PAYAPPS
An AUTODESK Company

2026 RESEARCH INTO THE STATE OF SUBCONTRACTOR PAYMENTS

Construction applications for payment: Pain point or competitive advantage?

Discover what subcontractors really think about the payment process, and what that means for commercial and finance teams across construction.

Introduction

79% of subcontractors say they wait longer than they should to get paid, and 73% experience payment process disputes.

42% say they would turn down future work with a contractor who pays late.

Yet 85% say a clear, consistent payment process gives them confidence in a contractor

Construction firms already have enough on their plate. Rising costs, a shortage of skilled people and a steady rhythm of insolvencies are all serious issues the industry must face.

So, the last thing any contractor wants to do is add disgruntled subcontractors to that list of headaches; not least as it increases the risk of a splintering supply chain if relationships turn sour. Yet that's the very risk being put before many operators today.

When viewed from the subcontractors' perspective, the frustration is as constant. In the current market climate, many have genuine reasons to be wary and some view contractors as unhelpful partners at a time when they need their support the most.

So what's causing the problem? Time and again, it comes back to one thing: the application for payment process.

We commisioned this research to get to the heart of the issue and understand how subcontractors truly feel about the way contractors handle applications for payment. Even from the initial analysis, the findings were confronting:

Late payments are common, often causing cashflow challenges. Nearly 8 in 10 firms (79%) told us they wait longer than they should to get paid.

Disputes are routine, with over 7 in 10 (73%) complaining about the application for payment process on a regular basis.

Reputations are on the line, too, with 4 in 10 (42%) saying they would turn down future work with a contractor who pays late.

Yet none of this is fixed in stone. Nearly 9 in 10 subcontractors (85%) agree that a clear, consistent payment system gives them confidence in a contractor.

This report digs further into these results and more, revealing an overall picture of confusion and complexity.

However, it also highlights the real opportunity as part of the framing, proving the right technology, correctly implemented, can take the friction out of the application for payment process for good. Encouragingly, most of the subcontractors we spoke to have already experienced using Payapps, on projects where their contractor has adopted and mandated Payapps in their application process. Where that happens, the benefits show up quickly. When effective technology becomes a normal part of how payment works, contractors build stronger relationships across their supply chain and free up subcontractors to get on with the job.

That only scratches the surface of our findings. We invite you to read on to discover about...

- Why the subcontractor experience should matter more to contractors
- How the application for payment process for subcontractors shapes project outcomes
- What inefficient payment processes really cost businesses
- How technology can improve collaboration in the ongoing struggle to gain subcontractor capacity and retain loyalty.

Executive summary

Drawing on real feedback, we wanted to understand how UK subcontractor businesses in construction feel about the application for payment process, from the bottlenecks that slow them down to the benefits that make a difference.

The study focuses on six key themes

1. Managing applications for payment
2. Working with contractors
3. Admin burden and industry pressures
4. Compliance in applications for payment
5. Technology use and attitudes
6. Experiences of using Payapps

Whilst the research covered a lot of ground, the key findings include:

- Admin is eating into subcontractors' time, and complexity makes it worse. Take-up of payment application software remains low, with spreadsheets still doing much of the heavy lifting.
- Disputes, confusion and delays are common. Over time they push subcontractors towards avoiding the contractors they find difficult to work with.
- Concern about late payments is widespread. It strains relationships and damages perceptions of contractors.
- Some subcontractors would even accept lower terms in exchange for a guarantee of early payment.

Complemented by authoritative comment from leading industry experts, these results all lead to the conclusion that improving the application for payment process is fast-becoming a way for contractors to stand out from the crowd, as operators that subcontractors want to do business with.

Methodology

We promoted the UK survey by email, social media and advertising, and through syndicated emails in online publications including Construction Enquirer and PBC Today. Industry bodies also helped us spread the word; among them the Construction Employers Federation, the Electrical Contractors' Association (ECA) and the Finishes and Interiors Sector (FIS).

The UK survey ran from 24 April to 29 May 2026, recording 127 responses. All responses were anonymous.

1 | TIME IS MONEY

Subcontractors struggle with payment application efficiency

Subcontractor finance teams are apparently being stretched to breaking point, and that's before a single application for payment even lands on their desk.

