Your route through Insolvency Claim

A sample report, built from invented answers, to show what yours will look like.

> This report is based only on your answers, before we have seen any of your papers. It is not legal advice, and you should not rely on any date or time limit in it: check every date against your subcontract. Legal questions go to your solicitor.

Where you stand

Your people are still working, and nobody has said who will pay for the work from now on. Every further shift is a cost decision, and it should be taken on purpose, not by default.

Your materials are still on site. A replacement contractor can start using what is in a compound within days, so the next day or two decide whether they come back.

Most of what you lose when a main contractor fails is decided in the first few days, not by the final dividend. So what is on site, and who is working, comes before the account.

Your answers suggest an administrator has been appointed, which brings a legal freeze, called a moratorium, under the Insolvency Act 1986. Nobody can start or continue legal action against the company, including adjudication, without the administrator's consent or the court's permission. What you are owed is claimed in the administration instead.

Your terms may keep your unfixed materials yours until you are paid, so the ones you can identify may come back. Goods already built in generally go with the building, and their value goes into your claim as a debt. Your claim to the rest can still be defeated, for example if the client has already paid for them under the main contract.

Your answers raise at least one question only a solicitor can answer, such as who owns your materials or whether you could stop work. Until one has advised, nothing that turns on it should be served, removed or signed.

In an insolvency, anything your main contractor could claim from you is deducted from your account first. Only the balance gets a dividend, often a few pence in the pound. A claim lodged at its full figure gets cut back on first reading, so build the balance that survives.

Your subcontract says your retention is held on trust. That helps only if the money was actually put in a separate account, and most never is. Only then might it be kept out of the pot the other creditors share, so that is checked early.

What to do now

In order: the first ones cannot wait.

1. **Decide before the next shift whether your people go in** (today)

   Why: Work done from now on may never be paid unless someone agrees in writing to pay for it. Stopping has risks of its own, so the choice needs to rest on your subcontract.

   How: List who and what is due on site tomorrow: people, plant and deliveries. Ask the administrator or liquidator in writing whether it wants the work to continue, who will pay for it and how often. Take your solicitor's advice before anyone stops, and record the decision and its reason before the next shift starts.

2. **Photograph and list what is yours on site today** (today)

   Why: Arguments over who owns materials are won by whoever can prove what was on site, and when. Once goods are built in or used by someone else, the argument is usually over.

   How: Send whoever is nearest to site. Take a wide shot of where each item is, then close-ups of labels, marks and serial numbers. List each item with its quantity and location, and match it to its delivery ticket and invoice. Keep loose goods apart from what is fixed in, and take nothing away.

3. **Appoint a solicitor today** (today)

   Why: We do not give legal or insolvency advice, and some of the legal questions here cannot wait.

   How: Ask for a solicitor who handles construction or insolvency work, and say it is urgent. They will want your subcontract, your log, the photographs and the delivery tickets. If you instruct us, we send them that file, with the legal questions set out, the same day.

4. **Keep everything you send short, factual and calm**

   Why: From today, the administrator or liquidator may read every email you send. An angry one sent on the first morning can become its best document against you.

   How: Stick to facts and questions: what is on site, who will pay for work from now on, and what they need from you. Do not threaten in writing to stop work, remove goods or hold anything back until the position has been checked.

5. **Claim your goods from the administrator or liquidator in writing**

   Why: A written claim with the evidence, sent before anything is moved or used, is what gets goods back. Taking them yourself can create a claim against you.

   How: Send the list and the photographs, with the delivery tickets, the invoices and your terms, the same day if you can. Ask to agree a time to collect, and take nothing without their written consent.

6. **Fix your account as it stands today**

   Why: Your claim is only as strong as the statement of account behind it, and it needs fixing before the numbers start moving.

   How: List each unpaid application and any notice that came back. Add the work done since your last one, the retention held and anything of yours on site. Keep the original spreadsheets as they are, not tidied. Do not put a rough total on any claim form: send the account to us and we build the figure that survives.

7. **List your plant with its ownership or hire records**

   Why: Your own plant, and plant you hired, never belonged to the main contractor. It still has to be identified and collected by agreement, and hire charges keep running while it sits there.

   How: Photograph each item with its serial plate. Find the purchase or hire record for each, and note the hire charges as they run. When an administrator or liquidator is in place, ask it in writing for its release, and agree a time to collect it.

8. **Close the gaps in your account now**

   Why: Gaps are easiest to close in the first weeks, while the main contractor's staff and records can still be reached.

   How: For each gap, look for anything dated at the time: the email that sent the application, the notice that came back and the remittance. For work since your last application, find the day sheets and photos. Ask your site team now, before they move on or forget.

