

# Survey Findings: Proposals to change the Prompt Payment Code

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26 February 2015

## **Introduction**

The Department for Business Innovation and Skills, in conjunction with the Chartered Institute of Credit Management, are working to strengthen the impact of the Prompt Payment Code. From 6 December to the 9 January, we surveyed members and non-members to the Code for their views on our proposals to change the Prompt Payment Code.

The survey asked for opinions on:

- amending the code
- monitoring and enforcement of the code
- improving information on the code's website
- funding the code for the future

## **Methodology**

The survey was hosted on the Survey Monkey website and asked members and non-members of the Prompt Payment Code for their views on reforms to the Code. To raise its awareness of the survey to potential participants, we sent emails to 1734 then members of the Prompt Payment Code (using the Survey Monkey tool) and released a press notice on our website to alert non-members.

In total we received 295 responses, 219 from members and 76 from non-members. The 219 responses we received from members represented 13% of the Code's membership.

## Survey Respondents

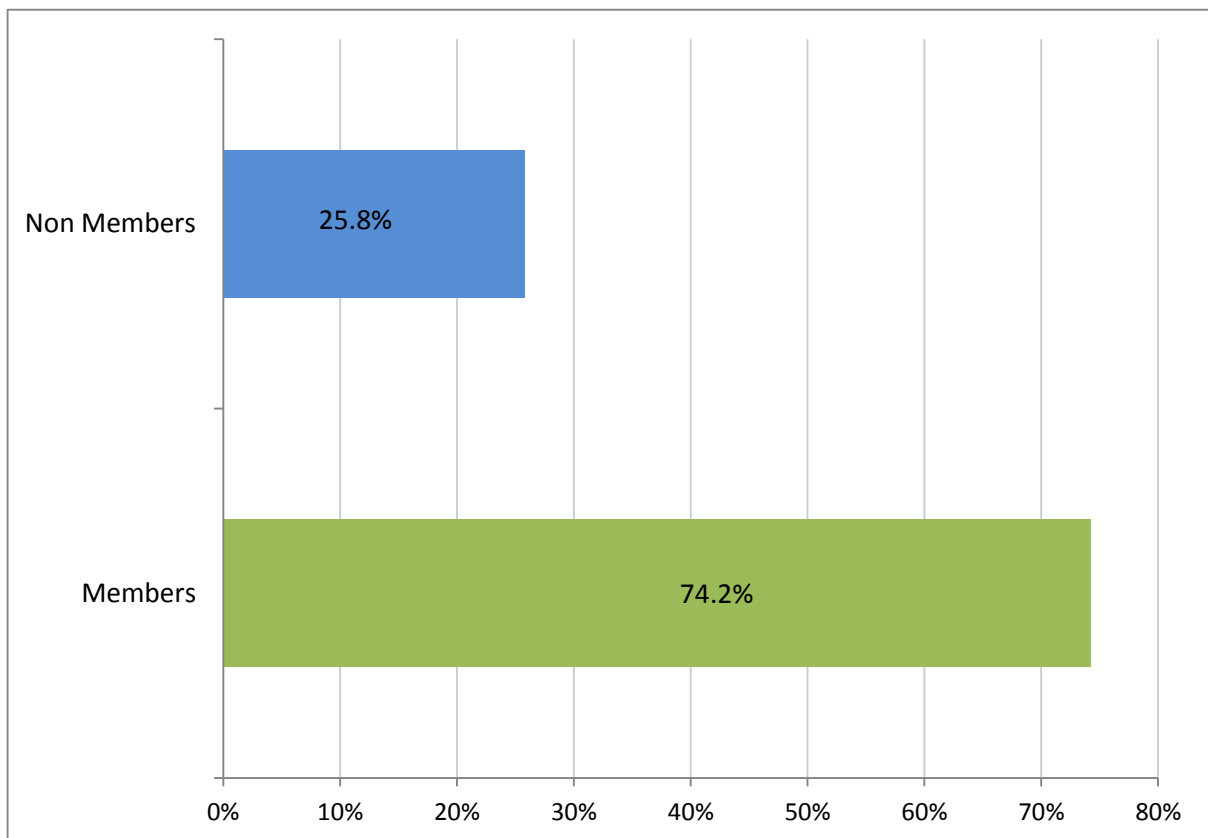
### Q. Are you a signatory to the Prompt Payment Code?

We asked respondents if they were signatories to the Prompt Payment Code.

**Table 1 – Number of participants by membership or non-membership**

Signatory	Number
Members	219 (74.2%)
Non-members	76 (25.8%)
Total	295 (100%)

**Chart 1 - Number of participants by membership or non-membership**



## Maximum Payment Term

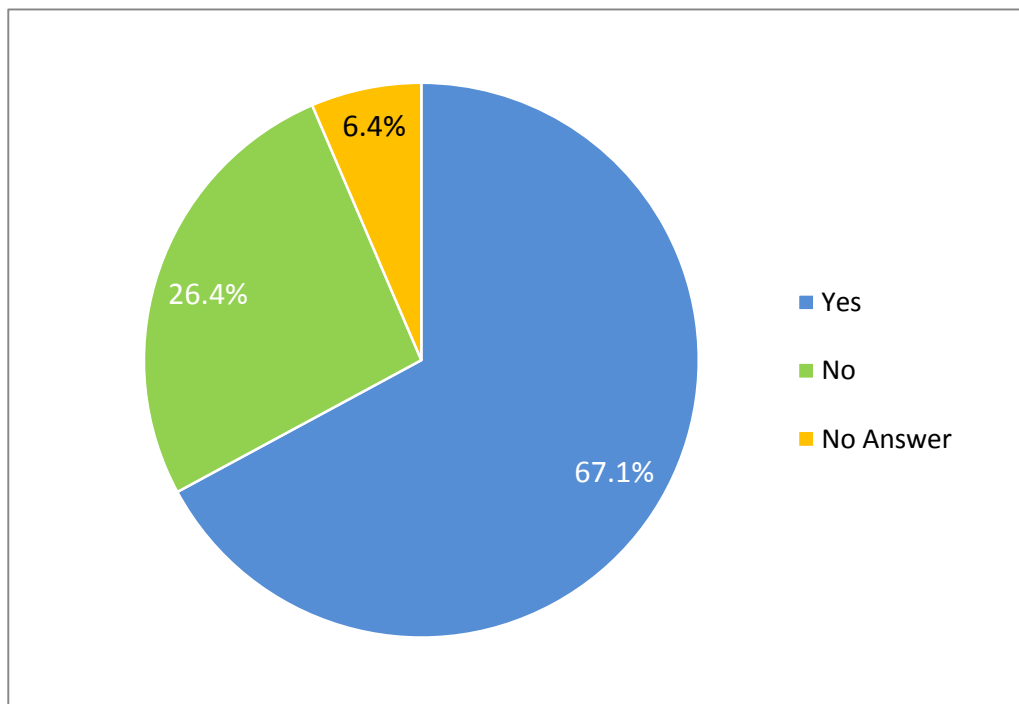
### Q. Do you think the Code should be amended to include a maximum payment length for all signatories?

The Department asked responders to the survey whether the Code should be amended to include a maximum payment length for all signatories. We analysed this data among all participants, by members and non-members to the Prompt Payment Code.

