



Department
for Business
Innovation & Skills

Enterprise Bill: Small Business Commissioner

Issue:

Small Businesses are vital to our economic growth. But sometimes they can struggle in their commercial dealings with larger firms. Some small firms suffer because of an imbalance in bargaining power when dealing with large businesses. They may feel unable to challenge contract terms proposed or breaches of agreed terms for fear of damaging their commercial relationships. In particular, payment issues hit the cash flow of small firms, limiting their growth and, in some circumstances, putting them at risk of going under. Small businesses can lack the time, money or expertise to challenge practices they believe to be against the law.

Measure:

The measures will:

- establish a statutory Small Business Commissioner to enable small businesses to resolve disputes and avoid future issues through general advice and information, related to dispute resolution and contract principles;
- signpost small businesses to appropriate services, for example sector ombudsmen or regulators, existing independent advice services, approved alternative dispute resolution (ADR) providers or the Commissioner's own complaints handling function; and
- consider complaints by small business suppliers about payment issues with larger businesses that they supply.

Aims and Impact:

The measures will:

- support the government's ambition to make the UK the best place to grow a business;

- contribute to ensuring the business environment in the UK helps small businesses to thrive and grow, to help support the UK economy;
- raise awareness among small businesses of alternative dispute resolution procedures and where to seek support when they have issues or disputes with other businesses;
- build the confidence and capabilities of small businesses to access information and advice to help them to assert themselves in contractual disputes and negotiate more effectively; and
- encourage a change in how businesses deal with each other – a long-lasting culture change to promote fair treatment for all - especially in relation to payment practices.