



Department  
for Business  
Innovation & Skills

Government Response

Small Business Commissioner

SEPTEMBER 2015

## Government Response to the consultation on the Small Business Commissioner

Small businesses are vital to our economic growth. Encouraging a change in how businesses deal with each other – a long-lasting culture change to promote fair treatment for all - is at the heart of our drive to help our small businesses. While many large businesses operate fairly, we understand that there are some who may take advantage of small businesses. If companies apply a ‘winner takes all’ approach to commercial dealings which is unfair to small businesses, then the economy as a whole can suffer. I want to put an end to that sort of behaviour.



I am therefore delighted to be able to announce today that the Government will legislate to create a Small Business Commissioner through the Enterprise Bill.

I want the Commissioner to act as a disincentive to unfavourable payment practices, and build the confidence and capabilities of small businesses to help them to assert themselves in contractual disputes and negotiate more effectively.

In July 2015, I published a [discussion paper](#)<sup>1</sup> which sought views on the Government’s current understanding of the problems that small businesses face and our thinking about possible solutions. The consultation closed on 21 August 2015 and in general, stakeholders who commented on the proposals, were broadly supportive of the solutions put forward. The Government will publish a summary of the responses shortly.

I am grateful to all who responded, and look forward to continued dialogue and engagement as the Bill progresses through Parliament. Our final proposals draw on findings from the consultation, stakeholder roundtable events, further evidence and factors including cost implications.

The Bill provides a clear legislative framework for the Small Business Commissioner. It will provide and facilitate information for small business. The Commissioner will:

- enable small businesses to resolve disputes and avoid future issues through general advice and information related to different ways of resolving disputes and the agreement of contracts;
- signpost to appropriate services e.g. sector ombudsmen or regulators, existing independent advice services, approved alternative dispute resolution (ADR) providers or the Commissioner’s own complaints handling function;

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/450695/BIS-15-438-a-small-business-commissioner.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/450695/BIS-15-438-a-small-business-commissioner.pdf)

- consider complaints by small business suppliers about payment issues with larger businesses that they supply.

Although there was some support for the direct provision of mediation by the Commissioner the Government does not consider that sufficient evidence has been provided of a market failure in existing mediation services. We are however persuaded of the need to raise awareness of different ways of resolving disputes, such as mediation, and that's why the Commissioner will have an important signposting role.

I want to establish this new service to make sure small businesses know where to turn when they have a dispute with a larger business, or feel they are being treated unfairly and where the cost and time involved in court action can be avoided. This is good for small and larger businesses and good for the economy as a whole.

**ANNA SOUBRY MP**

Minister of State for Small Business, Industry and Enterprise



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**BIS/15/548**