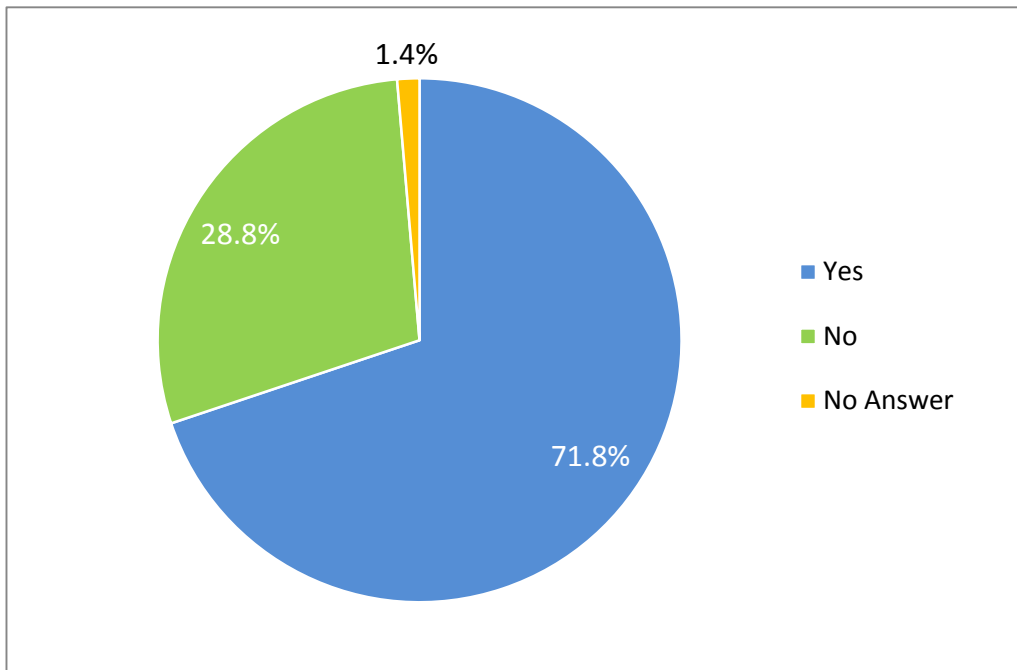
**Table 2- Number of participants who supported/ did not support a maximum payment length**

Support	Members	Non-members	All participants
Yes	153 (71.8%)	45 (59.2%)	198 (67.1%)
No	63 (28.8%)	15 (19.7%)	78 (26.4%)
No Answer	3 (1.4%)	16 (21.1%)	19 (6.4%)
Total	219 (100%)	76 (100%)	295 (99.9%)

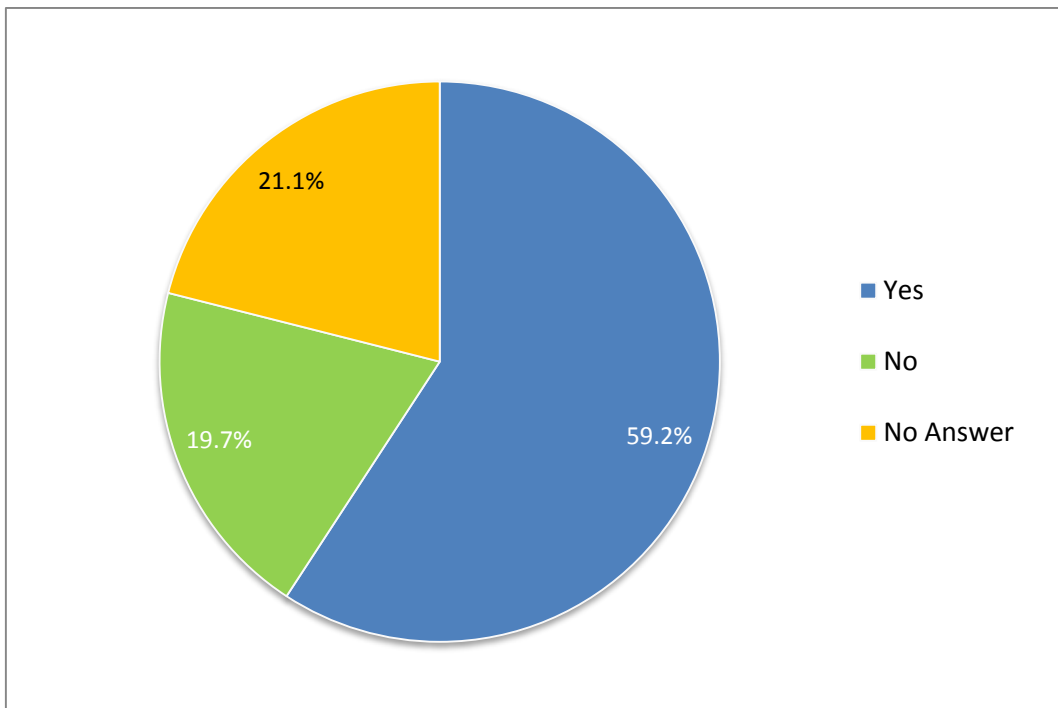
**Chart 2- The percentage of participants who supported/ did not support a maximum payment length**



**Chart 3- The percentage of members who supported/ did not support a maximum payment length**



**Chart 4- The percentage of non-members who supported/ did not support a maximum payment length**



## Length of the Maximum Payment term

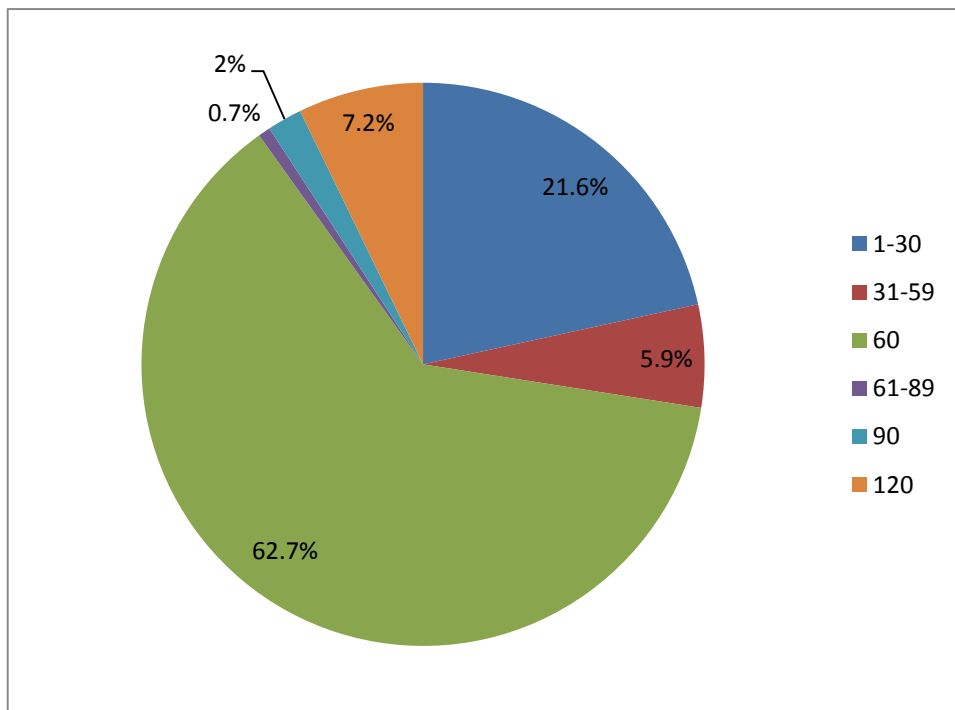
### Q. If yes, how long should the maximum payment term be set at?

