Department for Business & Trade

Large businesses' payment practices and performance statistics

Methodology and background quality report

July 2026

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Introduction

Purpose

The Department for Business and Trade (DBT) produces Official Statistics which describe UK large businesses' payment performance. This report explains how the statistics are produced and assesses their quality, to support appropriate use and interpretation.

The statistics were first published in July 2026, with subsequent publications every July thereafter.

Code of Practice for Statistics

DBT's statistical practice is regulated by the Office for Statistics Regulation (OSR), which sets standards around trustworthiness, quality and value in the Code of Practice for Statistics.

You can contact DBT directly with any comments about the quality of these statistics by emailing: statistics@businessandtrade.gov.uk.

Alternatively, you can contact OSR by emailing: regulation@statistics.gov.uk.

Background

Businesses often supply goods and services using 'trade credit', where payment is deferred rather than requiring 'cash-on-delivery'. This can lead to poor business-to-business payment behaviour, including late payment and unfairly long payment times – where businesses pay invoices later than agreed or negotiate unreasonably long payment terms respectively.

Poor business-to-business payment behaviour can negatively impact businesses' cash flows, undermining investment and growth. Smaller businesses are particularly affected.

Successive governments have legislated to address poor business-to-business payment behaviour. Legislation has involved changing the rules around business-to-business payments themselves, but also creating a transparency regime, designed to highlight and discourage poor behaviour.

The Reporting on Payment Practices and Performance Regulations 2017 introduced the first reporting requirements for UK large businesses, focusing on their payment practices, policies and performance. The information that businesses report is published online and publicly available on the GOV.UK Payment practices reporting webpage.

Users can search the published data, and find information about individual businesses' payment behaviour. However, the reporting portal does not provide aggregated or summary statistics, making it difficult to understand reporting businesses' payment behaviour as a whole.

DBT's Official Statistics address this gap by providing annual summary measures of UK large businesses' payment performance, supporting analysis of trends over time and differences by sector and region.

Methodology

Data

Reporting regulations data

The statistics are based on data reported by businesses under The Payment Practices and Performance Reporting Regulations 2017. The regulations require large UK businesses to report on their payment practices, policies, and performance twice-yearly.

The information that businesses report is published online and publicly available on the GOV.UK Payment practices reporting webpage.

Businesses are required to report if they meet the Companies Act 2006 definition of a large business. Specifically, businesses need to report if they exceed 2 of the following thresholds on their last 2 balance sheet dates:

- £54 million annual turnover
- £27 million balance sheet total
- 250 employees

The reporting requirements apply to UK businesses only and extend to parent companies which prepare consolidated accounts on behalf of a group. Businesses in their first year of financial reporting are exempt.

Additional data sources

Companies House company data is used to append sectoral and regional indicators to the reports. This information is not collected as part of the reporting regulations data, it is available through the Companies House public register.

This data supports additional output statistics which break down results by sector and region, using Standard Industrial Classification (SIC) codes and International Territorial Level 1 (ITL1) regions, respectively.

Some businesses which have reported under the reporting regulations no longer appear in Companies House data, because they have been dissolved, struck off, or liquidated. In these cases, Fame data is used to supplement sectoral and regional indicators, including historical records for companies no longer on the Companies House register. Fame is a commercial dataset that DBT accesses under licence.

Live data sources

Both the reporting regulations data and Companies House company data come from live systems. The statistics reflect the data in these systems at the time of extraction, which is detailed in the statistical release notes.

Approach

Data preparation

The reporting regulations data is submitted by businesses. While the reporting businesses have a duty to ensure that the information they report is accurate, there is no independent verification or auditing of the data. This means that some reports may be submitted incorrectly or contain mistakes.

The data preparation process identifies and removes reports likely to contain incorrect data, including reports that:

- have missing values across relevant variables
- cover a reporting period significantly different to the prescribed 6 months
- include internally inconsistent values
- duplicate other reports

The data cleaning process does not attempt to address extreme values, which could skew the statistics. Without a clear way to identify whether extreme values represent ‘real data points’ or incorrect data entry, the data cleaning process retains these values as reported. The potential impact of extreme values is instead addressed later, when calculating the output statistics.

Reporting year assignment

Reporting businesses are required to submit reports twice-yearly. Each report needs to cover a 6-month period that aligns with their financial year, and must be submitted within one month of the reporting period ending.

