



Small Business
Commissioner

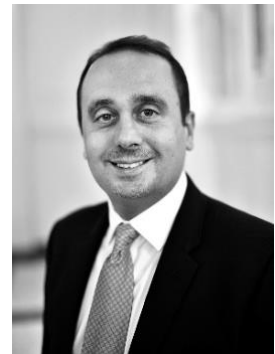
Small Business Commissioner's Report on Holland & Barrett

April 2019

The Small Business Commissioner's report on payment practices at Holland & Barrett

Summary of Complaint

A small business in the IT sector contacted the Small Business Commissioner on 19 December 2018 about their experience of delivering a search engine optimisation project for Holland & Barrett Retail Ltd, a large business.



Paul Uppal, the Small Business Commissioner

The small business submitted an invoice for £15,000 on 30 October 2018 with agreed contract payment terms of 30 days. After 30 days, the small business followed up with Holland & Barrett to resolve the outstanding payment without success. With the payment still outstanding, the small business emailed the Small Business Commissioner. The Commissioner investigated the dispute, inviting Holland & Barrett's Chief Financial Officer to discuss the reasons for the delay. Holland & Barrett refused to discuss the details of the delay with the Commissioner but did pay the small business in full on 10 January 2019. The payment was received 37 days late. Holland & Barrett also ignored a further request to engage with the Commissioner on the publication of this report.

Outcome

The Commissioner, Paul Uppal, was very disappointed that Holland & Barrett chose not to discuss the details of this complaint with him. The Commissioner suspects there is a culture of purposefully paying late at Holland & Barrett and he would like more evidence of their payment practices. As Holland & Barrett are unwilling to speak to the Commissioner, he would like to hear from any other small businesses who supply Holland & Barrett about their experiences of payment, whether positive or negative. This can be anonymous if suppliers are concerned about their future business relationships.

Businesses can contact the Commissioner by emailing enquiries@smallbusinesscommissioner.gov.uk or calling 0121 695 7770.

The Managing Director of the small business commented:

"As a small business, a late payment of the amount in this case can have quite a big impact on us. What was particularly frustrating was that we felt Holland & Barrett were completely ignoring us and we were at risk of never being paid. Every time we talked to somebody they told us they would make sure the invoice reached the right person and every time we called back, they had no idea where the invoice was and

we were asked to send it yet again. It's quite unfortunate because our relationship with them completely broke down after this incident and they can no longer benefit from our specialist knowledge and skills.

We were very lucky to learn about the Small Business Commissioner and very grateful to them for their help in facilitating the payment of our outstanding invoice within a couple of weeks.”

Paul Uppal commented:

“Holland & Barrett’s refusal to co-operate with my investigation, as well as their published [poor payment practices](#) says to me that this is a company that doesn’t care about its suppliers or take prompt payment seriously. This should be a warning to suppliers considering working with Holland & Barrett and to anyone looking to invest ethically.

I hope that in the future Holland & Barrett will come to see the benefits of treating their suppliers fairly.”

Holland & Barrett were approached for comment.

Complaint Timeline

19/12/2018 Complaint received from small business.

21/12/2018 Small Business Commissioner contacted Holland & Barrett procurement department.

07/01/2019 Small Business Commissioner contacted Holland & Barrett's Chief Financial Officer (CFO).

10/01/2019 Small business confirm payment received in full.

10/01/2019 Small Business Commissioner contact Holland & Barrett's CFO regarding payment practices.

17/01/2019 Letter to Holland & Barrett's CFO to request reply to previous email.

23/01/2019 Reply received from Holland & Barrett's CFO to advise that they do not feel obliged to provide explanation.

01/03/2019 Letter to Holland & Barrett's CFO advising of the Commissioner's decision to uphold the complaint and his intention to publish a report. No response received.

25/03/2019 Letter to Holland & Barrett's CFO to advising of the date of publication. No response received.

Glossary

Complaints Handling Scheme

Small businesses can complain to the [Small Business Commissioner](#) about payment problems they are encountering concerning their larger business customers, making non-binding recommendations on how the parties should resolve their disputes.

Larger Business (Medium or Large Business)

Larger business means a business that is not a small business. A larger business will therefore have more than 50 employees and will encompass both medium and large businesses as defined by the [Companies Act 2006](#).

The full definition of a larger business in relation to the Small Business Commissioner complaints handling service can be found in [The Enterprise Act 2016](#).

Small Business

For the purpose of determining who is in scope of the Small Business Commissioner complaints handling scheme, a small business is a business which has fewer than 50 employees.

The full definition of a small business in relation to those in scope of the Small Business Commissioner complaints handling service can be found in [The Small Business Commissioner \(Scope and Scheme\) Regulations 2017](#).

The Office of the Small Business Commissioner

This document can be downloaded from
www.smallbusinesscommissioner.gov.uk

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