We asked respondents who supported the maximum payment term to indicate their preferred maximum payment length for Code signatories. We analysed this data among all participants, by members and non-members to the Prompt Payment Code.

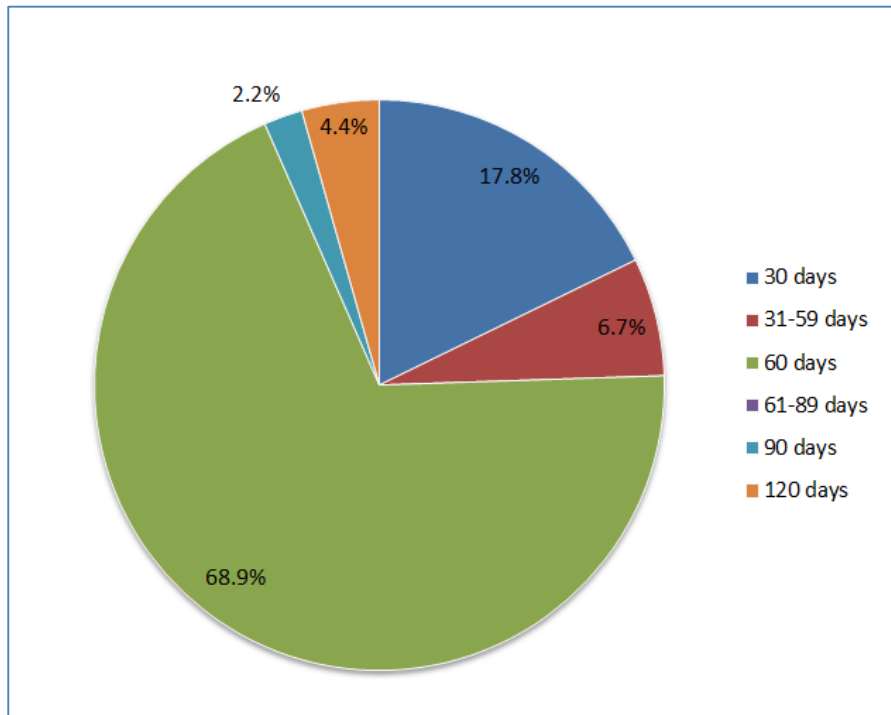
**Table 3– Supporters to the maximum payment term by length of the term.**

Days	Members	Non Members	All Participants
1-30	33 (21.6%)	8 (17.8%)	41 (20.7%)
31-59	9 (5.9%)	3 (6.7%)	12 (6.1%)
60	96 (62.7%)	31 (68.9%)	127 (64.1%)
61-89	1 (0.7%)	0 (0.0%)	1 (0.5%)
90	3 (2.0%)	1 (2.2%)	4 (2.0%)
120	11 (7.2%)	2 (4.4%)	13 (6.6%)
Total	153	45	198 (100%)

**Chart 5– The percentage of members who supported payment length terms.**



**Chart 6– The percentage of non-members who supported payment length terms.**



## Levels of Support for a membership fee

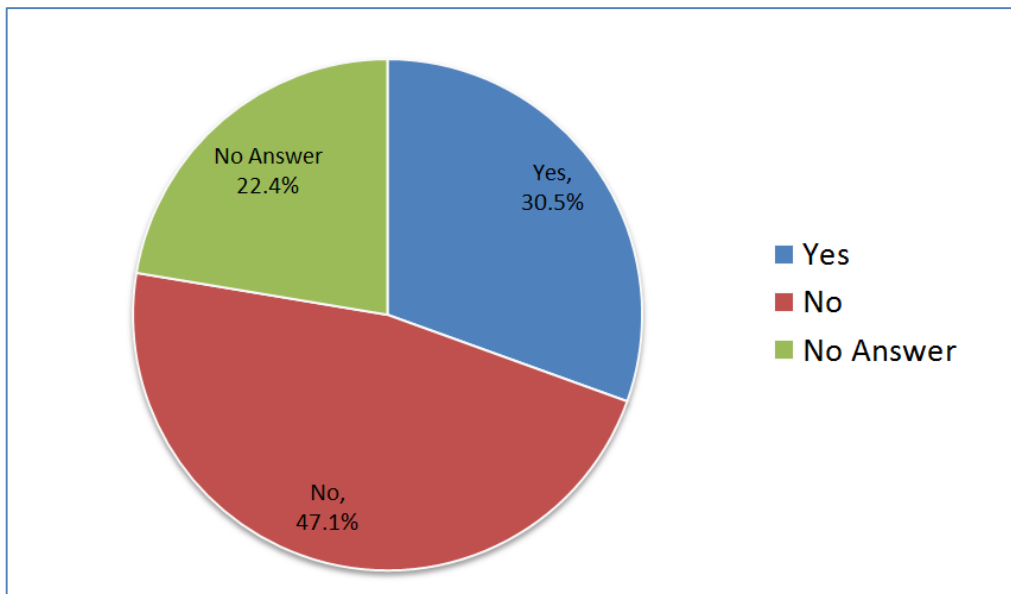
### Q. Would you be prepared to pay a small membership fee?

We asked respondents if they would support a membership fee for Code signatories. We analysed this data among all participants, by members and non-members to the Prompt Payment Code.

**Table 4- Levels of support for a membership fee**

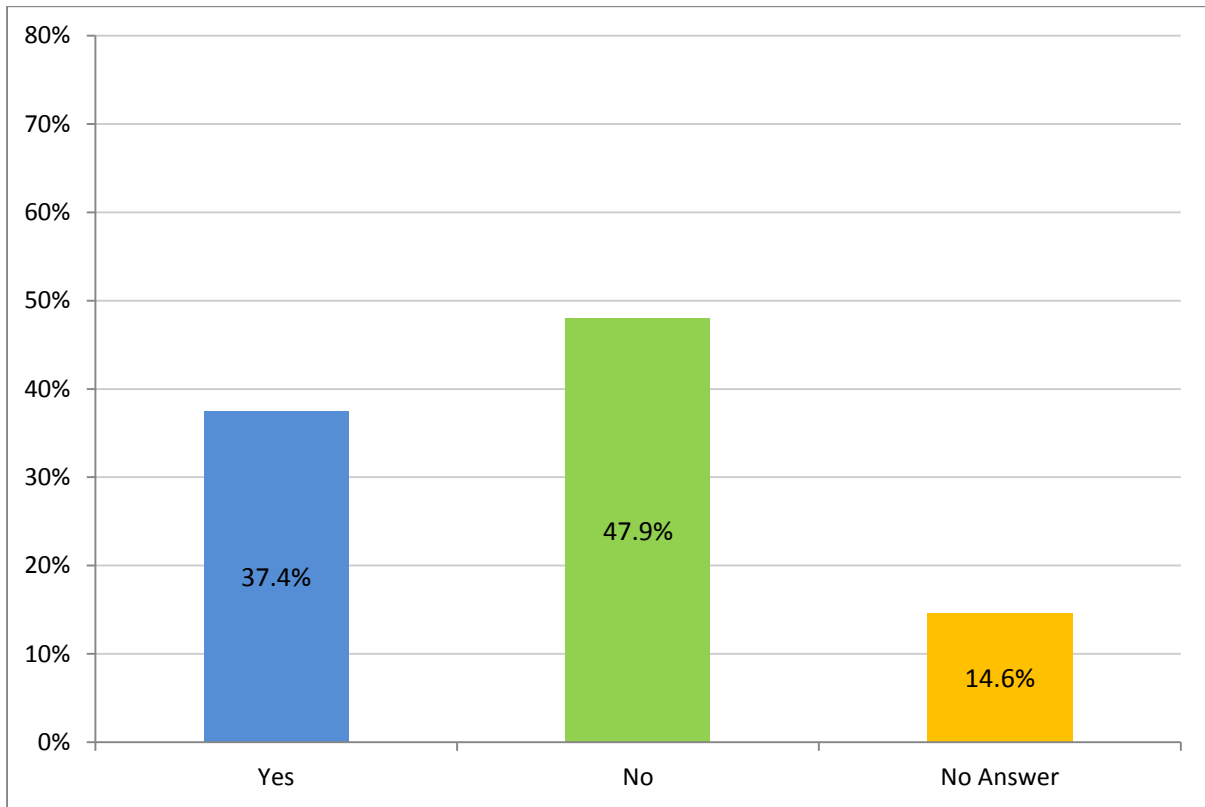
Answer	Members	Non Members	All Participants
Yes	82 (37.4%)	8 (10.5%)	90 (30.5%)
No	105 (47.9%)	34 (44.7%)	139 (47.1%)
No Answer	32 (14.6%)	34 (44.7%)	66 (22.4%)
Total	219 (99.9%)	76 (99.9%)	295 (100%)

