



Small Business
Commissioner

Small Business Commissioner's Report on Sambro International Ltd

September 2019

Small Business Commissioner's Report on SAMBRO INTERNATIONAL LTD

Summary of Complaint

A small business approached the Small Business Commissioner (SBC) on 15 February 2019 regarding late payment fees for a graphic design project delivered to Sambro International Ltd. The small business verbally agreed to 30-day payment terms from the receipt of invoice. An initial invoice was submitted on 6 November 2018 for £3150.00 requesting 30-day payment terms due by 6 December 2018. A second invoice was sent on 3 December 2018 for £2550.00 again, requesting 30-day payment terms due by 1 January 2019.



Paul Uppal, Small Business Commissioner

Payment was not received on the due date and the small business took follow-up action by contacting the Head of Design and the Softline Designer at Sambro International Ltd. After several weeks of exchanging emails, numerous phone calls and submission of further information the invoices remained unpaid. The small business contacted the SBC to seek support in resolving the issue.

The SBC investigation revealed that standard payment terms at Sambro International Ltd were 60-days and it was not normal practice to extend beyond this period. The Finance Director advised that the complaint would be investigated and shortly afterwards confirmed that the late payment was a result of changes in key personnel and the absence of a senior authorising manager who was overseas on business.

Payment for both invoices was received by the small business on 26 February 2019. The first invoice was paid 56 days outside the Sambro International Ltd standard contracted terms and the second invoice 23 days outside the contracted terms.

Outcome

Sambro International Ltd engaged positively with the SBC by investigating and resolved the complaint on the same day. Sambro International Ltd claimed this is the first time the business has found themselves in this position. They apologised to the small business and agreed to pay interest on the outstanding invoices.

The Commissioner made the following recommendations:

- Sambro International Ltd should ensure that contracts contain payment terms and conditions agreeable to both parties;
- If a verbal agreement is reached, the terms should be recorded in writing to avoid future problems;
- The statutory right to claim interest on late payment is stipulated in contracts;
- Contact details of relevant departments and specific individuals are obtained in advance to avoid delays in payment.

Support and guidance is available on the Small Business Commissioners website:
www.smallbusinesscommissioner.gov.uk

Brian Robinson, Financer Director of Sambro International Ltd commented:

"We engaged positively with the Commissioner to explain why this had happened and what we had done to improve the procedures, including the adoption of a single point of contact for all payment issues and a dedicated email address.

"We fully understand how hard it can be for small businesses and it was never our intention to cause delay or distress. We have apologised to our supplier and offered to pay interest."

Paul Uppal commented:

"Sambro International Ltd is an established large business that has been recognised for going above and beyond to support the brands they work with but in this instance the same ethos was not applied to its small business supply chain.

"I often find that administration and personnel issues are used as common excuses for justifying late payments, but large businesses must have a greater focus on continually improving their processes to ensure prompt payment and transparency for small businesses.

"It is encouraging to see that Sambro International Ltd have complied with my recommendations and I hope they use the lessons learnt to improve their future payment practices and supplier relations."

Complaint Timeline

06/11/2018	Small business submitted an invoice for fees in relation to graphic design project undertaken for Sambro International Ltd totalling £3150.00.
03/12/2018	Small business submitted a second and final invoice for £2550.00 to Sambro International Ltd.
15/01/2019	Small business contacted Sambro International Ltd.'s Head of Design to request status of invoices.
21/01/2019	Small business contacted Sambro International Ltd.'s Softline Designer to advise payment not received for both invoices and requested expected payment date.
21/01/2019	Small business received reply from Softline Designer, advising contact would be made with Head of Design the following day.
24/01/2019	Small business received response from Sambro International Ltd, Head of Design requesting further information regarding invoice dated 3 December 2018. Small business provided relevant information on same day.
11/02/2019	Small business contacted the Head of Design at Sambro International, requesting the payment status of both outstanding invoices. Sambro International Ltd advised their request would be followed up with accounts payable.
15/02/2019	The invoices remained outstanding and the small business contacted SBC for assistance.
26/02/2019	Sambro International Ltd, Finance Director contacted SBC to advise investigation would be launched and outcome would be reported to the Commissioner.
27/02/2019	Small business contacted SBC to advise payment received in full.
04/09/2019	The Finance Director at Sambro International Ltd contacted the SBC to advise an apology was made to small business and agreement to pay interest on outstanding invoices was reached. Investigation and resolution of the complaint was solved on same day SBC contacted Sambro International Ltd.

Glossary

Complaints Handling Scheme

Small businesses can complain to the [Small Business Commissioner](#) about payment problems they are encountering concerning their larger business customers, making non-binding recommendations on how the parties should resolve their disputes.

Larger Business (Medium or Large Business)

Larger business means a business that is not a small business. A larger business will therefore have more than 50 employees and will encompass both medium and large businesses as defined by the [Companies Act 2006](#).

The full definition of a larger business in relation to the Small Business Commissioner complaints handling service can be found in [The Enterprise Act 2016](#).

Small Business

For the purpose of determining who is in scope of the Small Business Commissioner complaints handling scheme, a small business is a business which has fewer than 50 employees.

The full definition of a small business in relation to those in scope of the Small Business Commissioner complaints handling service can be found in [The Small Business Commissioner \(Scope and Scheme\) Regulations 2017](#).

The Office of the Small Business Commissioner

This document can be downloaded from
www.smallbusinesscommissioner.gov.uk

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