Your route through Late Payment 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 answers suggest no valid Payment Notice came, and you applied the way your subcontract requires. If so, your application may stand as the sum due, and it can be claimed without arguing what the work is worth.

Your answers suggest a sum is due, no valid Pay Less Notice lowered it, and the final date for payment has passed. If so, that sum is overdue now, with interest from the day after the final date. It is the sum a demand, a suspension or an adjudication rests on.

Your main contractor disputes your figures or says you owe it money, but your answers suggest no valid Pay Less Notice came. Without one, it may not hold back the sum due on those grounds. Any claim it has against you is for it to prove separately.

Your answers suggest the sum was not paid by the final date for payment and no valid Pay Less Notice came. If so, the Housing Grants, Construction and Regeneration Act 1996 may give you the right to suspend work. You must first give at least 7 days' written notice of intention to suspend, stating the ground.

With a sum this size overdue, adjudication may be worth weighing if the demand is ignored. It is the fast way to have a construction payment dispute decided: the decision is due within 28 days of the referral unless it is extended. We prepare the money side, and you or your solicitor run it.

Several payments are involved. Each one has its own final date for payment and its own interest, so each is worked out on its own.

Your subcontract sets no rate, so the Late Payment of Commercial Debts (Interest) Act 1998 may apply. It gives interest at 8% a year above the Bank of England base rate, plus a fixed sum for each debt and reasonable recovery costs.

What to do now

In order of priority.

1. **Check the notices, then demand the sum in writing**

   Why: A written demand with a date for payment is the first step to recovering an overdue sum. Built on the wrong sum, though, it can weaken your position, so the notices are checked first.

   How: Check each notice you received against your subcontract: who sent it, when it arrived, and whether it states a sum and how that sum was worked out. Then write to your main contractor asking for the sum, with the interest, by a set date. If you want the notices tested and the interest worked out first, send them to us. We prepare the demand for you to approve and send in your name.

2. **List every payment that is late or unpaid**

   Why: Each payment has its own final date and its own interest. A list stops any of them being missed.

   How: For each payment, note the date you applied or invoiced, the sum and any notice you received. Add the final date for payment, and what was paid and when. A simple table is enough.

3. **Find proof of when your application went**

   Why: When payment fell due, and whether your application can stand as the sum due, both turn on when it was sent. Without proof, the cautious date is used, which can cost you.

   How: Search the sent items of whoever sent it for the job name or the application number. Check the project portal's upload log, and any reply from your main contractor that mentions it. Forward the original email, not a copy, so its date and time stay intact.

4. **Get their reasons in writing, and do not argue the figures yet**

   Why: Whether money can be held back turns first on the notices, not on what the work is worth. Arguing value too early moves the fight onto their ground.

   How: Ask your main contractor to set out in writing what it disputes or claims, and which notice it relies on. Keep your reply short: thank them and say you are checking the notices. Send both to us with the rest of your paperwork.

5. **Keep working until the notice has been served and has run**

   Why: Stopping without a valid notice, or before it runs out, can put you in breach of your subcontract and turn a strong position into a claim against you.

   How: Write down what stopping would affect: the gangs and plant on site, hire periods and your next programme dates. Send that list with your notices, and we set out the conditions, the notice and what suspending would cost you, before you decide.

6. **Keep every notice and email exactly as it arrived**

   Why: Most of this turns on dates. A forwarded original keeps its date and time; a copy, a printout or a screenshot may not.

   How: Make one folder for this payment. Save your application, every notice, every chaser and every reply in it as the original emails, and 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.

- **The applications or invoices for the unpaid sums, as sent. You said you do not have this yet.**

As originally issued, forwarded as the original email or as dated PDFs, with proof of when and how each was sent.
Where to find it: The sent items of whoever issues your applications or invoices.

- **The signed subcontract.** A complete PDF or scan, every schedule and amendment included.
  Where to find it: The order email or the job's commercial folder normally holds the signed copy; if it was never signed, send the last version exchanged and say so.
- **Every notice received against them.** Any Payment Notice or Pay Less Notice, as received, with the date and route it arrived by.
  Where to find it: The email trail with the main contractor's commercial team, and any project portal.
- **The payment history.** What has been paid on the job and when: remittances and bank receipts.
  Where to find it: Your accounts package or bank statements.
- **The chasers and replies so far.** The emails and letters exchanged about the unpaid sums, forwarded whole, dates and attachments intact.
  Where to find it: An inbox search on the main contractor's contacts and the project name usually finds them.
- **What stopping work would affect.** Only where suspension is being considered: the gangs and plant on site, hire periods and the next programme dates.
  Where to find it: Your contracts manager or site manager can list it in a few lines.

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 agreed after we see the payment records, before work starts. Suspension or adjudication support each has a separate fixed fee agreed first. If the work runs over, the cost is ours, not yours.
- **Fast where it matters.** The triage starts the day you instruct; the timetable after it is agreed in writing at scoping and then kept. A fixed fee also gives us every reason to finish quickly.

How Late Payment 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 is overdue

One call on the job, the sums unpaid and the dates. Send the unpaid applications and any notices with it, so we can size the work. The first conversation is free and commits you to nothing.

What you get: A straight answer on whether this service fits, with anything urgent dealt with first

Step 02 We check the fit and confirm the scope, fee and timetable in writing

We look at the sums, the notices, the dates and any deadline running. You then get the scope, the fixed fee and the timetable in writing before any further work starts.

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

Step 03 You decide whether to go ahead

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

Step 04 You send us the paperwork

Everything in the list below that you have not already sent, in one go. Send each notice as the email that carried it, with its date and time intact.