**Chart 7 – Levels of support for a membership fee all participants**

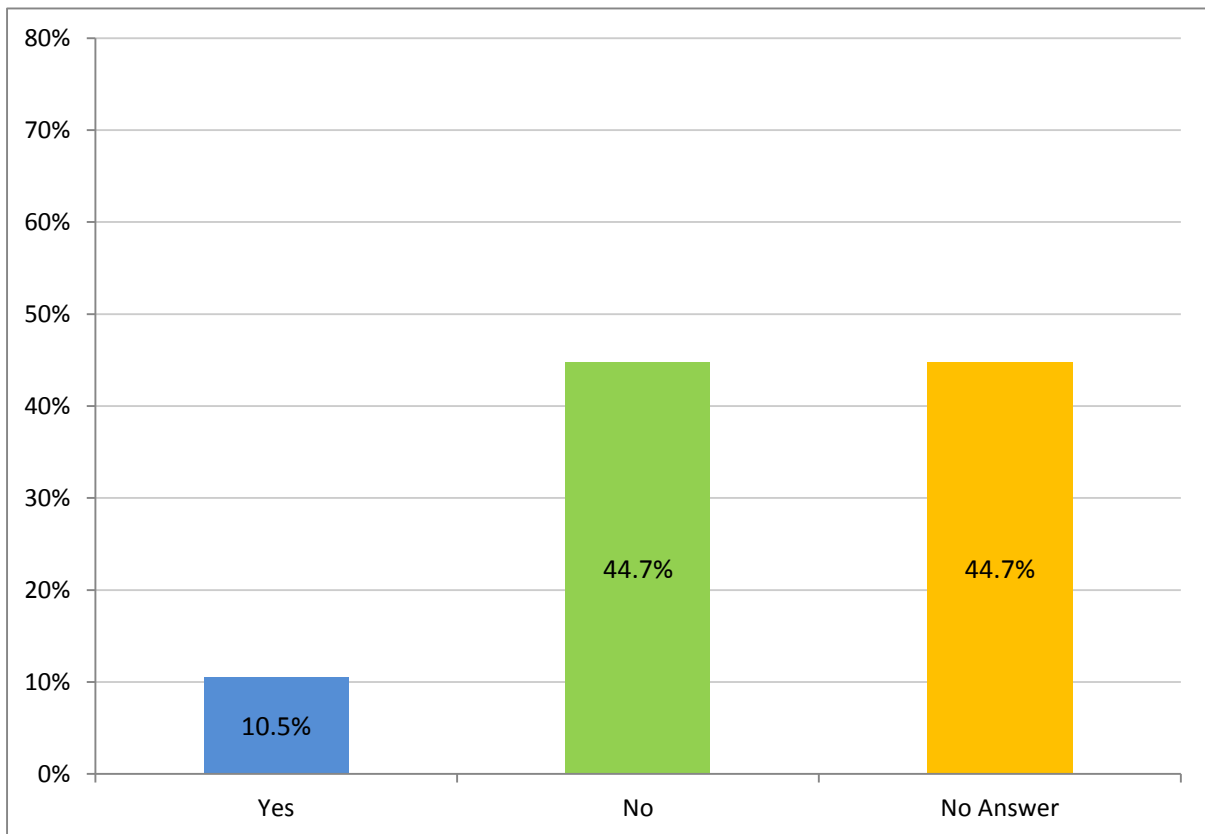




**Chart 8 - Members who would be willing to pay a membership Fee**



**Chart 9 - Non-Members who would be willing to pay a membership Fee**



## Amount participants who agreed would be willing to pay

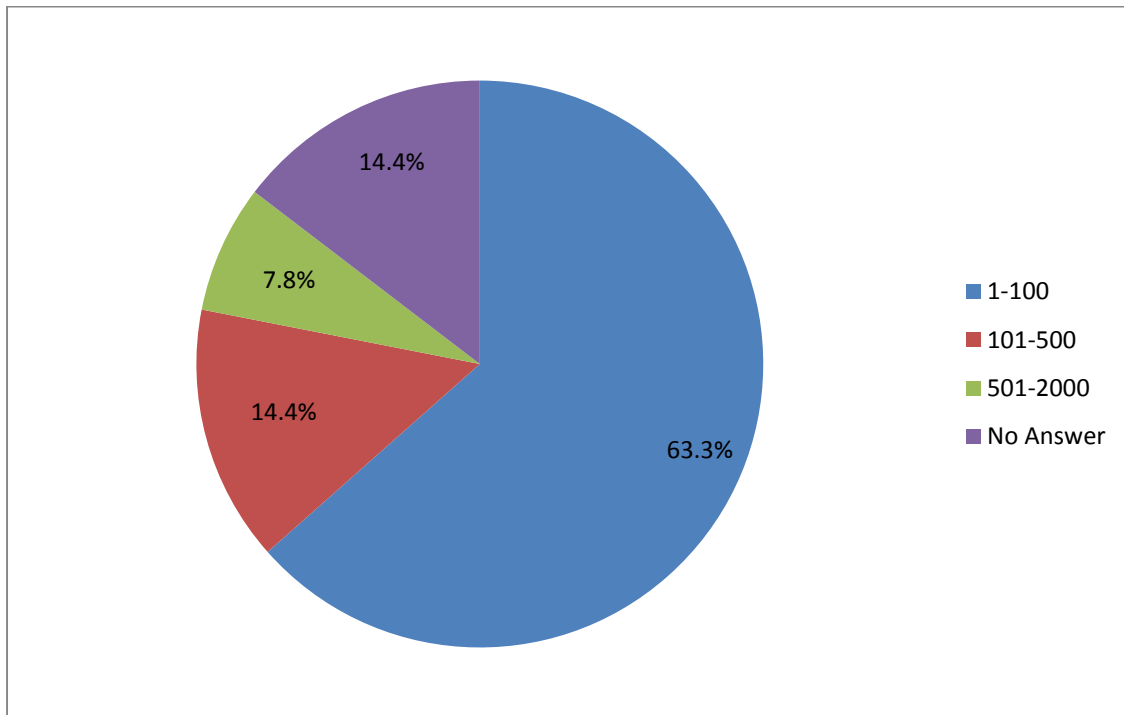
### Q. How much would you be willing to pay for membership?