20 **HOURS A MONTH ON GENERAL ADMIN**

From our polling, more than half of respondents (55%) already spend upwards of an eyewatering 20 hours a month on general admin. That's the best part of 3 working days gone, every month, on paperwork.

When the root causes of this admin deluge were explored, applications for payment were identified as a longstanding and time-consuming pain point.

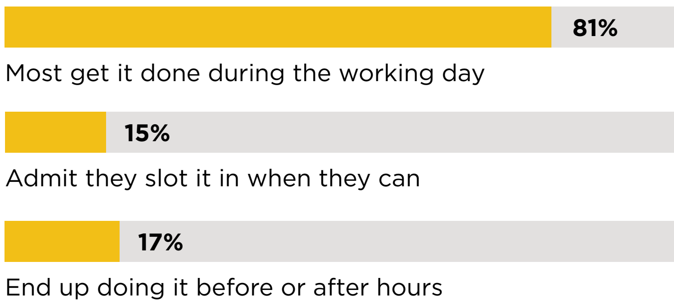
1.5 **HOURS TO PREPARE AND SUBMIT AN APPLICATION**

In the UK, each application takes an average of an hour and a half to prepare and submit. For some it swallows far more time: more than 1 in 7 (15%) of respondents say a single submission takes over 3 hours.

UP TO **30** **APPLICATIONS A MONTH**

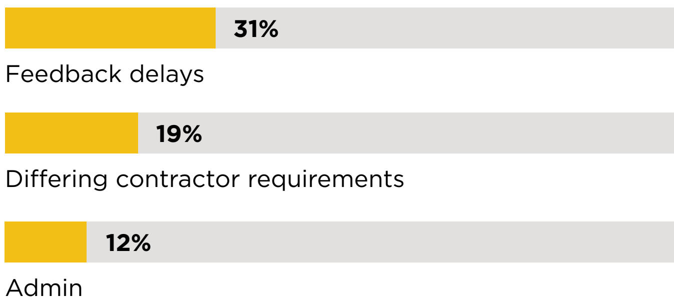
Now factor in the volume. Almost a quarter of those we polled (24%) submit between 11 and 30 applications a month. When you do the sums, payment applications alone can account for the best part of a working day each month, layered on top of the 20-plus hours already spent on admin.

No wonder long, inconsistent applications are wearing subcontractors down and when the load builds up like this, something has to give, especially as subcontractors are often obliged to fit in application for payment work wherever possible:



For a significant minority, what looks like routine, necessary paperwork on the surface, becomes an unfair burden carried in their own time.

More than 1 in 10 subcontractors say admin is their chief frustration with applications for payment:



Submission sticking points

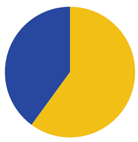
A large part of the problem comes down to the need to juggle different application for payment systems.

Over the past year, 77% of respondents have used Payapps for at least some submissions, on the projects where their contractor uses it and asks them to do the same. Away from those projects, the old habits hold. **Two thirds (67%) still prepare most of their applications on spreadsheets.** To make matters more confusing, over a third of respondents (37%) are asked to work across multiple systems to submit their payment applications.

Here's the theme that keeps surfacing: subcontractors aren't sure what each contractor wants, and every contractor wants it differently, meaning inconsistent instructions and formats sit behind much of the wasted time.

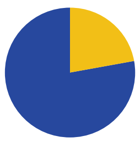
The admin strain isn't limited to subcontractor teams, either. In separate research among contractors' finance professionals, we found the typical team of five manages a staggering 210 subcontractors. They also spend an average of 73 hours a month on subcontractor payments, the equivalent of 2-week's worth of work every month for a full-time role.

Of course, this imbalance can have serious consequences, especially when small teams are stretched thin. Admin eats up precious time, leaving little space for analysis or strategic thinking, leading to risk being harder to spot and reactive firefighting becoming the norm.



60%

60% still using traditional methods such as spreadsheets say admin affects their day-to-day work 'a lot' or 'a fair bit'.



22%

Among others still using those same methods, 22% say contractors ask for corrections, clarifications or extra information after they have completed the process 'often' or 'for every application'.

