend on the specific facts of each case. Previous discussion papers\[^{46}\] explored proposals to further refine the definition of “grossly unfair” payment practices. There was little consensus on what should be deemed “grossly unfair”, at the time but we are willing to explore this further and welcome views on this matter.

3.6 Although public sector arrangements are not the subject of this call for evidence, the Public Contract Regulations 2015\[^{47}\] require many public sector bodies to pay their suppliers within 30 days and to pass this payment term down the supply chain in new public sector contracts. Subcontractors are encouraged to report cases of late payment in public sector supply chains to the Crown Commercial Service’s Mystery Shopper\[^{48}\] team who will then investigate on their behalf. The Crown Commercial Service have recently conducted a consultation\[^{49}\] on how Government should take account of a supplier’s approach to payment in the procurement of major contracts, demonstrating further action in the field of public sector late payment.

3.7 There are concerns that few companies exercise the rights provided by late payment legislation, especially in the case of smaller businesses using the rights against larger companies. In a 2011 survey, just 10% of businesses considered using late payment legislation\[^{50}\] despite 22% of businesses having ended a business relationship with a customer because of continued late payment.\[^{51}\] A study by the Credit Management Research Centre at Leeds University Business School found the most prevalent reasons for not using the legislation were fear of losing a customer or damaging the relationship, or because of the administrative aspects of applying the charge.\[^{52}\] We therefore want to consider how we can encourage businesses to use the legislative tools available to them to enforce fair payment practices.

The Prompt Payment Code

3.8 To supplement the legislation, Government sought to use a voluntary measure to change the business culture away from late payment. The Prompt Payment Code (the Code) was set up by the Chartered Institute of Credit Management in 2008 on behalf of Government, in order to promote a culture of prompt payment.\[^{53}\]

3.9 Signatories to the Code agree to pay 95% of invoices within 60 days and work towards 30 days as normal practice, plus commit to other standards of good practice such as

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\[^{50}\]\: [https://www.managementtoday.co.uk/late-payment-gets-later/article/1076769](https://www.managementtoday.co.uk/late-payment-gets-later/article/1076769)

\[^{51}\]\: [http://www.newsroom.barclays.com/r/2497/smes_turn_away_business_to_fight_back_against_late_payments](http://www.newsroom.barclays.com/r/2497/smes_turn_away_business_to_fight_back_against_late_payments)


\[^{53}\]\: This followed an earlier attempt to improve payment culture with a partnership between government and business representative organisations through the Better Payment Practice Group (1997)
not retrospectively changing payment terms. The Code also gives clear guidance to suppliers on payment procedures and ensures a system for dealing with complaints and disputes. As payment practices have knock-on impacts through the supply chain, the Code requests that lead suppliers in a supply chain encourage adoption of the Code throughout their own supply chains and avoid any practices that adversely affect the supply chain.

3.10 Over 2,000 organisations were signed up to the Code as of September 2018. The Code’s signatories make a public commitment to pay on time and pay fairly. Signing the Code acts as a signal of quality in terms of payment practices for other businesses considering doing business with the signatory businesses, and also provides a statement of good practice within the business community. However, whilst the Code demonstrates the intended good practice of its signatories, payment records are not reported.

3.11 Recent press coverage has suggested that certain Code signatories have been flouting its principles. We want to restore the integrity of the Code and will introduce a new, tough and transparent compliance regime which underpins the Code. The Small Business Commissioner will join the Board to provide independence and compliment his role in tackling late payment. The Compliance Board will be asked to consider all complaints to the Board as part of regular reviews, and report on all signatories that are removed from the Code. This body will be transparent in its decision making, publishing decisions made and signatories who are removed because of poor performance. Small businesses in particular must have confidence in the Code and we are therefore inviting views on what further reforms would improve the Code, including whether the Small Business Commissioner should take a greater role in its administration.

3.12 We understand that many businesses are not aware of the Code and are unaware of or fearful to challenge a signatory’s status. We want to understand more about how we can reinstate confidence in the Code and encourage suppliers to identify and raise breaches.

Payment Practices and Performance Reporting requirement

3.13 In 2013, the Government published a paper, Building a Responsible Payment Culture, which sought views on how to take action on late payment. After receiving responses from the business community, the Government committed to developing a “robust reporting framework” in order to increase transparency about payment performance. This would seek to put suppliers in a better position to make an informed judgement about whether to enter into a contract, negotiate fair terms and challenge unfair
payment when it happened, for instance where they saw a buyer was attempting to enforce payment terms that were out of line with the norms in their industry.