We asked respondents who agreed that they would be willing to pay for membership how much they would be willing to pay. We analysed this data among all participants and members to the Prompt Payment Code. The numbers for non-members were too small to offer any significant statistical analysis.

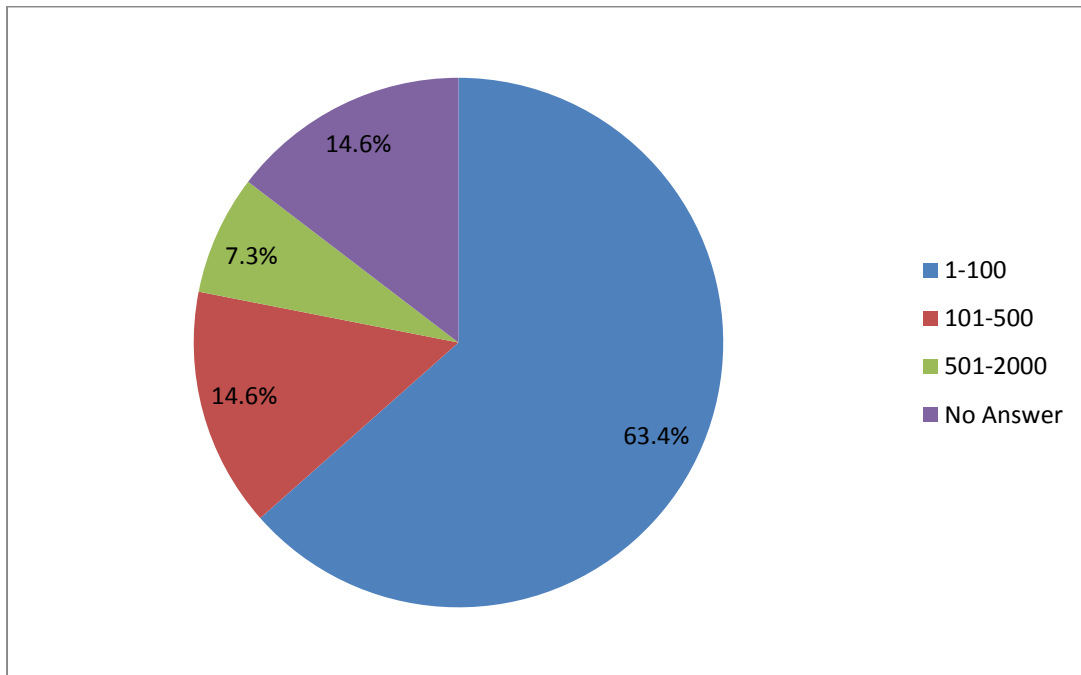
**Table 5- Supporters of membership fees to by amount they would be willing to pay.**

Value (£)	Members	Non Members	All Participants
1-100	52 (63.4%)	5	57 (63.3%)
101-500	12(14.6%)	1	13 (14.4%)
501-2000	6 (7.3%)	1	7 (7.8%)
No Answer	12 (14.6%)	1	13 (14.4%)
Total	82 (99.9%)	8	90 (99.9%)

**Chart 10- All Participants who supported a membership fee by the amount of money they would be willing to pay**



**Chart 11 – Current members who supported a membership fee by the amount of money they would be willing to pay**



## Providing information on a comply or explain basis

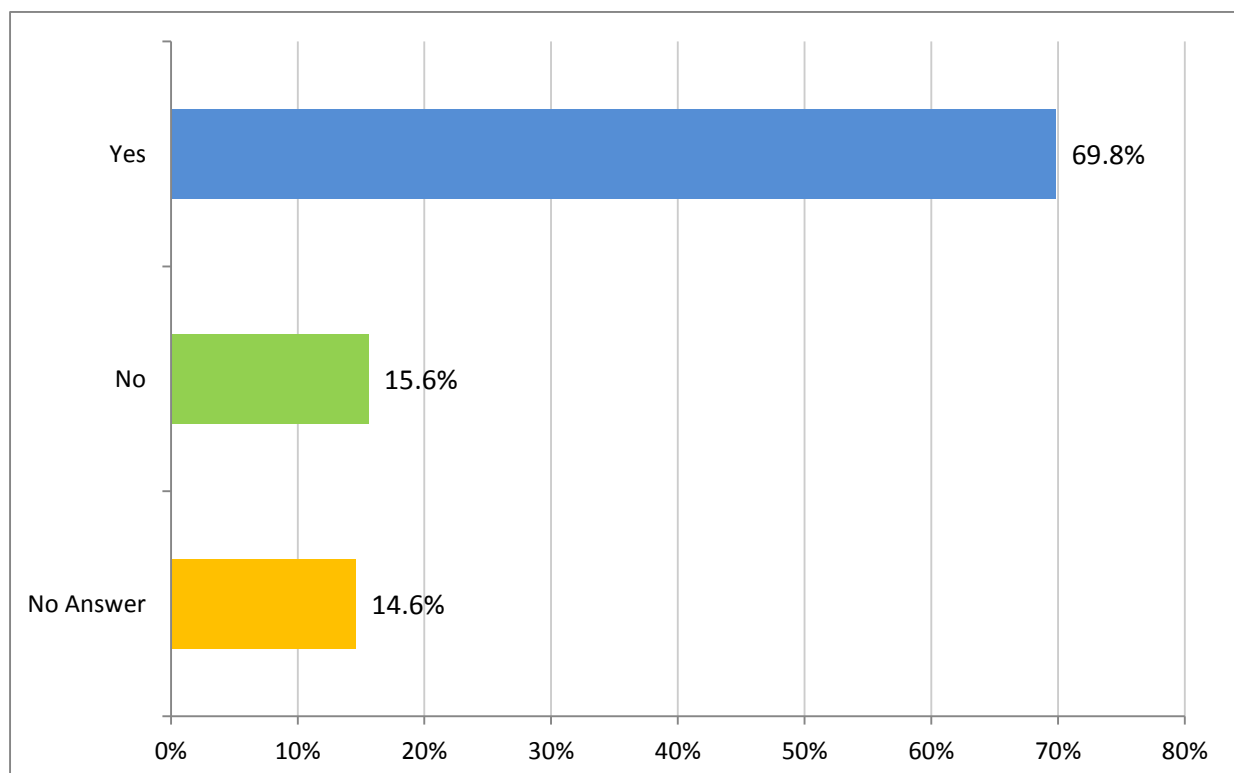
**Q. Should signatories outside the scope of the Government’s reporting requirement provide basic information on their payment terms on a comply or explain basis? By this we mean a signatory will need to explain why they have chosen not to comply.**

We asked if signatories outside the scope of the Government’s reporting requirement provide basic information on their payment terms on a comply or explain basis.