Subcontractor view

"Submitting an application for payment through Payapps is very simple and has standardised our application process. Our project managers prepare the applications, and they find the whole process efficient and less time-consuming compared to issuing spreadsheets."

Steve Dean
COMMERCIAL MANAGER, ADEXSI UK

Contractor view

"Our subcontractors don't have to spend time trying to get through to the accounts office or project team. They can access information at the click of a button.

Payapps provides them with a centralised record of exactly what's been applied for, how much has or hasn't been approved, and the reasons behind those decisions. Being able to see what's due and when gives them good control.

And if subcontractors call us querying payment, we know exactly where in the process it's sitting, and who to chase to quickly provide answers."

Andrew Vaughan
MANAGING DIRECTOR,
VAUGHAN ENGINEERING

2 | RISKY BUSINESS

Contractor relationships suffer from disputes and delays

Late responses, disputes and murky payment application instructions are a familiar mix for subcontractors, chipping away at the working relationship with contractors.

Left unchecked, these frustrations harden into disputes and some spill over into reputational damage, as subcontractors go looking for contractors who are better at handling payment processes.

When contractors are slow to respond to applications for payment, two things happen: first, subcontractors carry more cost, and second, the contractor is exposed to greater legal risk. On top of that, a recurring complaint keeps surfacing that subcontractors simply aren't told clearly what a valid application looks like.

It highlights a serious lack of clarity in application processes, emphasised by **almost half of respondents (49%) saying the application information they get from contractors is only 'sometimes' clear, or 'rarely' or 'not at all'.**

When the brief keeps changing from one contractor to the next, it's unsurprising wasted effort follows.

However, that's only the start, and subcontractors' frustrations don't stop once they hit submit on their applications. **More than a fifth (21%) say they 'never' receive feedback or payment notices on time. Less than half (46%) say payment notices 'always' or 'often' arrive when they should.**

This lateness leaves contractors exposed

The Housing Grants, Construction and Regeneration Act 1996, creates a civil payment obligation: if a payer fails to issue a timely payment notice or a valid pay less notice to a subcontractor, they may find themselves legally required to pay the full 'notified sum'.

A delayed communication can invite 'smash and grab' claims, where a subcontractor is entitled to be paid the sum applied for, even where that figure greatly inflates the true cost of the delivered work.

Once bitten, twice shy

Consistency has become an issue too, adding to the above frustrations.

50%

Only half of subcontractors (50%) agree contractors run consistent processes.

As a result of all of these tensions, disputes have become routine.

73%

Almost three quarters (73%) say payment process disputes with contractors arise 'sometimes' or 'often'.

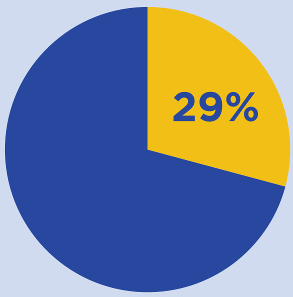
For contractors, a poor subcontractor experience can have genuinely negative consequences. As our survey shows, almost a third of UK subcontractors (31%) admit they generally feel negative towards the contractors they work with.

Dig a little deeper and this lack of goodwill indicates a genuine risk that late payment starts to feel like it's 'just how things are'; something subcontractors have to put up with rather than challenge. That's bad for business and for morale, easily fermenting into resentment and lost capacity.

This frustration has further reputational consequences, which can be seen in nearly a third of UK subcontractors (29%) who say they've avoided working with a contractor because of complicated application for payment processes.

More than 6 in 10 say slow responses or approvals are one of their top 5 most common causes of application for payment disputes.

Have you ever avoided working with a contractor because their application for payment process was too difficult?



YES

Most common causes of payment disputes

79%

Variations not agreed

74%

Valuation differences or disagreements about completed work

61%

Slow responses or approvals

Subcontractor view

"Previously, there was greater opportunity for human error and things being missed. With Payapps, you know exactly when you're due payment and what you're due for all invoices. That really helps with planning time and cashflow. And I don't have to click through files – it's all there in one place with full transparency."

Imi Hyde
DIRECTOR, H&E TELECOMS

Contractor view

"Subcontractors like using Payapps because they can see their agreed value every week. If we disagree with a value, they know which week we disagree with; they can raise that query with the site manager, and it's quickly resolved."