Businesses’ financial years and reporting periods can vary. Statistical outputs require a consistent structure, and reports need to be aggregated on a common annual basis to show trends over time – typically the January-December calendar year or April-March financial year.

Most reports are submitted at the end of January and July, along with smaller peaks in May and November. This pattern suggests that many businesses’ reporting cycles are more aligned with the calendar year than the financial year.

The statistics therefore consider calendar years, and reports are assigned to the calendar year in which the majority of the reporting period falls. For example:

- reports spanning 2 calendar years – for example, starting 1 December 2025 and ending 30 May 2026 – would be assigned to 2026, as 5 out of the 6 reporting months fall in that year
- reports that are exactly equally divided between 2 calendar years are assigned to the starting year – for example, a report starting 1 October 2025 and ending 2 April 2026 would be assigned to 2025, with 92 days in each calendar year.

Output statistics

The statistics present the average annual performance of reporting businesses across 3 main performance metrics:

- time to pay (days)
- proportion of invoices paid late, by number (%)
- proportion of invoices paid late, by value (%)

Time to pay measures how long on average reporting businesses take to pay their suppliers. The proportions of invoices paid late measure how many invoices on average businesses pay after the agreed terms, as either a percentage of the number or value of invoices paid.

The statistics present the performance of reporting businesses as a whole, and also provide breakdowns by sector and region using SIC section and ITL1 region groupings, respectively.

The statistics also present the number of reports submitted in each reporting year, as a contextual measure of reporting coverage. This helps users understand the size of the reporting population and highlights where breakdowns have been calculated using low numbers of reports.

Calculations

Output statistics are based on median values. Medians are used to account for extreme values in the reporting data, which could otherwise skew the statistics. This is particularly relevant for the time to pay metric, where unusually high reported values could have a disproportionate effect on averages.

Output statistics focus on individual reports, rather than reporting businesses. Reporting businesses must report twice-yearly, but not every business submits 2 reports each year. Using reports as the unit of analysis avoids making assumptions about missing reports or averaging incomplete annual business-level reporting. It also prevents businesses with only one report in a year having an outsized impact on the statistics.

Rounding and suppression

The reporting regulations require businesses to submit figures to the nearest whole number. This means that many output statistics do not need to be rounded. Most median values are already whole numbers, but some are presented with one decimal place where appropriate.

Sector and region statistics can be based on low numbers of reports. These figures are not suppressed, as the underlying business-level data is already publicly available. However, users should interpret output statistics based on low numbers of reports with caution.

In the statistical release notes, some breakdowns based on low numbers of reports are excluded from commentary on trends to support interpretation. These exclusions are clearly identified, for example through footnotes. The reference tables include the number of reports underpinning each figure, allowing users to assess the reporting coverage behind the output statistics.

Other considerations

The statistics do not weight or otherwise adjust the reporting regulations data to account for non-compliant businesses – businesses who are required to report, but fail to do so. This means that output statistics only describe the performance of businesses that report under the reporting regulations.

This could skew the statistics, particularly if non-compliant businesses exhibit below average performance. Ongoing enforcement of the regulations should lead to increased compliance and more reporting businesses. This could affect the overall trend captured by the statistics over time.

There are no restrictions around which reporting periods businesses can submit reports for. Businesses may therefore submit backdated reports, meaning that previously published figures change as part of later releases. Significant changes are highlighted as part of the statistical release notes. Further details are set out in the revisions policy.

Changes to the reporting regulations

Since the reporting regulations were first introduced in 2017, subsequent legislation has:

- reduced the scope of businesses required to report
- expanded the information businesses are required to report

These changes create discontinuities in coverage and available performance metrics, which need to be considered when interpreting the statistics over time.

Number of businesses in scope

The size thresholds which determine whether a business is required to report are set by the Companies Act 2006. The thresholds were changed by The Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024, which came into effect in April 2025.

This new legislation increases the turnover and balance sheet thresholds used to define a large business, from £36 to £54 million, and from £18 to £27 million, respectively. The employee number threshold is unchanged at 250 employees.

This creates a discontinuity in statistics between 2024 and 2025, as some businesses required to report under the old size thresholds are no longer in scope.

While the change in size thresholds reduces the number of businesses required to report, it is not expected to materially impact the overall level of the statistics. The output statistics summarise average payment performance across reporting businesses using median values, rather than aggregating totals, and the change in the thresholds removes a subset of reporting business based on size, rather than payment behaviour.