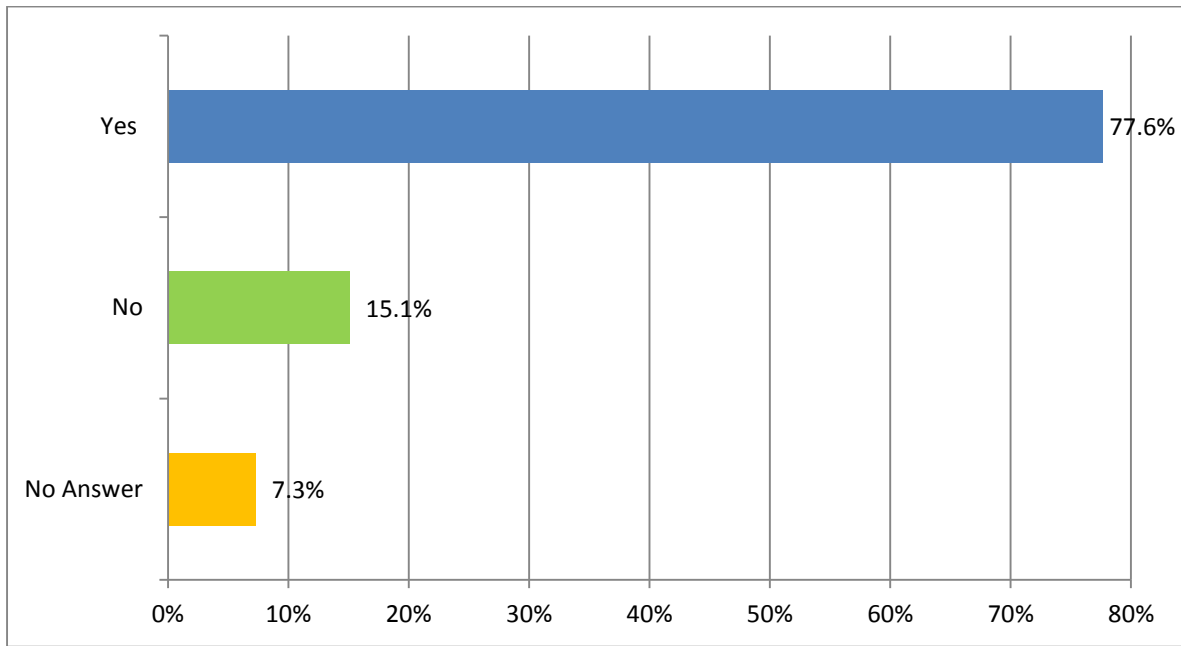
**Table 6– Level of support for providing information on a comply or explain basis**

Answer	Members	Non Members	All Participants
Yes	170 (77.6%)	36 (47.4%)	206 (69.8%)
No	33 (15.1%)	13 (17.1%)	46 (15.6%)
No Answer	16 (7.3%)	27 (35.5%)	43 (14.6%)
Total	219 (99.9%)	76 (100%)	295 (100%)

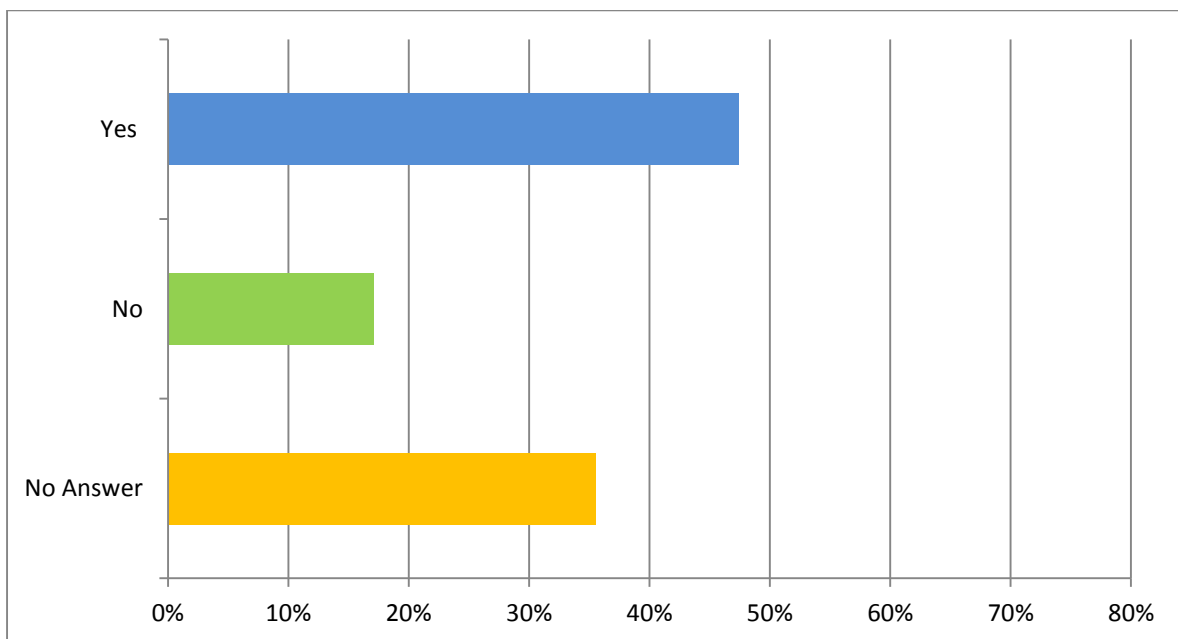
**Chart 12– Levels of support for providing information on a comply or explain basis**



**Chart 13– Levels of support among members for providing information on a comply or explain basis**



**Chart 14- Levels of support among members for providing information on a comply or explain basis**



## The length of time participants said should elapse between reports

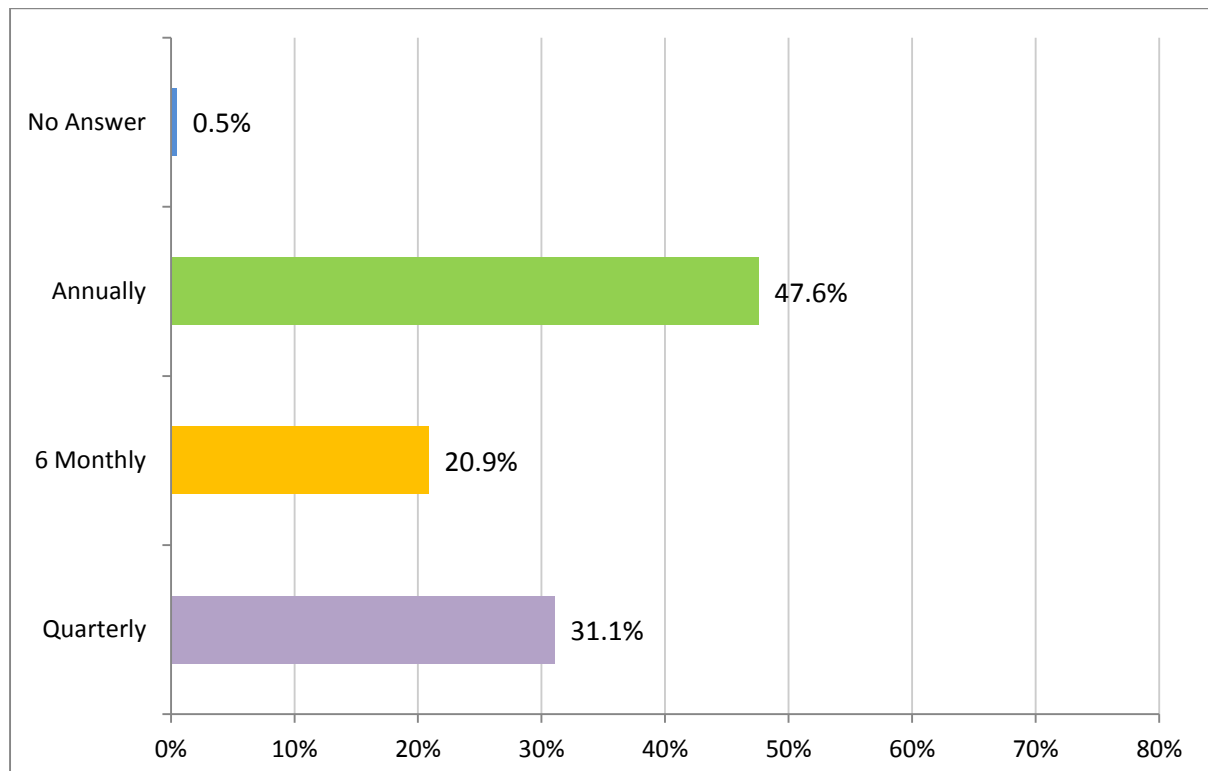
### Q. If yes, how often should they provide this information?

