In UK Small Companies Waiting Mort than Â£35bn in Late Payment by Alen Felix

Article published on May 21st 2012 | Business

In UK with large businesses insisting on payment terms of as much as 120 days, many suppliers could be waiting up to five months to be paid for work. According to Bacs, Unpaid bills to small suppliers are now at the highest level in almost five years with combined debts up by almost Â£2bn compared to the first half of last year. Bacs stated that the average company is waiting almost 30 days longer than agreed payment terms to have their invoices settled. With large businesses insisting on payment terms of as much as 120 days, many suppliers could be waiting up to five months to be paid for work. Bacs revealed that the average small firm had Â£45,000 worth of unpaid invoices at the end of 2011, up from Â£39,000 in the first half of the year.

Bacs which runs Direct Debit also revealed that big businesses are least likely to pay suppliers on time, behind the public sector, small and medium-sized firms and individuals. As per the report by the all party Parliamentary Small Business Group published this week recommended that all companies supplying the public sector should be forced to sign the 'Prompt Payment Codeâ€™, a voluntary scheme which promotes good payment practice. But the report also noted that there is currently â€œno adequate enforcementâ€• of the Code so â€œalternative solutionsâ€• may have to be cor

The rules which allow companies to charge interest on unpaid bills are rarely used and the Government has admitted that late payment legislation â€œhasnâ€™t workedâ€•. Chief executive of the Institute of Credit Management Philip King stated that the Government should pressure big business to improve their payment practices by only awarding public sector contracts to firms which â€œcan demonstrate a genuine commitmentâ€• to good payment practices. Apply with instant bad credit loans @ http://www.instantbadcreditloans.co.uk/ and get some fast credit services for your urgent needs.

As per the separate research by ABN AMRO Commercial Finance suggests the slow payment could be part of a wider cash flow squeeze, with small firmsâ€™ domestic turnover falling by 7pc over the first three months of 2012. A sky towering debt record of Â£35.3bn to small and medium-sized business has been set up to small and medium-sized business. This condition is really making the situation of United Kingdom worse which is still suffering from economic crises. And the government should have to take some correct measures to rectifying all the problems with cool head.

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Article Keywords:
Small firms, debt, finance

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