3.14 The Small Business, Enterprise and Employment Act 2015 introduced a new duty on large companies to report on payment practices and policies, which was implemented in 2017 through The Reporting on Payment Practices and Performance Regulations 2017.56

3.15 Since November 2017, businesses have started to submit reports through the online portal.57 To date, there are over 6,500 reports available, bringing in to the spotlight the range of payment terms and practices of large businesses.

The Small Business Commissioner

3.16 The Small Business, Enterprise and Employment Act 2015 also created the UK’s first Small Business Commissioner. The Commissioner’s services provide general advice and information to small businesses on matters such as resolving payment disputes, including signposting small businesses through their website to existing support and dispute resolution services. The Commissioner also considers complaints about payment related issues between small business suppliers (with fewer than 50 staff) and their larger customers, making non-binding recommendations as to how issues that are investigated may be remedied, resolved or mitigated.

Sector and Trade Bodies

3.17 We are aware of the valuable role sector and trade body organisations can play for their members, not only providing advice, guidance and networks but also challenging unfair practices and setting norms in payment behaviour. We would like to gather views on what more can be done to work with these bodies to ensure a responsible payment culture is fostered and that their members feel empowered to use the existing suite of late payment policy measures.

International Comparisons

3.18 European comparisons find that the UK has the highest proportion of businesses who view late payment as a threat to their survival - at 24%, this is much higher than the European average of 10% of business who share the same concern.58

3.19 International studies suggest that business-to-business customers in the UK have better than average payment terms set out in invoices, with an average of 24 days,
compared to an EU average of 32 days. However, there is evidence of countries which outperform the UK, with countries in the Nordics and Baltics exhibiting the shortest length of payment terms at 22 days in business to business transactions. With regard to actual time taken to pay, the UK average of approximately 27 days is found to be middling amongst other European countries.59

**Table 1: EU comparison of average business-to-business payment terms and actual time taken to pay, 2018**

<table>
<thead>
<tr>
<th>Country</th>
<th>Average business-to-business payment term in days</th>
<th>Average business-to-business actual payment time taken in days</th>
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</thead>
<tbody>
<tr>
<td>Estonia</td>
<td>17</td>
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<td>Finland</td>
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<td>Latvia</td>
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<td>Denmark</td>
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<td>Norway</td>
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<td>Slovakia</td>
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<td>UK</td>
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<td>Lithuania</td>
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<td>The Netherlands</td>
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<td>France</td>
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<td>Greece</td>
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<td>Italy</td>
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<td>Spain</td>
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<tr>
<td>Portugal</td>
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<td>65</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>70</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: Intrum, European Payment Report, 2018

59 See Intrum, 2018 *European Payment Report*
3.20 Since 2016, the European Payment Report has shown a modest trend of businesses experiencing fewer problems with missing or late payment across the EU. Despite this, there is evidence to suggest that the proportion of SMEs who have been asked to accept longer payment terms than they are comfortable with is concerningly high (46%). In the UK, the proportion asked to accept longer payment terms than they are comfortable with is as high as 54%. There is clearly still a large fraction of UK business concerned and adversely affected by these issues.60

3.21 It is vital we have the right support for small businesses in particular. Because of their size, they can find themselves exposed to detrimental behaviours – intentional or otherwise – by the businesses that are their customers. The Government wants to gather views on the impact of existing measures and whether they can be developed further to enhance the payment culture. The Government is also interested in experiences of measures to improve payment practices across other countries and whether these can be drawn upon to enhance the UK’s payment culture.

Questions

6. Do you think that newly introduced measures, namely the Small Business Commissioner and payment practices reporting, will affect the culture of payment practices? How could these be enhanced to further promote a best practice payment culture?

7. Do you think that the legal definition of when a payment term is considered to be ‘grossly unfair’ to the supplier is clear?

8. Do you think any specific changes or measures could be introduced to make it easier for suppliers to charge interest when they are paid beyond agreed terms?

9. Are additional measures needed to give confidence in the Prompt Payment Code as a statement of good practice?

10. Are there any steps that could be taken to encourage more businesses to identify breaches of the Prompt Payment Code by signatories?