We asked those who agreed that signatories outside the scope of the Government's reporting requirement should provide basic information how much time should elapse between reports.

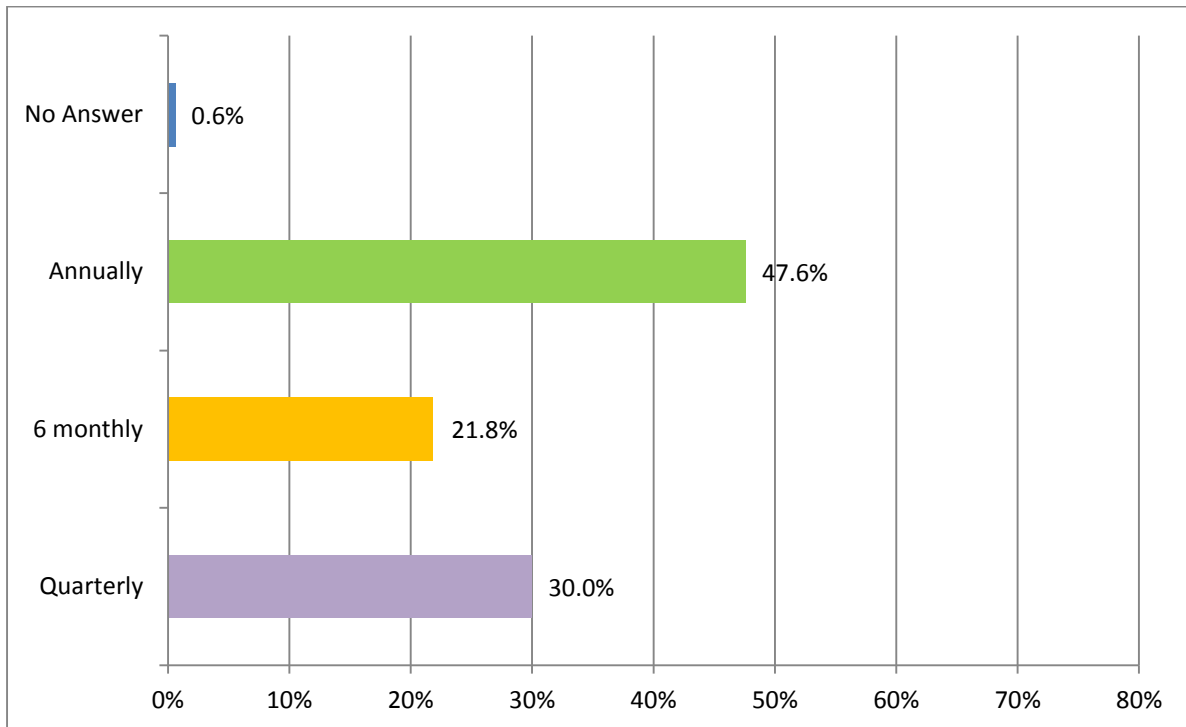
**Table 7– The time that should elapse between reports**

Answer	Members	Non Members	All Participants
Annually	81 (47.6%)	17 (47.2%)	98 (47.6%)
6 Monthly	37 (21.8%)	6 (16.7%)	43 (20.9%)
Quarterly	51 (30.0%)	13 (36.1%)	64 (31.1%)
No Answer	1 (0.6)	0 (0.0%)	1 (0.5%)
Total	170 (100%)	36 (100%)	206 (100.1%)

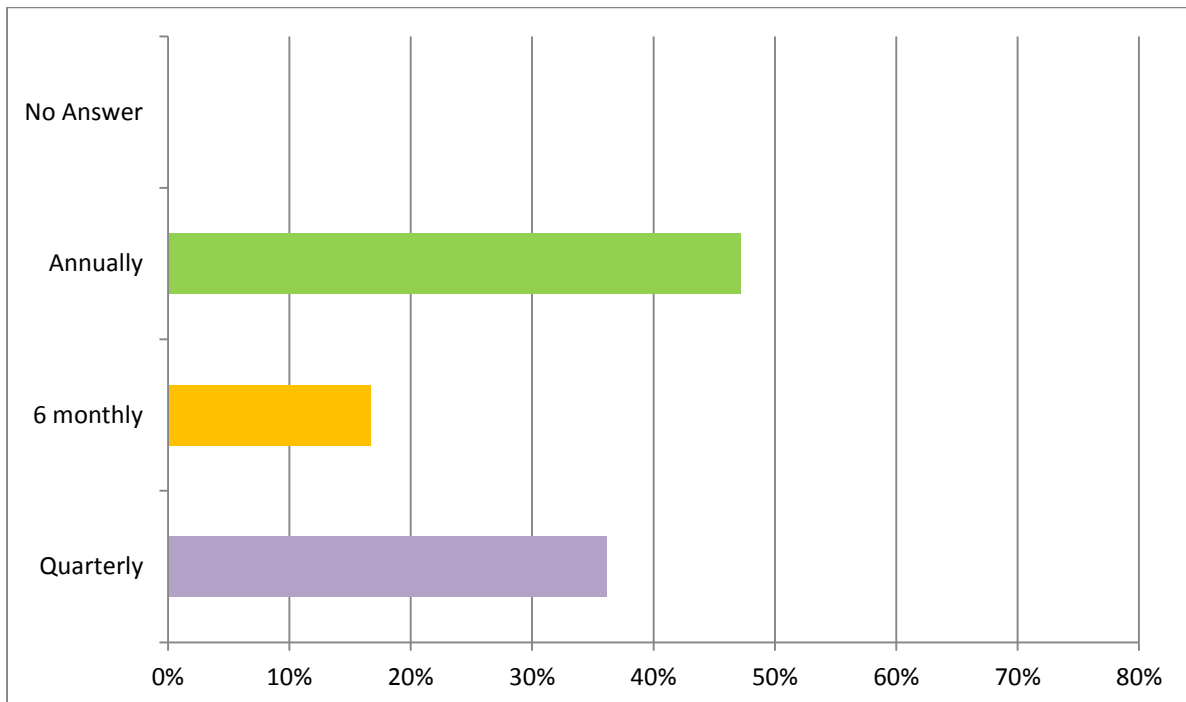
**Chart 15 – The time that should elapse between reports by all participants**