9. **Start a dated log today, and keep every message as it arrived**

   Why: What you knew, and when, may matter later. An original email keeps its date and time; a copy, a printout or a screenshot may not.

   How: Open one folder for this main contractor. Note each call, visit and decision with the date, the time and who said what. Save every email, letter and form in it as it arrived, without editing or renaming the attachments.

What to gather

Everything the work is built from. Copies are fine: send what you have and we will tell you what is missing.

- **What you know and how you know it.** The emails, calls or site rumours that told you, forwarded as they arrived, not summarised.
  Where to find it: Your inbox and your site manager's phone, from the last day or two.
- **The subcontract.** A complete PDF or scan with all amendments; the last exchanged version if it was never signed, and say so.
  Where to find it: The commercial folder or the order email.
- **The account position, as it stands.** Applications, Payment Notices, Pay Less Notices, payment history and the retention figure, in the original spreadsheets where they exist. Send today's state, not a tidied version.
  Where to find it: Your accounts package and the job's application folder.
- **Dated photographs of what is yours on site.** Phone photos are fine: materials, plant and unfixed goods, wide shots and close-ups, taken today.
  Where to find it: Whoever is on or near site takes them now; we say what to shoot if you are unsure.
- **Delivery tickets, invoices, hire records and your sale terms.** The delivery tickets and invoices for the materials on site, and the hire or ownership records for plant. Add the terms you quoted or sold on, with any retention of title condition.
  Where to find it: Your buyer's files, your accounts package, your hire firms' statements and the back of your quotation or order acceptance.
- **Who is due on site tomorrow morning.** Your people, your plant, your deliveries: what is booked and what can be cancelled.
  Where to find it: The site diary and whoever runs your labour.

Why Quantsurv

You can do a good deal of this yourself, and the steps above show how. If you would rather have it done for you, or want the notices checked before you act, this is the work we do.

- **Specialists in exactly this.** We work only for subcontractors, on the claims and disputes that cost them money. Behind it: 10 years on the commercial side of construction, and £100m+ of construction projects worked on.
- **A fixed fee, agreed first.** We never bill by the hour. Fixed fee for the first days, agreed in writing when instructed. Preparing the debt claim has a separate fixed fee agreed after we see the evidence. If the work runs over, the cost is ours, not yours.
- **Fast where it matters.** Instructed by early afternoon, we mobilise the same day. A fixed fee also gives us every reason to finish quickly.

How Insolvency Claim would run for you

The whole service, step by step. Where your answers decide a route, it is shown under the step it belongs to.

Step 01 You tell us what has happened

One call on what you have heard and how, what you are owed, what is yours on site and who is due there tomorrow. The first conversation is free and commits you to nothing.

Step 02 You instruct us today and send what you have

Send what is below, in whatever state it is in, and instruct us by early afternoon. We mobilise the same day, and the fixed fee for the first days is agreed in writing when you instruct us.

- **If your materials could be moved or built in today:** Photograph them now, wide shots and close-ups, before anything else. We say what to shoot if you are unsure.

Step 03 We confirm what has happened and start the log

We check the public record first, to see what has actually happened: an appointment, a notice of intention to appoint, or only a rumour. Everything is logged with the time, from the first call onwards.

What you get: The insolvency confirmed at source, and a time-stamped log from the first call

- **If an administrator has been appointed:** A legal freeze stops action against the company, including adjudication, without the administrator's consent or the court's permission. We note the date and the administrator's details.

Step 04 We pass the legal questions to your solicitor

The same day, your solicitor gets a clean file: the subcontract, the log, the photos and the tickets. The questions are who owns the materials, whether the subcontract can be ended, and the legal effect of the process.

What you get: A clean file for your solicitor, with the legal questions set out

- **If you do not have a solicitor yet:** Appoint one now. We do not give legal or insolvency advice, and some of these questions cannot wait.

Step 05 You decide whether to stop or carry on

You decide with us, on your subcontract's own terms, and with your solicitor where the law limits them. The decision is recorded before the next shift. Nobody works another day for a customer that may not pay unless you have decided they should.

Step 06 We secure what is yours on site

We list and photograph your materials, plant and unfixed goods, matched to delivery tickets, invoices and hire records. The administrator or liquidator is told in writing what you claim.

What you get: A photographed list of what is yours on site, and the written notice claiming it

- **If your terms keep materials yours until you are paid:** We claim the unfixed goods you can identify under that retention of title condition, with the tickets and photos. Goods already built in generally go with the building, and go into the claim as a debt.
- **If your own or hired plant is on site:** We list it with its ownership or hire records, and ask in writing for its release. Hire charges from the appointment date are logged.

Step 07 We read any offer to finish the work

The client, or a new main contractor, may ask you to finish your package, often in the first weeks. We read the offer and price what is left before you answer.