This means that:

- the businesses no longer required to report are unlikely to systematically differ from those remaining in scope
- while the number of reporting businesses may have decreased, the relative composition of those businesses is likely unchanged
- output statistic levels before and after the change are likely comparable

However, users should still consider the change when interpreting trends in the statistics between 2024 and 2025, particularly where changes differ by sector or region.

Information businesses are required to report

The information businesses are required to report under the reporting regulations was expanded by The Reporting on Payment Practices and Performance (Amendment)

Regulations 2024 and The Reporting on Payment Practices and Performance (Amendment) Regulations 2025, which came into effect in April 2024 and March 2025, respectively. The changes were as follows:

- the first amendment required businesses to additionally report on the value of invoices they paid to other businesses, affecting all reporting businesses
- the second amendment required businesses to report on retentions payments to other businesses, only affecting construction businesses or businesses using construction contracts

The new legislation does not change existing reporting requirements, only adds to them. This change means that a new output statistic describing the proportion of invoices paid late by invoice value has been computed from 2025 onwards. This adds to the existing output statistic describing the proportion of invoices paid late by number of invoices.

Quality

The Code of Practice for Statistics considers the quality of statistical products across different dimensions:

- relevance
- accuracy and reliability
- timeliness and punctuality
- accessibility and clarity
- coherence and comparability

This report also considers:

- trade-offs between quality dimensions
- confidentiality, transparency and security
- balance between performance, cost and respondent burden

Relevance

Relevance considers the degree to which a statistical product meets user needs in terms of content and coverage.

Content

The statistics provide 3 main performance metrics which describe large businesses' payment performance. They consider invoices paid late and payment times more generally, which helps users understand issues of both late and long payment between businesses.

The statistics also present the number of reports submitted in each reporting year as a contextual measure of reporting coverage, helping users understand the size of the reporting population.

Completeness

The statistics are intended to describe the payment performance of UK large businesses in scope of the reporting regulations. Businesses are legally required to report this information. However, in practice, not all businesses comply with the reporting requirements, meaning the statistics may not fully capture the performance of all businesses required to report.

This should be considered when interpreting the statistics. The statistics represent a 'snapshot' of reporting businesses at the time of data extraction, and this group may change over time.

Geographical coverage

The statistics cover reporting businesses across the UK. Regional breakdowns are presented using ITL1 regions.

User needs

The statistics are intended to support a range of users, including:

- ministers, policy makers and analysts within DBT, and other parts of government
- individual businesses and business groups, including sector bodies and business campaign organisations
- others, including academia, media and the public

The statistics help users understand how large businesses' payment performance is changing over time. While business-level data is already publicly available through the reporting portal, the statistics provide an aggregated view. This helps users understand overall performance, changes over time, and sector and region differences. Overall, this supports:

- policy making, monitoring and evaluation
- comparison across different groups
- public understanding and debate

Accuracy and reliability

Accuracy and reliability considers how close the published statistics are to the value they are intended to measure, and whether they are produced consistently over time.

The reporting regulations data is submitted by businesses. There are 2 main risks relating to the quality of the data, including:

- businesses may submit reports containing mistakes or errors
- not all businesses required to report do so, which could affect the coverage of the output statistics

The statistics take steps to mitigate these risks, including:

- cleaning the data to remove reports with identified data quality issues, such as missing values, incorrect reporting periods, internally inconsistent information, and duplicated reports

- using medians as the main statistical output, limiting the impact of extreme values, including those that may reflect reporting errors
- using individual reports rather than businesses as the unit of analysis, preventing businesses which only submit one report having an outsized impact on the statistics

Relatedly, ongoing enforcement of the regulations is aimed at improving overall compliance with the regulations. More businesses complying with the reporting regulations reduces the risk of bias – where the output statistics could either overstate or understate UK large businesses' payment performance.

Timeliness and punctuality

Timeliness and punctuality considers the time between the reference period and publication, and whether statistics are published according to a planned timetable.

The statistics use reporting data which includes reports submitted by large businesses up to and including May each year. These reports cover payments made by large businesses in the previous calendar year.