- **If you are thinking of stopping work:** add what stopping would affect: the gangs and plant on site, hire periods and your next programme dates.

Step 05 We read the signed subcontract and fix the payment dates

We read the payment clauses and any main contract terms they bring in. For each unpaid sum we fix the due date, the notice windows and the final date for payment.

What you get: The payment dates for each unpaid sum, each traced to its clause

Step 06 We fix the sum due and its final date

For each unpaid sum we check the application, the Payment Notice and any Pay Less Notice. That fixes the sum due, its final date for payment and whether that date has passed.

What you get: Written confirmation of the sum due for each payment, and its final date

- **If your main contractor gave no valid notice:** we check whether your application stands as the sum due, or whether your subcontract needed your own default notice first. If it did, we prepare one for you to send.

Step 07 We check the reason for not paying and rate each sum

We read the chasers and replies for the reason given, any promise to pay and any admission of the debt. Each sum is rated on its evidence: clear, arguable or weak.

What you get: The debt schedule: each sum rated, with the reason given for not paying and our answer to it

- **If it has set off a cross-claim without a valid Pay Less Notice:** the notified sum is still due, and the demand says so. Any cross-claim it has is for it to prove separately.

Step 08 We work out the interest and the recovery costs

Interest runs from the day after each final date to the day of payment. The rate comes from your subcontract or, where it gives none, the Late Payment of Commercial Debts (Interest) Act 1998.

What you get: The interest worksheet, sum by sum and period by period

- **Where the Late Payment of Commercial Debts (Interest) Act 1998 applies:** we add the fixed sum it allows for each debt and any reasonable recovery costs, without counting any cost twice.

Step 09 We report our position and recommend a route

You get a short report: the sum due, the interest, the reason given and our answer to it. It sets out each route with what it costs and risks, and the one we recommend.

What you get: A short report on each route, and the demand ready to go in your name

- **Where you are thinking of stopping work:** we set out the conditions, the notice, what suspending would cost you and the risk if a condition fails, before you decide.
- **Where the sum justifies adjudication:** we set out what an adjudication for the notified sum involves, how long it takes and what it would cost you, before you decide.

Step 10 You approve the demand, or change or narrow it

You decide what is demanded and how firmly. Nothing goes to your main contractor until you approve it, and any legal question goes to your solicitor first.

Step 11 We track the reply and act on it

We read your main contractor's reply, and check what is paid against the demand, sum by sum.

What you get: Where each sum stands after the reply, with the next step and its date

Step 12 We negotiate and record anything agreed in writing

We handle the letters and meetings on what is still unpaid. Anything agreed is recorded in writing, with the date each payment is due.

What you get: A written record of what is agreed, with the date each payment is due

Step 13 You decide whether to settle, suspend or adjudicate

Once the demand and negotiation have gone as far as they will, you choose the next step for what is still unpaid. We set out the options with the sums at stake.

Step 14 We prepare the notice of intention to suspend, where you choose it

The Housing Grants, Construction and Regeneration Act 1996 requires at least 7 days' written notice of intention to suspend, stating the ground. We prepare it to your subcontract's notice clause for you to serve, and cost the suspension.

What you get: The notice of intention to suspend, ready for you to serve, and the cost of suspending

Step 15 We prepare the money side of an adjudication for the notified sum

We prepare the valuation, evidence and schedules. You or your solicitor run the adjudication. Under the Housing Grants, Construction and Regeneration Act 1996, the referral follows the notice of adjudication within 7 days. The decision is due within 28 days of referral, unless extended by agreement.

What you get: The money side of the adjudication, with every figure traced to the evidence

Step 16 We close it out

We check every payment, settlement or decision against what was due, interest included, and track it until the money arrives. Anything left open is recorded with who is dealing with it and by when.

What you get: A record of every sum paid, interest included, and of anything still open

Step 17 We close with the debt recovered and the Handover Pack

You receive a statement of overdue sums, recoverable interest and costs, with an approved demand, payment deadline and support through negotiations. The final record distinguishes sums paid, settled or decided from those still open.

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 this payment?

They have not paid it at all | They paid it in the end, but late | They paid part, and cut or held back the rest | They held money back for damage, cleaning or defects | They held money back as delay damages

Does a payment date or a notice deadline fall this week?

Yes | **No** | Not sure

Are there signs your main contractor is in trouble, such as other trades going unpaid?

No, not that I know of | Yes | Not sure

Is this about one payment, or several?

One payment | **Several payments**

Do you have a signed copy of your subcontract?

Yes | No, it was never signed, or the terms are disputed | Not sure

Did you send your application or invoice on the date, and in the way, your subcontract says?

Yes | No, it was late or sent another way | Not sure

Can you show when you sent it, such as the email that carried it?

Yes | No | **Not sure**

Did your main contractor send a Payment Notice for this payment?

Yes, on time, with the sum and how they worked it out | Yes, but it came late, or gave no sum or workings | **No** | Not sure

Did they send a Pay Less Notice?

Yes, in time, with the sum they will pay and how they worked it out | Yes, but it came late, or gave no sum or workings | **No** | Not sure

Has the final date for payment passed?

Yes, it has passed | No, it is still ahead | Not sure

What reason has your main contractor given for not paying?

No real reason: no reply, or only promises to pay | It says it has not been paid itself | **It disputes my figures, or says I owe it money** | It says it cannot pay at the moment

Have you stopped work, or are you thinking of stopping, because you have not been paid?

No | **I am thinking about it** | Yes, I plan to stop this week, or I already have

Does your subcontract set its own interest rate for late payment?

Yes | Yes, but the rate looks very low | **No, it says nothing about interest** | 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.