Your route through Late Payment Prevention

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

In your routine, the first thing to fix is the final dates. Your answers suggest they are not read from each signed subcontract, and every other step runs from them: the chase, the interest and any suspension.

The term that holds your payment back now may be in the subcontract you are about to sign too. Find it and raise it with your main contractor before you sign, while it can still be changed.

You have been paid late without always claiming interest. Interest on those past payments may still be claimable, from the day after each final date to the day the money arrived. Our free Late Payment Interest Calculator gives a first figure, and Late Payment Claim can recover it.

With no final dates read from the subcontracts and no named cover, nobody else could pick up the chase at short notice. A diary of final dates the whole team can see closes both gaps at once.

The right to suspend only opens once a final date for payment has passed. Your answers suggest your final dates are not read from your subcontracts, so a notice to suspend could go too early and may not count.

Late payment is often decided before the job starts, by the payment terms you sign. After that, it turns on whether anyone knows the final date and chases the day after it. Those are what this service fixes.

You are about to sign a subcontract. That is the cheapest time to deal with late payment, because its payment terms can still be negotiated.

You go by when the money usually arrives. That makes paying late look normal: if nobody knows the final date, nobody knows a payment is late, and nobody chases.

Your payment is tied to your main contractor being paid. The Housing Grants, Construction and Regeneration Act 1996 generally stops pay-when-paid clauses, except where someone further up the chain is insolvent. Whether your clause works is a legal question for your solicitor.

Your reminders name no date and no interest. A polite chase that names neither tells your main contractor that paying you late costs nothing.

Interest nobody asks for is never paid. Where your subcontract sets no rate, the Late Payment of Commercial Debts (Interest) Act 1998 may apply. It gives 8% a year above the Bank of England base rate, plus a fixed sum for each debt and reasonable recovery costs.

Your team threatens to stop work but has never served a notice. A threat with no notice behind it is easy to ignore. The Housing Grants, Construction and Regeneration Act 1996 may let you suspend work for a sum due that is unpaid after its final date. You must first give at least 7 days' written notice of intention to suspend, stating the ground.

One person runs the chase with no cover. That gap shows in a holiday, a sick week or a busy month, when a final date passes and nobody notices.

What to do now

In order of priority.

1. **Write down each job's final date for payment from its signed subcontract**

   Why: A payment is late from the day after its final date. Nobody can chase on time, or work out the interest, without knowing that date.

   How: Open each subcontract at its payment clause and schedule of amendments. For each job, note when you apply, when payment falls due and the final date for payment. Where the subcontract sets none, the Scheme for Construction Contracts (England and Wales) Regulations 1998 fills the gap. Put every final date in one diary that more than one person can see.

2. **Read the payment terms before you sign**

   Why: Once it is signed, its payment dates and conditions are fixed for the whole job. Before you sign, they can still be changed.

   How: Find the payment clause and any schedule of amendments. Note when you apply, when payment is due, the final date for payment and the interest rate. Mark anything that makes your payment wait on someone else. Send the draft to us with the rest, and we read its payment terms first, so you know what to push back on.

3. **Find the clause that ties your payment to theirs**

   Why: Your main contractor may rely on it to pay you late. Your solicitor needs the exact words to say whether it works.

   How: Search each subcontract and its amendments for words such as 'when paid', 'on receipt of payment' or 'subject to payment by the employer'. Note the job and the clause number, and send them with the rest of your paperwork.

4. **Chase in writing the morning after each final date**

   Why: A written chase that names the sum, the final date that passed and the interest running is a record. If the payment is ever disputed, it shows exactly what you asked for and when.

   How: Write one short letter you can reuse. State the application, the sum due and the final date for payment that passed. Add the interest running from the day after it, and a date for payment. Send it to the person your subcontract names for notices, the morning after the final date, and keep the sent copy.

5. **Add the interest to every chase**

   Why: Interest runs from the day after the final date for payment. Claimed every time, it makes paying you late cost your main contractor money.

   How: Find the interest clause in each subcontract and note the rate. Where there is none, work out the figure with our free Late Payment Interest Calculator. Put the interest to date in each chaser, and say it keeps running until you are paid.