May is chosen as the cutoff because:

- reports are assigned to the calendar year in which the majority of the reporting period falls
- the latest reporting period that could be included in the calendar year due for publication runs from September to March – reporting periods that end after March are assigned to the following calendar year
- businesses need to report within one month of their reporting period ending – one month after March is April
- some businesses report late, after the normal deadline – waiting a further month (until May) allows for late-reporting businesses to be captured

The statistics are published in July, between one and two months after the data cutoff. This allows enough time to produce the statistics and complete quality assurance checks.

All releases are published in accordance with a pre-announced release timetable. In accordance with the Code of Practice for Statistics, releases are published at 9:30am.

Accessibility and clarity

Accessibility and clarity considers the ease with which users can access data, and the quality of accompanying metadata, illustrations and commentary.

Data tables are published in OpenDocument spreadsheets, with formatting guided by Government Analysis Function conventions on [Releasing statistics in spreadsheets].

Accompanying documentation and commentary are published in HTML format, and follow the same Government Analysis Function conventions.

Coherence and comparability

Coherence and comparability considers whether statistics are consistent with data sources or methods on the same topic, and whether they can be compared over time and between groups, such as geographic areas.

The statistics are computed using a single primary data source, namely the reporting regulations data.

Additional information drawn from Companies House (and Fame) is appended to the regulations reporting data to support sector and region breakdowns. Data is matched directly using Company Registration Numbers, which supports consistent matching between sources.

Other considerations

Trade-offs between output quality components

Trade-offs between output quality components considers how different aspects of quality are balanced against each other.

The main trade-off in the statistics is between timeliness and quality. The statistics could be published earlier than July, but this risks excluding reporting businesses that:

- follow reporting periods more closely aligned to financial years
- submit their reports later than the normal deadline – one month after the reporting period ends

Allowing additional time reduces the risk of excluding these businesses, and the likelihood that the statistics for previous years need to be revised in later releases.

The statistics could be produced more frequently – twice-yearly, or even quarterly, aligned with when businesses report their data. The frequency of the statistics is kept under review, in line with user needs.

Confidentiality, transparency and security

Confidentiality, transparency and security considers how data is handled securely and transparently, while protecting confidential information where relevant.

The data used to produce the statistics is already publicly available, including some personal information. The statistics simply aggregate the publicly available record-level data, which reduces confidentiality risks associated with publication.

Nevertheless, DBT continues to apply appropriate data handling, security and transparency practices when producing the statistics, in accordance with the Code of Practice for Statistics and departmental policies around managing data and information assets.

Balance between performance, cost and respondent burden

Performance, cost and respondent burden considers the effectiveness, efficiency and economy of published statistics.

The statistics improve the accessibility, understanding and interpretation of the reporting regulations data. This supports more effective public understanding and discussion, policy monitoring and evaluation, and overall scrutiny of businesses' payment behaviour.

The statistics use existing data sources, and do not create additional reporting requirements or respondent burdens.

The statistics require less than one full-time equivalent staff member per year to produce.

Revisions policy

Revisions

The statistics may be revised in future publications to reflect newly added reporting data or to correct errors identified after publication. Revisions are managed in line with the principles of transparency and proportionality set out in the Code of Practice for Statistics.

Revisions could occur for 2 main reasons:

- newly added reporting data, not available at the time of earlier publications
- errors in the production of the statistics

Newly added reporting data

Both the reporting regulations data and Companies House company data come from live systems, which may change or be updated over time. For the reporting regulations data, there are no restrictions around which reporting periods businesses can submit reports for, so businesses may submit backdated reports.

Where newly added reporting data results in significant changes to previously published statistics, these changes will be highlighted in the next release. Specifically, revisions will be identified using [r] markers in the data tables, and changes explained in the statistical release notes.

Significant changes are those which result in a change of more than one whole unit in a previously published statistic. For example, this would include a time to pay statistic for a given reporting year changing from 30 days to 32 days, or from 30 days to 28 days. Changes may also be treated as significant where they lead to a material change in the interpretation of trends or levels in the statistics.

The revisions policy focuses on whole-unit – rather than percentage – changes for 2 main reasons:

- the statistics are median values, which are often whole numbers themselves. Whole-unit revisions are therefore simple to identify and explain
- percentage changes would create different effective revision thresholds at different levels in the statistics. Whole-unit revisions ensure consistency, rather than emphasising smaller changes at lower levels or de-emphasising larger changes at higher levels

The number of reports is derived directly from the underlying reporting data and is presented as a contextual measure of reporting coverage, rather than as a measure of large businesses' payment performance. As the data sources are live and businesses may submit reports retrospectively, the number of reports for a given reporting year may change between releases. These changes are expected as part of normal data updates and are not subject to the same revision thresholds or marking conventions as the 3 main performance metrics.

