

PAYEE'S NOTICE IN DEFAULT

Given when the payer's payment notice did not arrive in time — HGCRA 1996 s.110B

NOTICE — SEND TO THE PAYER

KD-PAY-DN-002 Rev A0

Use this when your contract required the payer, or a person the contract specifies (such as a contract administrator), to give a payment notice not later than five days after the payment due date, and none was given. You may give this notice at any time after the date the payer's notice was required (HGCRA 1996 s.110B(2)). It states the sum you consider to have been due at the payment due date and the basis on which it is calculated (s.110A(3)); that sum becomes the notified sum, which the payer must pay by the final date for payment (s.111(1) and (2)(c)) unless a valid pay less notice is given. WHAT IT DOES NOT DO: it does not stop a pay less notice — although the Act says one may not be given before this notice (s.111(5)(b)), and it must still arrive not later than the prescribed period before the final date as postponed. It is not a notice of intention to suspend (KD-PAY-SN-005). Written for England and Wales. Part II of HGCRA 1996 also covers work in Scotland, which has its own Scheme regulations; Northern Ireland has its own construction contracts Order and Scheme — use those there. The Act's payment rules do not apply to a contract with a residential occupier: one principally about work on a dwelling that a party to the contract lives in or intends to live in (HGCRA 1996 s.106). A subcontract on a house is not excluded — the homeowner is not a party to it. Nor do they apply to work that is not construction operations (s.105(2)): for example manufacture or delivery to site of materials, components, plant or equipment under a contract that does not also provide for installing them, or installing plant or machinery (and its supporting steelwork) on a site whose primary activity is power generation, water or effluent treatment, or the production, processing or bulk storage of chemicals, pharmaceuticals, oil, gas, steel or food and drink.

GIVE IT AS SOON AS THE DEADLINE HAS PASSED — EVERY DAY YOU WAIT MOVES THE FINAL DATE

The final date for payment of the sum in this notice is postponed by the same number of days after the payer's deadline as the day this notice is given (s.110B(3)) — so give it as soon as the deadline has passed, counting the deadline as s.116 says (section 2). If your contract let or required you to apply before the payer's notice was due and you applied under it, the Act treats that application as this notice and you may not give another (s.110B(4)). If there is any doubt that the application was given exactly as the contract requires — date, recipient, method, content — take advice at once before relying on it. Your contract's own wording and time limits govern; check them before issuing, and take advice where money is at stake.

1 THE CONTRACT AND THE PARTIES

FROM (PAYEE)	TO (PAYER)		
ADDRESS AND EMAIL	ADDRESS FOR NOTICES		
PROJECT AND CONTRACT	CONTRACT / ORDER REF	PAYMENT CLAUSE NO.	DATE OF THIS DOCUMENT
SPECIFIED PERSON (IF ANY)	PAYMENT THIS NOTICE IS ABOUT		OUR APPLICATION DATED

2 THE MISSED PAYMENT NOTICE AND THE DATES THAT FOLLOW

KEY DATES — FILL THESE IN FIRST

PAYMENT DUE DATE	PAYMENT NOTICE REQUIRED BY	THIS NOTICE GIVEN ON	DAYS AFTER THAT DATE	ORIGINAL FINAL DATE
FINAL DATE FOR PAYMENT AS POSTPONED	PAY LESS NOTICE LATEST DATE	HOW WE CHECKED NO NOTICE ARRIVED		

WHERE YOUR CONTRACT DOES NOT SET ITS OWN, the Scheme for Construction Contracts (England and Wales) Regulations 1998 fills the gap: an interim payment falls due on the later of 7 days after the end of the payment period (28 days where the contract states no period) and the payee's claim (Schedule Part II paras 4 and 12); the final date for payment is 17 days after the due date (para 8); the payer's payment notice is due not later than 5 days after the due date (para 9); a pay less notice not later than 7 days before the final date (para 10). The interim rules apply only where the work is not specified or agreed to last less than 45 days (s.109(1); para 12); on a shorter job the contract price falls due on the later of 30 days after completion and the payee's claim (para 6). These are fall-back rules only — they are not your contract's terms, and your contract's own dates govern wherever it has them.

HOW TO COUNT DAYS: under HGCRA 1996 s.116 a period after a date begins the day after that date, and Christmas Day, Good Friday and bank holidays are left out. Periods your contract sets are counted as your contract says. If you are not sure which count applies, meet your own deadline by the earlier date and let the other party's deadline pass by the later one — and take advice where it is close.

3 THE SUM WE CONSIDER WAS DUE AT THE PAYMENT DUE DATE

ITEM	BASIS / REFERENCE	£ EXCL. VAT
Gross valuation to date		
Less retention		
Less sums already paid or due for earlier payments		
SUM CONSIDERED DUE, excluding VAT		
VAT and total including VAT		

PAYEE'S NOTICE IN DEFAULT

continued

NOTICE — SEND TO THE PAYER

KD-PAY-DN-002 Rev A0

BASIS ON WHICH THE SUM IS CALCULATED

4 NOTICE

Notice under section 110B(2) of the Housing Grants, Construction and Regeneration Act 1996

The contract required a payment notice for the payment identified in section 1 to be given not later than the date stated in section 2. No payment notice was given by that date. We give notice that the sum we consider to have been due at the payment due date is the sum stated in section 3, calculated on the basis set out there. Under section 110B(3) the final date for payment of that sum is postponed by the same number of days after that date as the day on which this notice is given.

5 HOW THIS WAS GIVEN

Serve it as the contract says. Where the contract says nothing about service, any effective means will do; a notice addressed, pre-paid and posted to the last known principal business address, or a company's registered or principal office, is treated as served; and a notice includes any communication in writing (HGCRA 1996 s.115).

HOW GIVEN	GIVEN TO	DATE AND TIME GIVEN	PROOF KEPT

TRACKER LINE (KD-PAY-PT-006)

6 SIGNED

For the payee:

PRINTED NAME	ROLE	COMPANY	SIGNATURE	DATE	TIME

R REVISION HISTORY

Every revision of this document, and every review that found nothing to change. The revision on the front of this sheet is the one you are holding — check kubitdocs.com for the current one before use.

Rev	Date	Class	What changed	Authorised by
D0	2026-09-12	first-issue	First issue.	— not yet approved —
A0	2026-09-12	review	Approved for issue by the author. Content unchanged from the reviewed draft; the draft status strip is removed. No independent third-party review has been carried out.	Author — director, UK principal contractor, SMSTS. Not an independent review.

Class: first-issue · material (the law, a control, a field or the scope changed — past buyers are notified) · editorial (wording or layout only) · review (checked, nothing changed) · withdrawal. Revision prefix D = draft, not approved and not for sale; A = approved for issue by the person named, on the date shown.