Peter Vevres
COMMERCIAL DIRECTOR OF UTILITY SERVICES, OCU GROUP

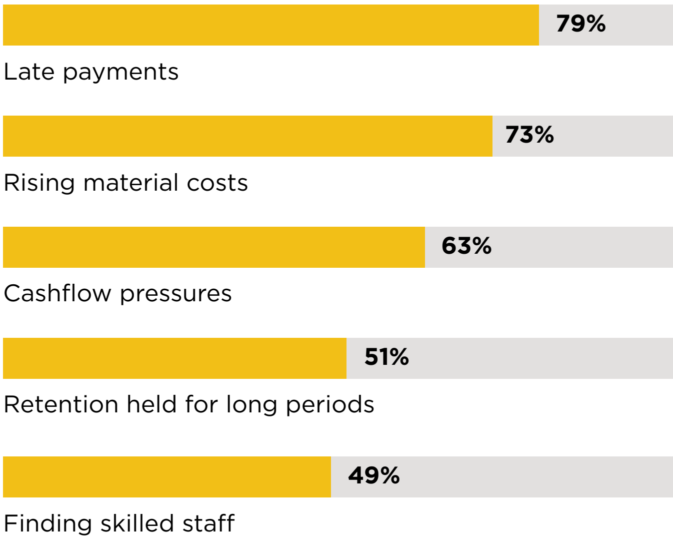
3 | PAY ATTENTION

Why late payment matters, and how to fix it

Slow responses are one major headache, but late payments are an even bigger one, creating a ripple effect throughout the construction supply chain.

Our survey found **more than three quarters (79%) of UK subcontractors are affected by late payment** and, when asked to name their five biggest business challenges, they put it right at the top of the list as their number one issue, ahead of rising material costs and cashflow pressure.

What are the five biggest challenges affecting your business right now?



Three of those top five answers are closely connected and are symptomatic of each other. Late payment adds directly to cashflow pressure, and so does the habit of contractors holding on to final retention for longer than subcontractors think is fair.

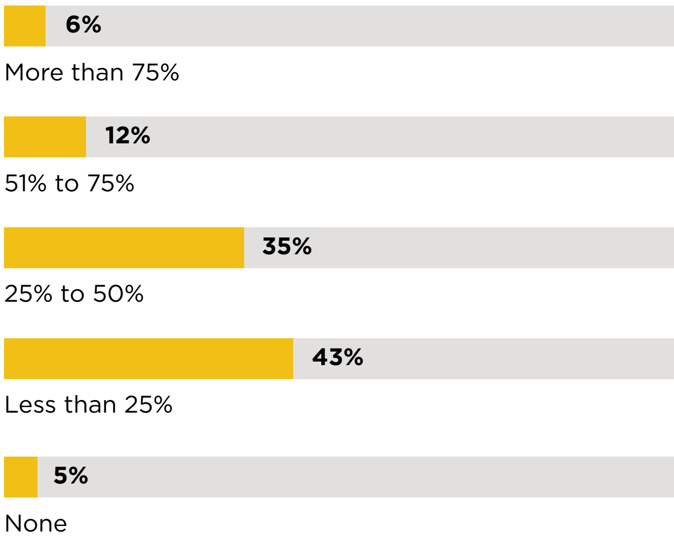
Respondents report that on average, contractors pay almost a third (31%) of invoices late. This leaves many firms financially exposed, with just 1 in 20 (5%) claiming all their invoices are settled on time or paid early.

This is a very concerning situation as many subcontractors run on wafer-thin margins and are beset by the previously mentioned rising material costs and cashflow issues. Already operating against a difficult economic backdrop, the last thing they need is to be out of pocket.

It's perhaps unsurprising that, in response, more than two thirds **(68%) of contractors say they have increased their rates or added risk margin due to slow/unreliable payments;** yet still the practice of late payment persists.

Let's look at how it's panning out in practice...

Roughly what percentage of your applications for payment are paid late?



