



HSPCL Late Payment Policy

Purpose

This Late Payment Policy outlines our terms regarding overdue invoices in line with UK legislation to ensure fairness, transparency, and timely settlement.

Payment Terms

- All invoices are due within **30 days** of the invoice date, unless otherwise agreed in writing.
- Payments should be made by **bank transfer or cheque**.

Late Payments

- If cleared payment is not received by the due date, the invoice will be deemed overdue.
- In accordance with the *Late Payment of Commercial Debts (Interest) Act 1998*, statutory interest will be applied at **8% above the Bank of England base rate**, accruing daily until full payment is received.
- A fixed **compensation fee** will also be applied per overdue invoice:
 - £40 for debts up to £999.99
 - £70 for debts £1,000 to £9,999.99
 - £100 for debts £10,000 and above
- If the reasonable costs of recovering the debt exceed the fixed compensation fee, additional recovery costs may also be charged.

Communication

- Reminder notices will be issued once an invoice becomes overdue. Reminders will be sent after one day, seven days and fourteen days.
- After three weeks of a payment being overdue, a summary statement will be sent by email on a weekly basis.
- Continued non-payment may result in suspension of services until payment is made.
- Persistent failure to pay may lead to referral to a debt collection agency or legal proceedings. Any costs incurred in recovering the debt will be added to the outstanding balance.

Terms and conditions following more than one late payment

- Credit facilities for clients who default on our terms and conditions by having overdue payments will be reduced, or removed, in line with the following conditions:
 - If **three** invoices are overdue in any **twelve-month** period, payment credit terms will be reduced from **30** days to **14** days.
 - If **four** invoices are overdue in any **twelve-month** period, payment credit terms will be reduced from **14** days to **7** days.
 - If **six** invoices are overdue in any **twenty-four-month** period, payment credit terms will be removed, and payment will be required **before** any services are provided by HSPCL for the client.



- If a director of HSPCL considers that credit terms can be reinstated for a client, they will be informed by email of the revised terms and reinstatement date.

Disputed Invoices

- If a client believes an invoice is incorrect, they must notify us in writing (email is acceptable) within **7 days** of receipt.
- Any undisputed portion of an invoice must be paid in line with the standard terms.

Commitment

We are committed to maintaining strong business relationships. This policy ensures that services are delivered efficiently and that all parties are treated fairly under UK law.

Peter Robertshaw

Director

1st January 2026

(attached below, government advice)



Late commercial payments: charging interest and debt recovery: When a payment becomes late - GOV.UK

<https://www.gov.uk/late-commercial-payments-interest-debt-recovery/print>

Late commercial payments: charging interest and debt recovery

1. When a payment becomes late

You can claim interest and debt recovery costs if another business is late paying for goods or a service. If you agree a payment date, it must usually be within 30 days for public authorities or 60 days for business transactions. You can agree a longer period than 60 days for business transactions - but it must be fair to both businesses.

If you do not agree a payment date, the law says the payment is late 30 days after either:

- the customer gets the invoice
- you deliver the goods or provide the service (if this is later)

2. Interest on late commercial payments

The interest you can charge if another business is late paying for goods or a service is 'statutory interest' - this is 8% plus the Bank of England base rate for business-to-business transactions. You cannot claim statutory interest if there's a different rate of interest in a contract.

You cannot use a lower interest rate if you have a contract with public authorities.

Check the current Bank of England base rate and previous rates

(<http://www.bankofengland.co.uk/boeapps/iadb/Repo.asp>).

Example

If your business were owed £1,000 and the Bank of England base rate were

0.5%: the annual statutory interest on this would be £85 ($1,000 \times 0.085 = £85$) divide £85 by 365 to get the daily interest: 23p a day ($85 / 365 = 0.23$) after 50 days this would be £11.50 ($50 \times 0.23 = 11.50$)

Send a new invoice if you decide to add interest to the money you're owed.

3. Claim debt recovery costs on late payments

You can also charge a business a fixed sum for the cost of recovering a late commercial payment on top of claiming interest from it.

The amount you're allowed to charge depends on the amount of debt. You can only charge the business once for each payment.

Amount of debt What you can charge

Up to £999.99 - £40

£1,000 to £9,999.99 - £70

£10,000 or more - £100

These amounts are set by late **payment legislation**.

If you're a supplier, you can also claim for reasonable costs each time you try to recover the debt.

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