



The Insolvency Service

**Chief Executive
The Insolvency Service**
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Rt Hon Frank Field MP
Rachel Reeves MP
Work and Pensions Committee
Business, Energy and Industrial Strategy
Committee
House of Commons
London
SW1A 0AA

Your ref: Carillion
Our ref: ACE/04/2018/(Carillion)
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Date: 15th February 2018

Dear Mr Field & Ms Reeves

Thank you for your letter of 9th February 2018.

The Insolvency Service does not hold the information on the number of companies that have been placed into liquidation and that were failing to meet the Prompt Payment Code deadline of 60 days for payments. In the vast majority of cases in which the Official Receiver is appointed liquidator, the company has ceased trading either prior to or on the day of the winding-up order. Therefore the issue of normalising payment terms does not apply.

As part of his enquires and investigation into the affairs of the Carillion companies, the Official Receiver will consider their relationships with their suppliers, including adherence to agreed payment terms and compliance with the Prompt Payment Code.

The Official Receiver and his Special Managers have reviewed the payment process of Carillion. Payment terms have been agreed on a supplier-by-supplier basis and payment processes have been put in place to ensure payments are made in line with these agreed terms. Carillion's finance system has been updated to ensure that suppliers will be paid within 30 days going forward.

Yours Sincerely,

**Sarah Albon
Chief Executive
The Insolvency Service**