6. **Decide now what happens when a chaser is ignored**

   Why: A next step decided in advance goes on time, not when someone gets round to it. Suspension is a real remedy, but only if every condition is met and the notice is right.

   How: Write down each step and who takes it: a call to a named person at your main contractor, then a final letter with a date. After that comes Late Payment Claim or a notice of intention to suspend. Before any notice goes or any work stops, have every condition checked, and put any doubt to your solicitor.

7. **Write down who does each step, and who covers it**

   Why: A step nobody owns is the one that slips in a busy month, and a role with no cover is a gap in the routine.

   How: List it by role, not by name: who keeps the diary, who checks the bank, who chases and who decides the next step. Put a second person against each one for when the first is away.

8. **Keep every application, chaser and reply exactly as it went or arrived**

   Why: If a late payment is ever disputed, the dates decide it: when you applied, when the final date passed and when you chased. The original email keeps its date and time; a forwarded copy or a printout may not.

   How: Make one folder for each job. Save each application, each chaser and each reply as the original email, and note the date each payment reached your bank. Do not edit or rename 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.

- **Each subcontract as signed, or the version you are about to sign.** The executed subcontract or order for every live job, with its schedule of amendments; for a job not yet signed, the latest version exchanged.

  Where to find it: The order email or the job's commercial folder normally holds the signed copy; an unsigned version is usually in the tender or negotiation emails.

- **Any document your payment is said to depend on.** Where the subcontract refers to the main contract, an upstream certificate or the employer's payment, whatever you hold of those terms.

  Where to find it: The subcontract's own schedules, the tender enquiry, or correspondence where the main contractor has explained its payment cycle.

- **Your payment record for recent cycles.** For each live job: the applications or invoices, the notices received, and the date each payment actually arrived.

  Where to find it: The sent items of whoever issues your applications, and your accounts package or bank statements.

- **Your current chasers and who sends them.** The letters or emails you send when a payment is late, as they are, and a line on who sends them and when.

  Where to find it: The sent items of whoever chases payment, usually the commercial manager or the accounts team.

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 set-up fee agreed after we see the contracts, before work starts. Includes support through one live payment. Optional monthly checks have a fixed fee agreed first. Pause between jobs or stop at month-end. If the work runs over, the cost is ours, not yours.
- **Fast where it matters.** Ten working days for the set-up, then one live payment alongside your team. A fixed fee also gives us every reason to finish quickly.

How Late Payment Prevention 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 how and when you are paid today

One call about your live jobs, the terms you usually sign and where payment tends to stall. The first conversation is free and commits you to nothing.

- **If you are about to sign a subcontract:** send it with the rest. We read its payment terms first, so you know what to push back on before you sign.

Step 02 You send us your subcontracts and payment record

Everything in the list below, including any subcontract you are about to sign. We need to see the terms before we can fix the fee.

Step 03 We confirm the scope and the fixed fee in writing

Once we have seen your subcontracts, we confirm which jobs are covered, what we will set up, the fixed fee and the timetable. It is all in writing before any work starts.

What you get: A written scope, fixed fee and timetable

- **If you want to start with one job:** we set it up and prove it there. The written routine then lets your team copy it to your other jobs.

Step 04 You decide whether to go ahead

You have the scope, the fee and the timetable in writing. Nothing starts until you say so.

Step 05 We read the payment terms in each subcontract

The due date and its trigger, the Payment Notice and Pay Less Notice windows, and the final date for payment. Then any upstream condition, the interest clause and the right to suspend, from the signed wording and its amendments.

- **If a subcontract is not yet signed:** we tell you which payment terms to push back on, and why, while you can still negotiate them.

Step 06 We set out your payment terms in plain words

One page for each subcontract: when each payment is due, its final date, what can hold it back, the interest and the right to suspend. Each term shows where it sits in the subcontract.

What you get: A one-page payment terms summary for each subcontract, with the clause behind each term

- **If a clause ties your payment to your main contractor being paid:** we show how it would work on real dates. The Housing Grants, Construction and Regeneration Act 1996 generally stops pay-when-paid, except on insolvency up the chain, so its effect goes to your solicitor.