11. Should the Prompt Payment Code be moved to the responsibility of the Small Business Commissioner?

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60 See Intrum, 2018 ‘European Payment Report’
12. What role could business representatives and sector bodies take in fostering a responsible payment culture? How could they use existing late payment measures, namely the Small Business Commissioner, payment practices reporting requirement and Prompt Payment Code?

13. What is your experience of measures to improve payment practices in other countries?
4. New measures to improve payment practices

This section seeks views on new measures to encourage a responsible payment culture. It seeks opinions on how Government can go further to empower small business, including options for technology to enhance the payments process.

4.1 Government policy and the regulatory environment can be pivotal to a good business environment. The main enforcement of the payment practices reporting requirement is through ‘behavioural change’ mechanisms, which will ensure that businesses both comply with the new requirement and are encouraged to improve their payment practices. These mechanisms include:

- public pressure through the open nature of the report;
- companies, suppliers and other third parties comparing reports and publicising the information; and
- good payment behaviour by responsible companies leading the way, encouraging other businesses to seek to match the best.

4.2 Some commentators have argued that in order to see a culture change in payment practices there needs to be boardroom level accountability. Recent movements have seen more corporate and social responsibility initiatives change wider business culture. The government has recently introduced legislation to require all large companies to include in their annual reports a statement of how directors have had regards to the need to foster the company’s relationships with stakeholders, including suppliers. These changes represent significant progress in the responsibility of boards to consider their payment behaviour and we want to consider whether more needs to be done to ensure this further.

4.3 Technology can make payment practices more efficient and businesses more productive. The Business Productivity Review recognises that international evidence suggests that UK businesses’ adoption of technology lags behind the best performers in the EU.

4.4 Evidence suggests that it is the processing of invoices which often leads to the delay in payment - accounting software can help businesses of all sizes track their finances.

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This is particularly important for small businesses who may lack the time and resources needed to keep a track of invoices.

4.5 Some organisations are starting to promote innovative technologies as a solution to the payments process. We want more of these organisations to be accessible and understandable by SMEs to help solve the problem. The Government therefore wants to understand whether we can do more to promote the use of technology and educate small businesses in using these tools.

4.6 There has been recent coverage of cases in which some businesses offer payment terms far beyond the acceptable 60 day term. Some argue that long payment terms and late payment can be a cause of significant problems. Others maintain, however, that certainty as to when they will be paid is more important to most businesses, irrespective of size, than the length of the payment term itself, as they can plan on the basis of the contract.

4.7 In 2013, the then Government consulted on introduction of statutory maximum payment terms, and received mixed responses, with more respondents critical of such a measure than supporting it. We are aware of the challenges of Government intervention on such an issue that reflects the varied reality of commercial relationships. For example, depending on the product, a longer payment term may be more appropriate than those with a shorter lifespan e.g. perishable goods, and longer payment terms may be used by some suppliers to their commercial advantage. We have also heard views that setting out a definitive maximum payment term may result in a default payment term, lengthening some existing shorter terms.

4.8 International comparisons on payment terms show that legislating in this area is not always effective and some countries with legal frameworks do not perform as strongly. As an example, France has had a maximum payment term in force for some time, yet according to the most recent European Payment Report, has an average payment term in business to business contracts of 40 days, and an actual payment time of 42 days. This compares to a UK average payment term of 24 days and actual payment time of 27 days.

4.9 Whilst ensuring businesses are not subject to unfair payment practices in the first instance is the priority, it is also important that businesses of all sizes are able to access affordable and appropriate mechanisms to finance themselves at times when long payment periods are affecting the business. The British Business Bank works to promote the provision of better information in the market to increase smaller

businesses' understanding of the finance options available to them. The Business Finance Guide\textsuperscript{64} sets out the different sources of finance available to businesses – from start-ups to SMEs and growing mid-sized companies.

4.10 We want to get a clearer picture on how businesses use the range of finance options available to them and whether there are any barriers to accessing appropriate finance. We are also interested to understand whether this has subsequent impact on investment plans for growth.

4.11 The Government understands the power of industry-led initiatives. Voluntary measures which are set out and promoted by industry and sector bodies can have more of an impact than additional rules and regulations. We invite views on what additional measures could be introduced to provide sector bodies to feel empowered to highlight both the best and worst practices in payment behaviour.