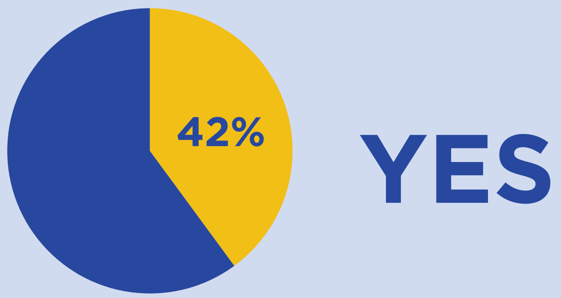
When payment does come late, the most popular response was that it arrives 1-2 weeks' late, with 16% even saying it arrives more than a month late. In terms of retention, the wait is far longer, with around 1 in 8 firms (12%) saying it can take more than two years to receive this payment work they have delivered.

This is a considerable strain, with knock-on effects. For example, **almost half (47%) state delayed payments 'make cashflow tight', with almost 1 in 3 (29%) claiming this causes them stress.** Nearly 1 in 10 (9%) find it harder to pay their own suppliers when a contractor pays late - showing how quickly payment delays can ripple through the supply chain.

Again, it presents a reputation issue that can rapidly snowball into a commercial one. Ultimately, frustration around late payment shapes who subcontractors are willing to work with; if a difficult payment application process is enough to put them off (see section 2), then unreliable payment is an even stronger deterrent.

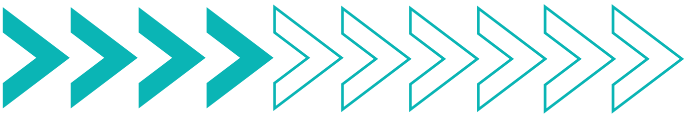
Our survey revealed strong numbers to back this up.

Have you ever decided not to work with a contractor again because of late or unpredictable retention payments?



The problem is undeniable

More than 4 in 10 UK subcontractors (42%) say they would refuse to work again with a late-paying contractor. It also results in 68% of subcontractors increasing their fees or margins to offset the risk.



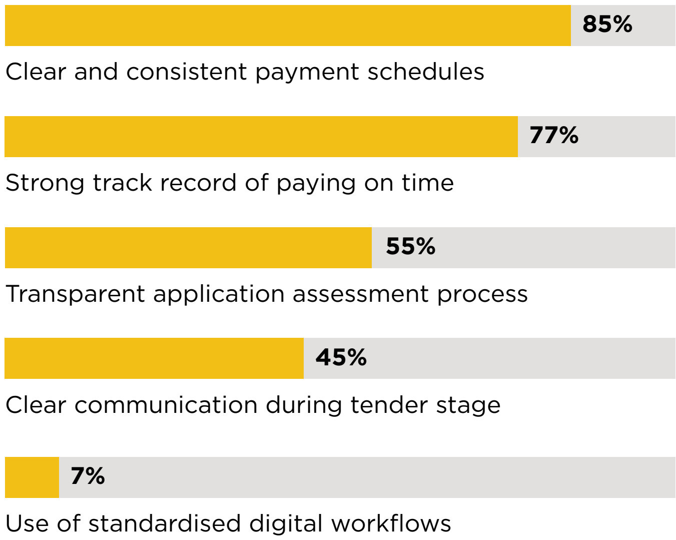
A better way forward

Despite this gloom, there is some good news. For all the reported late payments and lost goodwill due to laggard contractors, there is a straightforward fix.

The overwhelming majority of subcontractors (85%) say clear and consistent payment schedules are what give them most confidence in a contractor's payment process. That's not all, having a solid track record of being 'a good payer' also counts for a lot.

Wherever they work, whatever they do, subcontractors want the same two things: to be paid on time and to deal with consistent processes.

What gives you greater confidence in a contractor's payment processes?



To achieve better cashflow, they'll even make concessions. It shows what a tough landscape they're operating in when more than a quarter of UK respondents (27%) would accept reduced terms in return for early payment.

Contractors are being judged

84% of subcontractors say a contractor's reputation influences their decision to bid/ price future work for them and 68% have increased their rates or added risk margin due to slow or unreliable payments.

Cost to contractors

COMMERCIAL IMPACT

OPERATIONAL IMPACT

SUPPLY CHAIN IMPACT

A strong supply chain, made up of quality subcontractors with healthy, predictable cashflow, is vital for contractors and efforts to protect it bring dividends. Poor payment protocol is merely pushing good subcontractors towards competitors, unnecessarily creating further risks and weakening that chain.