Step 07 We check how you are paid now against those terms

We set each job's recent payments against its final dates, and read your current chasers. We find where payment runs late, and where nobody chased, charged interest or knew the date.

What you get: A written note of where payments run late, and why

- **If one main contractor pays late on every job:** the routine starts there, with that main contractor's final dates first in the diary.
- **If your chasers name no date and no interest:** we rewrite them, so each one states the sum, the final date that passed and the interest running.

Step 08 We set up the diary, the chasers and the interest worksheet

A diary of every final date across your jobs. A chaser that goes the day after a final date passes, with the interest worked out, and a firmer letter if it is ignored.

What you get: The final date diary, the chaser letters and the interest worksheet, set up for your jobs

Step 09 We write the suspension procedure and name who does what

A step-by-step suspension procedure, with its notice of intention ready to complete. A short routine naming who diaries, chases and escalates on each job, and who covers when they are away.

What you get: The written routine and suspension procedure, with a named person and cover for each step

- **Where a payment is still unpaid after the chasers:** the procedure lists the conditions to check first. The Housing Grants, Construction and Regeneration Act 1996 requires at least 7 days' written notice of intention to suspend, stating the ground.

Step 10 We walk your team through it

We take the people named in the routine through the diary, the chasers, the interest worksheet and the suspension procedure. We use your own last late payment as the example.

Step 11 You run it on the next payment with us alongside

Your team follows the routine through the next payment on a live job. The final date is checked on the day, and the chaser goes the next morning if nothing arrives.

Step 12 We check the live run and correct anything it shows

We check the final date was in the diary, checked on the day, and chased on time with the interest. We fix anything the run showed before handover.

What you get: The corrected routine, proven on a live payment

Step 13 You decide whether to add the Ongoing check

Your team runs the routine from the written handover. The optional Ongoing check is a second pair of eyes on it each month.

Step 14 We hand over a chase your team runs on the day

You receive a summary of the payment terms and a diary of final payment dates, together with chase letters, interest calculations and an escalation procedure. We test the routine with your team and record who owns each task and who provides cover.

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.

Which is closest to where you are now?

Nothing is late yet; we want a routine in place before anything is

We are often paid late, and want it to stop

A payment is overdue right now

Our problem is money paid short, not paid late

Does a final date for payment, an application date or a subcontract signing fall this week?

Yes

No

Not sure

Are you about to sign a new subcontract?

No

Yes

Yes, and we want the whole subcontract checked, not just payment

Do you want the routine on one job first, or across all your live jobs?

One job first

All our jobs; they are all with one main contractor

All our jobs, with different main contractors

Not sure yet

Do you have a signed copy of the subcontract for each live job?

Yes, for every job

Some were never signed, or we only have the tender version

Not sure

How does your team know the final date for payment on each job?

- Read from each signed subcontract, and kept in one diary
- From habit, the last job, or the standard form
- **We go by when the money usually turns up**
- Not sure

What in your payment terms holds payment back most?

- Nothing I know of; they look standard
- **We are paid only when our main contractor is paid**
- Our due date waits on a certificate or main contract we have not seen
- A long wait to be paid, such as 60 days or more
- Not sure; nobody has read them for this

When you are paid late, what does it usually look like?

- It comes a week or two after the final date
- It comes in parts, with the rest weeks behind
- **One main contractor is late on every job**
- It varies from job to job

When a payment misses its final date, what does your team do?

- A written chase the next day, naming the sum and the date
- **A polite reminder, with no date or deadline in it**
- We wait a week or two, then ring someone
- Nothing set; it depends who notices
- Not sure

When a payment is late, do you claim interest on it?

- Yes, every time, worked out to the day
- Sometimes, or we mention it but never follow it up
- **No, we just ask for the money**
- Not sure what we can claim

If a late payment is still unpaid after your chasers, what happens next?

- We follow a written procedure, up to a proper suspension notice
- **We threaten to stop work, but have never served a notice**
- We have stopped work before, without a written notice
- Nothing set; we keep chasing and keep working
- Not sure

Who watches the final dates and sends the chasers, and who covers when they are away?

A named person, with named cover | **One person does it all, with no cover** | Whoever is free that week | 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.