### Questions

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<tr>
<td>14.</td>
<td>What measures may be effective in addressing lengthy payment terms?</td>
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<tr>
<td>15.</td>
<td>Do you think the measures recently announced to improve board level responsibility will have an impact? Does more need to be done to ensure that payment behaviour is considered at board level?</td>
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<td>16.</td>
<td>What are the main barriers in using technology to enhance the payments process? What could be done to encourage greater take up by SMEs?</td>
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<tr>
<td>17.</td>
<td>Are you are aware of the finance options available to help manage long payment periods? Have you faced any barriers to accessing appropriate finance?</td>
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<td>18.</td>
<td>Have long payment periods impacted your investment plans for growth? If so, how?</td>
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<tr>
<td>19.</td>
<td>What role, if any, could industry or sector bodies play in identifying and encouraging good payment practices within their sectors?</td>
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</tbody>
</table>

\textsuperscript{64} [https://thebusinessfinanceguide.co.uk/](https://thebusinessfinanceguide.co.uk/)
Annex A: List of questions

The call for evidence is available at: https://beisgovuk.citizenspace.com/ccp/responsible-payment-culture-cfe

The closing date for responses is 29 November 2018

We encourage responses to be made via the only tool here, alternatively email responses should be sent to responsiblepaymentculture@beis.gov.uk and written responses to:

Responsible Payment Culture CfE
SME Growth Team
The Department for Business, Energy & Industrial Strategy,
1 Victoria Street,
London, SW1H 0ET

Please be aware that we intend to publish all responses to this call for evidence.

Information provided in response to this call for evidence, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes. Please see page 5 for further information.

If you want information, including personal data, that you provide to be treated as confidential, please explain to us below why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we shall take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

I want my response to be treated as confidential ☐

Comments:
Name: 
Organisation (if applicable): 
Email: [Your/relevant email address]

Please tick the box that best describes you, your company or organisation

<table>
<thead>
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<th>Category</th>
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<tbody>
<tr>
<td>Business representative organisation/trade body</td>
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<td>Central Government</td>
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<td>Charity or social enterprise</td>
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<td>Individual</td>
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<td>Large business (over 250 staff)</td>
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<td>Legal representative</td>
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<td>Local Government</td>
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<td>Medium business (50 to 250 staff)</td>
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<td>Micro business (up to 9 staff)</td>
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<td>Small business (10 to 49 staff)</td>
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<td>Trade union or staff association</td>
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<td>Other (please describe)</td>
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Please tick the box which best describes the principal activity of your organisation.

<table>
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<th>Activity</th>
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<tbody>
<tr>
<td>Accommodation, Food and Drink Services</td>
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<td>Administrative and support service</td>
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<td>Agriculture, Forestry and Fishing</td>
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<td>Arts, Entertainment and Recreation</td>
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<td>Construction</td>
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<td>Electricity, gas, steam and air conditioning supply</td>
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<td>Finance and Insurance activities</td>
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<td>Human health and social work activities</td>
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<td>Information and communication</td>
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<td>Manufacturing</td>
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<td>Mining and Quarrying</td>
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<td>Professional, Scientific and Technical activities</td>
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<td>Real Estate activities</td>
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<td>Retail</td>
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<td>Transportation and Storage</td>
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<td>Other</td>
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Please tick the box which best describes where your organisation operates

<table>
<thead>
<tr>
<th>Location</th>
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<tbody>
<tr>
<td>England</td>
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<td>Wales</td>
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<td>Scotland</td>
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<td>UK-wide</td>
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<td>International</td>
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Please tick the box which best describes the majority of your organisation’s business to business transactions

<table>
<thead>
<tr>
<th>Supplier of goods/services</th>
<th>Buyer of goods/services</th>
<th>Buyer and Supplier</th>
<th>Other (please describe)</th>
</tr>
</thead>
</table>

Please answer the following questions thinking about when you supply to other businesses:

1a. What percentage of payments from businesses and organisations that you supply to are late?
   - 0%
   - Up to 25%
   - 26-50%
   - 51-75%
   - 76%-99%
   - 100%

1b. How has the proportion of payments made late changed over the past 3 years?
   - Increased
   - Decreased
   - No change