However, those contractors who handle payments well, on a shared platform, have an opportunity to build and enhance trust whilst strengthening their operations.

Subcontractor view

"In an ideal world, all contractors, cost consultants, and project management companies would use Payapps. This truly would provide a consistent and standardised approach across the industry.

Efficiency is one thing, but that in turn aids cashflow. We can monitor and we can forecast, so we're more easily able to predict where we are on a financial basis."

Jim Howe
HEAD OF BUSINESS DEVELOPMENT, GTEK

Contractor view

"Any disputes we have experienced are quickly resolved because all of the data is easily to hand in Payapps, meaning the subcontractor is soon back on site again. It certainly removes a level of stress."

Andrew Vaughan
MANAGING DIRECTOR, VAUGHAN ENGINEERING

4 | COMPELLING CASE

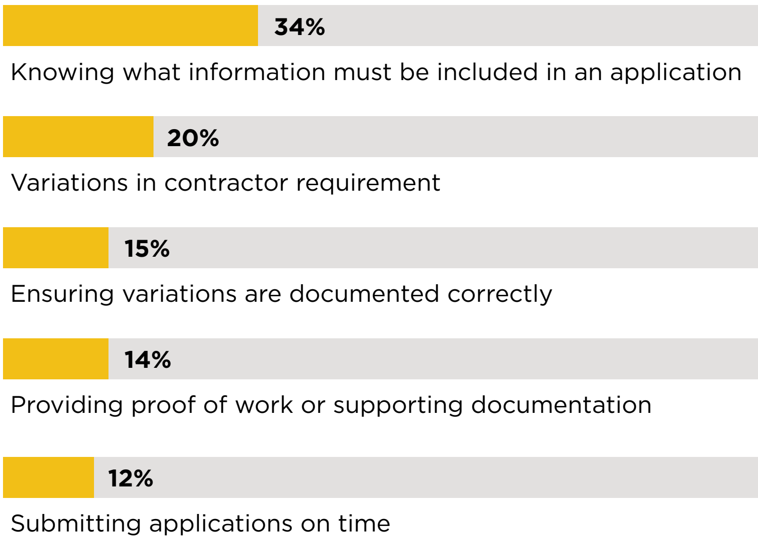
Solving the compliance challenge

Complex processes and late payment aren't the only weights on subcontractors' shoulders - compliance is another, with more than 4 in 10 (41%) revealing they have had an application for payment delayed or rejected on compliance grounds. The reasons are often small and avoidable, such as a missing detail, a date entered wrongly, or a simple formatting slip up.

This tallies with the lack of clarity we described earlier, where **almost half (49%) of the respondents say the application for payment instructions they receive from contractors are only 'sometimes' or 'rarely' clear, or 'not at all'.** So it stands to reason, if subcontractors are not told plainly what a valid application needs, errors are almost guaranteed.

The difficulty runs across several areas of compliance, but one in particular stands out: a third of subcontractors (34%) say simply knowing what information to include is the hardest part. It could be said they're being set up to fail.

Which aspects of statutory payment compliance do you find most challenging?



Subcontractor view

> Payapps allows us to control our applications to ensure compliance in line with contract terms and conditions.
>
> Steve Dean
> COMMERCIAL MANAGER,
> ADEXSI UK

5 | TECH AT YOUR FINGERTIPS

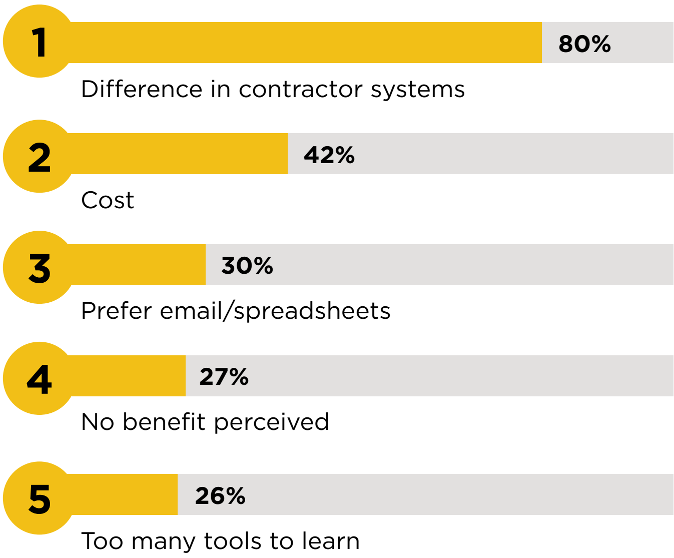
It’s time to boost take-up

We asked subcontractors numerous questions about the technology they use to submit applications for payment, and why some are still sticking to old methods.

