Press release: Government launches Small Business Commissioner to help small firms resolve payment disputes

- new Small Business Commissioner will support Britain's 5.7 million small businesses to resolve payment disputes and tackle larger businesses unfair payment practices to drive culture change
- new guidance website to help small businesses with late payment issues
- small businesses can now submit late payment complaints to the Commissioner

The government has today (20 December 2017) launched the complaint handling service of the Small Business Commissioner to ensure fair payment practices for small businesses. This follows the appointment of Paul Uppal to the role of Small Business Commissioner.

Regulations made by Small Business Minister Margot James mean the Commissioner can now handle complaints from small businesses about unfair payment practices. The Commissioner's website is also live, providing guidance to small businesses on payment issues including how to take action if a payment is overdue.

Margot James, Small Business Minister, said:

This government's Industrial Strategy is building a Britain in which small business can continue to thrive.

Over the last 5 years the amount owed to smaller businesses has more than halved from £30 billion to £14 billion. Today's Small Business Commissioner service will empower small businesses to take action if they are paid late, potentially delivering a £2.5 billion annual boost to the economy.

Paul Uppal, Small Business Commissioner, said:

Having run my own small business for over 20 years I am well aware that integrity and trust are key to running and building a successful business. My mission is to help all small businesses nurture positive and lasting relationships with their customers that work in the best interests of both.

Today I am launching a new website so small businesses know their rights, as well as how to contact me if they need further action to be taken when the larger businesses they supply owe them money.

Mike Cherry, National Chairman of the Federation of Small Businesses (FSB), said:

The UK is gripped by a poor payments crisis, over 30% of payments to small businesses are late and the average value of each payment is £6,142. This not only impacts on the small business and the owner, it is damaging the wider economy.

The Small Business Commissioner is crucial to turning the tide on this late payments culture. FSB will be encouraging small businesses affected to use the service, and we hope then to see clear actions taken to tackle the worst examples of supply chain bullying. Success will be a UK economic culture where a business that does a job promptly, is paid promptly.

The Small Business Commissioner's website guides small businesses on how to 'check, chase, and choose' how to deal with unfair and late payments, that is:

- check if the right information has been provided to the right people in order for an invoice to be paid
- chase effectively when a payment is overdue
- choose how to take further action, including the option of submitting a complaint to the Small Business Commissioner

This is one of a number of measures government is taking to tackle a late payment culture. Regulations came into force in April 2017 requiring large businesses to publically report the average time they take to pay their suppliers. This allows suppliers, including small businesses, to make informed decisions about who they do business with. Firms can check when large businesses pay their suppliers on GOV.UK. So far over 200 of the UK's largest businesses have submitted payment reports.

The Small Business Commissioner was <u>appointed on 2 October 2017</u> and is based in Birmingham.