1c. Do you research the payment performance of a business before entering into an agreement with them? Please detail how you research this.
   - Yes
   - No
   - Please expand on your answer

1d. What, if any, action do you take when you are paid late? (Select all that apply)
   - I do nothing/wait to be paid
   - I contact the business who is late paying
   - I calculate statutory interest and debt costs and re-invoice the late paying business
   - I contact my trade/sector body
   - I contact the Small Business Commissioner
   - Other (Please expand)

1e. How often do you experience invoices that are never paid?
   - [Free text box]
Please answer the following questions thinking about when you supply to other businesses:

2a. On average, what is the typical payment term offered by businesses you supply to?
   - Partial or full payment in advance
   - Payment in full on delivery
   - Payment within 10 days
   - Payment within 11-30 days
   - Payment within 31-60 days
   - Payment within 61-90 days
   - Payment after 90 days
   - Other, please specify

2b. How have the length of these terms changed over the past 3 years?
   - Increased
   - Decreased
   - No change

2c. Do you feel able to negotiate and/or challenge payment terms?
   - Yes
   - No
   - Please expand on your answer

Please answer the following questions thinking about when you buy from other businesses:

3a. On average what is the typical payment term you offer your suppliers?
   - Partial or full payment in advance
   - Payment in full on delivery
   - Payment within 10 days
   - Payment within 11-30 days
   - Payment within 31-60 days
   - Payment within 61-90 days
   - Payment after 90 days
   - Other, please specify

3b. How have the length of these terms changed over the past 3 years?
   - Increased
   - Decreased
   - No change

4a. What do you think are the reasons for long payment terms?
   - Complex invoicing procedures
   - Nature of goods/service
   - Imbalance of power between business
   - Competitive advantage
   - Other (please specify)
4b. **How have long payment periods affected you?** *(Select all that apply)*
- We pay our own suppliers late
- We struggle to pay our staff on time
- We struggle to pay business bills like energy, business rates and rent
- We have to rely on invoice financing
- We have to rely on our bank overdraft
- We have to take out loans to cover shortfalls
- We have been unable to invest in new equipment/and or staff
- Our staff have had to reduce their salaries
- Other (please specify)

5. **Do you use technology to manage the payment process? How has it helped?**
- Yes
- No
- Please expand on your answer

6. **Do you think that newly introduced measures, namely the Small Business Commissioner and payment practices reporting, will affect the culture of payment practices? How could these be enhanced to further promote a best practice payment culture?**
- Yes
- No
- Don’t know
- Please expand on your answer

7. **Do you think that the legal definition of when a payment term is considered to be ‘grossly unfair’ to the supplier is clear?**
- Yes
- No
- Don’t know
- Please expand on your answer

8. **Do you think any specific changes or measures could be introduced to make it easier for suppliers to charge interest when they are paid beyond agreed terms?**
- [Free text box]

9. **Are additional measures needed to give confidence in the Prompt Payment Code as a statement of good practice?**
- Yes
- No
- Please expand on your answer

10. **Are there any steps that could be taken to encourage more businesses to identify breaches of the Prompt Payment Code by signatories?**
- [Free text box]

11. **Should the Prompt Payment Code be moved to the responsibility of the Small Business Commissioner?**
- Yes
- No
12. What role could business representatives and sector bodies take in fostering a responsible payment culture? How could they use existing late payment measures, namely the Small Business Commissioner, payment practices reporting requirement and Prompt Payment Code?
  • [Free text box]

13. What is your experience of measures to improve payment practices in other countries?
  • [Free text box]

14. What measures may be effective in addressing lengthy payment terms?
  • [Free text box]

15. Do you think the measures recently announced to improve board level responsibility will have an impact? Does more need to be done to ensure that payment behaviour is considered at board level?
  • [Free text box]

16. What are the main barriers in using technology to enhance the payments process? What could be done to encourage greater take up by SMEs?
  • [Free text box]

17. Are you aware of the finance options available to help manage long payment periods? Have you faced any barriers to accessing appropriate finance?
  • [Free text box]

18. Have long payment periods impacted your investment plans for growth? If so, how?
  • Yes
  • No
  • Please expand on your answer

19. What role, if any, could industry or sector bodies play in identifying and encouraging good payment practices within their sectors?
  • Promotion
  • Enforcement
  • Communications
  • Other (please expand)