**Chart 16– Levels of support for the time that should elapse between reports by members**



**Chart 17– Levels of support for the time that should elapse between reports by non-members**



## Reference Process

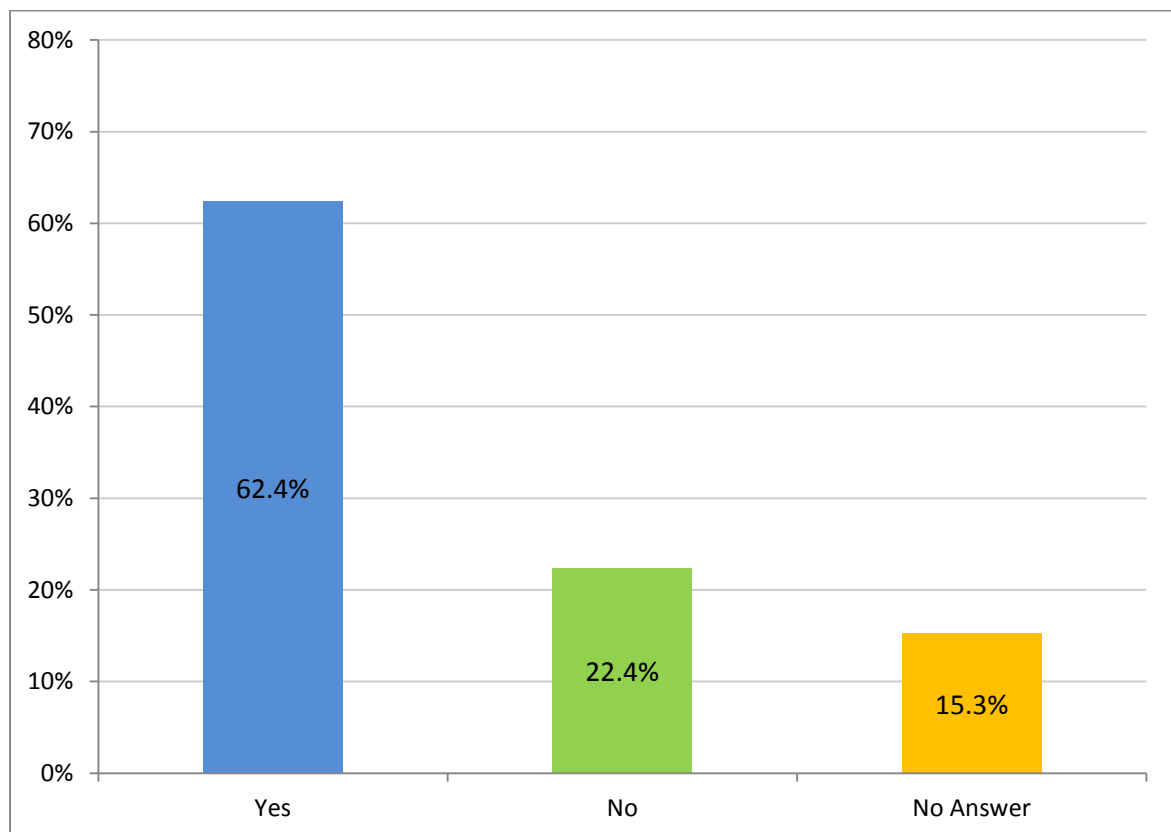
### Q. Should the PPC sign up and checking process be strengthened by checking an increased and random sample of references?

We asked if the Prompt Payment Code sign up and checking process should be strengthened by checking an increased and random sample of references.

**Table 8– The levels of support for strengthening the reference checking process**

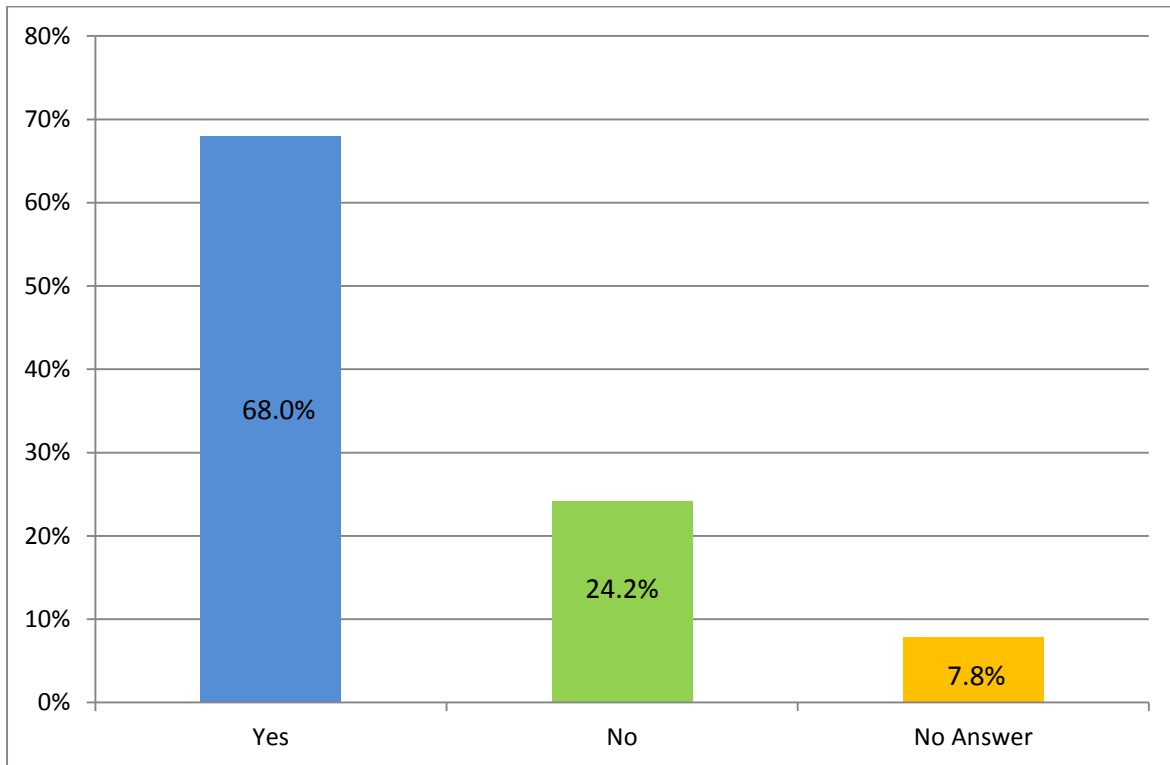
Answer	Members	Non Members	All Participants
Yes	149 (68.0%)	35 (46.1%)	184 (62.4%)
No	53 (24.2%)	13 (17.1%)	66 (22.4%)
No Answer	17 (7.8%)	28 (36.8%)	45 (15.3%)
Total	219 (100%)	76 (100%)	295 (100.1%)

**Chart 18– Levels of support for the PPC sign up and checking process to be strengthened by all participants**





**Chart 19– Levels of support for the PPC sign up and checking process to be strengthened by members**



**Chart 20 - Levels of support for the PPC sign up and checking process to be strengthened by non-members**

