

OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

Major UK Firms to Disclose Supplier Payment Timeframes

July 27, 2025

– Categories: Finance



Download IPFS

Large companies in the United Kingdom will soon be required to publish how long they take to pay their suppliers, as part of a new regulatory push designed to improve transparency and support smaller businesses.

Under upcoming reforms, the Department for Business and Trade is expected to strengthen existing payment reporting obligations for companies meeting specific size thresholds. The

objective is to reduce delays in supplier payments, a long-standing issue that has placed significant financial strain on small and medium-sized enterprises (SMEs). These new measures will compel big businesses to publicly report their payment practices twice annually, providing clear data on how swiftly or slowly they are settling invoices.

Late payments have been a persistent obstacle for SMEs, many of which operate on thin margins and rely on predictable cash flow. According to government figures, over £20 billion is currently locked up in outstanding invoices, much of it owed by larger corporations to their smaller counterparts. Business Secretary Kemi Badenoch has emphasised that prompt payments are not just a matter of fairness, but a necessary step to build a more resilient and competitive economy.

The reform builds on the existing Payment Practices Reporting framework, introduced in 2017, but now adds greater enforcement and visibility. Companies that fail to comply could face penalties or reputational damage, as the public and business partners will be able to scrutinise their payment behaviour. The government believes this will incentivise better performance and discourage bad actors from exploiting their supply chains.

Industry groups have welcomed the move. Martin McTague, National Chair of the Federation of Small Businesses, stated: “Small firms are being crushed by late payments. Transparency is vital, but we also need meaningful consequences for those who continue to delay.”

While some large firms argue that complex procurement processes contribute to longer payment cycles, critics contend that many simply use smaller suppliers as de facto creditors. This practice, opponents say, undermines growth, discourages entrepreneurship, and weakens the broader business ecosystem.

With the new rules set to take effect soon, British businesses face increased pressure to clean up their payment practices or risk being called out for failing those who depend on them most.