



## Small Business Commissioner

Ian Cruse  
Committee Specialist  
Business, Energy and Industrial Strategy Committee  
House of Commons,  
London  
SW1A 0AA

Date: 6 May 2020

Dear Ian,

**Re: Business, Energy and Industrial Strategy Committee (The impact of coronavirus on businesses and workers) – written update on points for clarification**

Further to my appearance before the above select committee on 30 April 2020, I set out additional information and clarification on the question raised. My considered response for committee members is set out in the enclosed appendix to this letter.

Assuring you of my best intentions to work collaboratively with the Committee, I will be happy to answer any further questions it may have.

Yours sincerely

**Philip King**  
Interim Small Business Commissioner

Encs (1)



**APPENDIX: *Update to the oral evidence given at the Business, Energy and Industrial Strategy Committee meeting held on Thursday 30 April 2020 (The impact of coronavirus on businesses and workers).***

**Written submission from Philip King, Interim Small Business Commissioner**

This document sets out to expand my answers to the questions raised during the Business Energy and Industrial Strategy Committee meeting evidence gathering session. I would like to raise the following key points:

1. Richard Fuller MP referred to my open letter dated 2 April 2020, published and addressed to large businesses. He viewed this as an emollient approach and highlighted my plea to businesses and use of the words collaborative rather than confrontational. It would be remiss of me not to make the Committee aware that, in addition to this open letter, I wrote separate letters to Chief Executive Officers of a number of businesses demonstrating the worst behaviour. For these businesses, a more direct evidence-based approach was adopted but not made public as my powers do not permit me to name them without a complaint and full investigation.
2. Whilst I agree that Covid-19 is no excuse for poor payment, it has to be acknowledged that all businesses are under huge cashflow pressure and it would be wrong to assume that, just because a business is large, it has adequate cashflow. From my evidence-gathering conversations and subsequent observations I have learned that not all businesses are able to access government support initiatives and they are rightly having to manage their own liquidity to make sure they can survive.
3. Where businesses simply cannot pay all their suppliers I am writing to them to enter into high level dialogue; my aim is for them to identify and prioritise the most vulnerable businesses in their supply chain, and they will inevitably be the smallest. I believe such an approach will prevent the worst consequences, keep the supply chain intact, and support a sustainable UK recovery as we eventually move out of the pandemic crisis.

My aim is to support the much-welcomed wide range of Government initiatives created to help our UK businesses. In order to do this, I must act on intelligence and have open and trusted conversations with businesses of all sectors and sizes to understand the pressures and impact Covid-19 has placed on them.

It is easy to make a judgement or allegation about any business, but my decisions and actions are based on the rules of evidence. This approach, and applying legal principles that govern the proof of facts, protects the Office of the Small Business Commissioner should a large business choose to pursue legal proceedings in response to my action. It is important that both large and small businesses can highlight their concerns and issues to me in my independent role, and I need to be balanced and fair.

Where businesses are showing leadership through exemplary behaviour I will publicly name and praise them with the intention that others will reflect on that behaviour and emulate it. In parallel, I will encourage those businesses displaying their commitment to responsible supply chain management to sign up to the Prompt Payment Code where they have not already done so. We are seeing a steady increase in the number of signatories and I want this to continue.

I firmly believe that a collaborative approach by government, business and business organisations will achieve the necessary change in UK payment culture.