Errors

If an error is identified in the production of the statistics – for example, an error in data processing, methodology or calculation – the statistics will be corrected as soon as practicable.

Where errors affect previously published figures, the corrected values will be published in the next scheduled release, or earlier if the issue is judged to significantly affect interpretation or use of the statistics.

All material errors and the resulting revisions will be clearly explained in the statistical release notes. This will include a description of the error, the reason for the revision, and the periods or breakdowns affected.

Communication of revisions

Revisions to previously published data are clearly identified in statistical release notes accompanying each publication. Where revisions are substantial, this will be highlighted prominently to support correct interpretation.

The [r] flag will be used in data tables to indicate that a value has been revised since the previous publication. Footnotes are used where necessary to provide additional explanation of significant revisions.

Annex: Data preparation

Missing values

Some reports are submitted with missing information needed to compute the output statistics. These reports fall into 2 categories:

- ‘legitimate blanks’, where businesses meet the reporting thresholds and submit a report, but have not made payments to other businesses in the reporting period, meaning no further information is required
- ‘partially complete reports’, where businesses have made payments in the reporting period, but have only reported some of the information needed to compute the output statistics

The data preparation process removes both types of incomplete report from the calculation of output statistics, as they do not contain the information needed to compute the 3 main performance metrics.

Inconsistent reporting periods

The reporting regulations require businesses to report twice-yearly. Each report should cover a 6-month reporting period. Some reports are submitted with reporting periods that significantly differ from the prescribed 6 months.

The data preparation process removes reports that are:

- longer than 7 months
- shorter than 5 months

This step is important because the output statistics calculate median values, with each report counted as a single observation. If some businesses submit more frequently than twice-yearly – for example, submitting 3 4-month reports rather than 2 6-month reports in a year – they contribute more observations to the calculation and can disproportionately influence the output statistics.

Some reports are submitted before the reporting period has ended. While reports may be legitimately filed ahead of time – for example, where a business expects to make no further payments during the reporting period – reports filed more than one month before the end of the reporting period are removed as part of the data preparation process. These reports are more likely to reflect filing errors rather than completed reporting periods.

Internally inconsistent values

Some information required to compute the statistics relies on the value of invoices paid in the reporting period. The data preparation process enforces 2 rules to identify reports with internally inconsistent values:

- the total value of invoices paid over the reporting period cannot equal zero
- the value of invoices paid late cannot exceed the total value of invoices paid over the reporting period

Where a business reports that it has paid invoices during the reporting period, the total value of invoices paid should be greater than zero. Individual invoices cannot have a value of zero, and paying even one invoice during the reporting period should result in a non-zero total value of invoices paid.

This issue may reflect businesses still implementing changes required by The Reporting on Payment Practices and Performance (Amendment) Regulations 2024, for example entering zeros for new data requirements where values cannot be left blank. A zero value is therefore treated as internally inconsistent and the report is removed as part of the data preparation process.

The value of invoices paid late should not exceed the total value of invoices paid over the reporting period. This would result in a percentage exceeding 100% when calculating the proportion of invoices paid late by value.

Businesses who have submitted reports like this may have misinterpreted the new requirements for invoice values. The amended reporting regulations require businesses to report on the value of invoices paid within defined payment-time bands (within 30 days, between 31 and 60 days, and over 60 days), which together account for the total value of invoices paid in the reporting period.

The value of invoices paid late is a subset of these payments, rather than an additional payment-time band. Reports where the value of late payments exceeds the total value of invoices paid indicate that late payment values have been incorrectly added to the payment-time bands, rather than treated as part of them. These reports are internally inconsistent and are removed as part of the data preparation process.

Duplicate reports

Some businesses submit reports that cover the same reporting period, or overlap with other reporting periods. These reports are treated as likely duplicates, which may occur where businesses have submitted a new report instead of editing a previously submitted report. The data preparation process removes duplicate reports where more than one report from the same business:

- covers identical reporting periods
- covers reporting periods which overlap by more than one month

Where duplicate reports are identified, the data preparation process keeps the most recently submitted report. This assumes the latest report is the most accurate version, reflecting how businesses may update information by submitting a new report rather than editing a previous one.

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