What you get: A priced answer to the offer, treated as a fresh contract

Step 08 You decide whether to take on the work

Whether you finish the package, and on what terms, is your commercial call, made with the price in front of you.

Step 09 We confirm the scope and fee for the account in writing

Once the first days are done and the evidence reviewed, we set out what the account and the claim will cover. The fixed fee and the timetable come with it.

What you get: A written scope, fixed fee and timetable for the account and the claim

Step 10 You decide whether we build and lodge the account

Go ahead, change the scope or stop. The account work starts only when you have agreed its fee in writing.

Step 11 We sort every part of the claim and rate the evidence

Unpaid applications, work since the last one, retention, materials and plant, and the cost of stopping. Each is rated for its evidence, next to anything the main contractor could claim back from you.

What you get: The evidence rating schedule, one line per item

- **If your retention was meant to be held on trust:** We check whether it was ever put in a separate account. Only then might it sit outside the general pot, and your solicitor advises. Otherwise it is claimed as its own line.
- **Where an item's gap can be closed:** We say what closes it and ask for it now, while the main contractor's staff and records can still be reached.

Step 12 We value the account and build the position

We fix your account to the day in a statement backed by evidence. The main contractor's cross-claims are deducted as the insolvency process will deduct them, so the figure you claim is the balance that survives.

What you get: A statement of account fixed to the day, with the balance after every deduction

Step 13 You approve the claim before it is lodged

We take you through the statement of account, the balance claimed, its weak points and what the administrator or liquidator is likely to say. Nothing is lodged until you approve it.

Step 14 We lodge your proof of debt and follow the process

We lodge your claim, called a proof of debt, in the form the administrator or liquidator asks for, with the statement of account behind it. Every date the process sets goes in the diary.

What you get: Your proof of debt as lodged, with every process date in the diary

Step 15 We negotiate the account with the administrator or liquidator

We take their quantity surveyor through the figures, give ground where they are right and hold the rest. Whatever is agreed is recorded in writing.

What you get: A running record of what is agreed, and an answer to every claim against you

Step 16 You decide whether to settle or go on

Whether the account is agreed is always your decision, made with the figures in front of you.

Step 17 We close out the account and hand over the lessons

You receive an asset schedule and supporting claim for your materials and plant, together with an evidenced calculation of the debt allowing for counterclaims. We lodge the claim and record what is agreed and what remains disputed.

Your path through the questions

The questions you answered, in order, as the page drew them. Your answers are in yellow, with the line running through them.

What has happened to your main contractor?

It has gone into administration or liquidation

I have heard it has gone bust, but I have not seen it confirmed

It is still trading, but paying late or struggling

It has ended my subcontract, but it is still trading

Which process is it in?

Administration: an administrator has been appointed

Only a notice of intention to appoint administrators so far

Liquidation, or a court order to wind it up

Not sure

How did you find out?

- A letter or email from the administrator or liquidator
- **I checked Companies House or The Gazette**
- From site, another trade, the client or the news

Does a date fall this week, such as a final date for payment or a date the administrator or liquidator set?

- Yes
- **No**
- Not sure

Has the administrator or liquidator sent you anything that needs an answer?

- Yes, a form to return or a date to meet
- Yes, a claim against me, such as for defects or finishing my work
- **No, nothing that needs an answer yet**
- Not sure

Where do things stand with your people on site?

- **Still working, with no word on who pays from now on**
- Still working, because the administrator or liquidator asked us to
- We have stopped work, or stood our people down
- We cannot get on: the site is locked or closed
- We had already finished on site

Are any of your materials or plant still on site and not built in?

- Yes, materials not yet fixed in
- Yes, our own or hired plant
- **Yes, both materials and plant**
- No, everything is built in or already off site
- Not sure

Do your terms say your materials stay yours until you are paid for them?

- **Yes**
- No
- Not sure

Do you have a solicitor you can call about this today?

- Yes
- **No, not yet**

Is your main contractor holding retention from you on this job?

- **Yes, and the subcontract says it is held on trust for us**
- Yes
- No
- Not sure

How up to date are your records of this account?

Up to date | **Mostly, with some gaps** | Thin, or well out of date

Has the client or a new contractor asked you to finish your work?

Yes, on a new contract with them | Yes, by moving our subcontract over to them (a novation) | Yes, but I do not know on what terms yet | **No, not yet**

Did you sign a collateral warranty for the client, or is there a project bank account?

A collateral warranty | A project bank account | Both | **Neither** | Not sure

Roughly how much is at stake?

Under £5,000 | £5,000 to £25,000 | **£25,000 to £100,000** | Over £100,000 | Not sure

Your report

Next step

> **The first conversation is free and commits you to nothing.** Reply to the email this report came with, or email contact@quantsurv.com, and we will already have your answers.