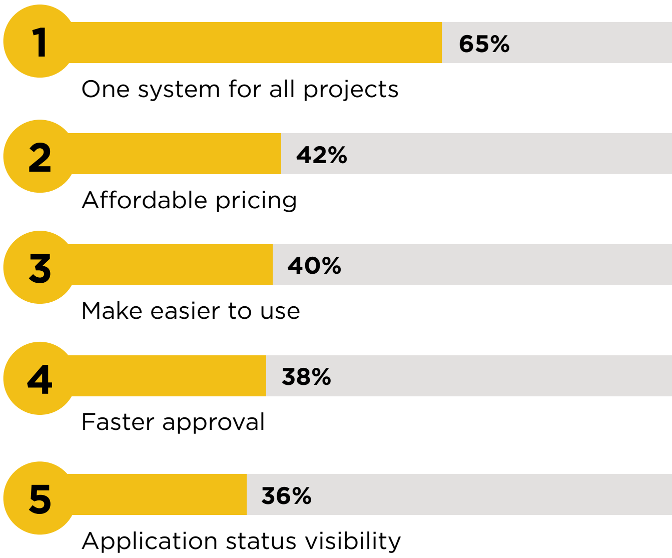
Their answers point back to the same two topics that keep coming up: clarity and consistency. That is, how clear is a contractor's process? And how consistent does it stay? What is encouraging is that challenges in both these areas are easily fixed.

More than 6 in 10 UK subcontractors (62%) say it's 'extremely' or 'very' important for contractors to use consistent payment systems/processes. Yet inconsistency is precisely what puts them off transitioning to digital methods. 8 in 10 (80%) say the sheer variety of contractor systems is the main reason they don't use digital tools for applications for payment.

Top five reasons for not using digital tools



Top five ways to make tech more appealing



So, the barrier isn't really one of technology, it's the prospect of learning a different system for every contractor. That's why two thirds (65%) say having a single system across all projects would do the most to increase take-up of payment technologies.

This raises an obvious question: with clarity and consistency front of mind, what if subcontractors could apply for payment the same way, on the same form, with whichever contractor they were working for? On the projects where a contractor has already adopted Payapps and asked them to use it, that's already the experience.

Subcontractor view

"It was simple to get started with Payapps. The onboarding specialists were helpful and available should we need one-to-one web sessions. Once acclimatised to the system it was clear that it was a simpler, smarter way of submitting payment applications."

Jim Howe
HEAD OF BUSINESS DEVELOPMENT, GTEK

Contractor view

"Our subcontractors quickly got used to submitting payment claims through Payapps and really like the system now. Rather than constantly ringing and emailing a busy quantity surveyor or our accounts team, they can look at Payapps to see if and when the claim has been assessed. They can see what money they're going to get on the due date for payment."

Danny Preston
COMMERCIAL MANAGER, DESIGNER GROUP

6 | PAYAPPS

Solving the issues subcontractors have named

The subcontractors we reached out to have been generous in sharing what works for them and what doesn't.

The challenges they've confirmed through our survey are familiar by now, to recap:

- A continued reliance on spreadsheets rather than software
- Complexity and a lack of clarity clouding the payment process
- Delayed responses and late payment squeezing cashflow
- Difficulty staying compliant without more support

The positive here is that most subcontractors already know Payapps and are using it to great effect, with plenty seeing its benefits when working with contractors on payment applications.

Adoption is increasing rapidly too, as we continue to engage and educate the subcontractor community. In the UK, the vast majority (80%) of subcontractors we surveyed have already used Payapps for submitting their applications for payment. Usually, this is due to contractors themselves using and mandating Payapps. It's a positive sign and a big box-tick for commercial and compliance best practice.

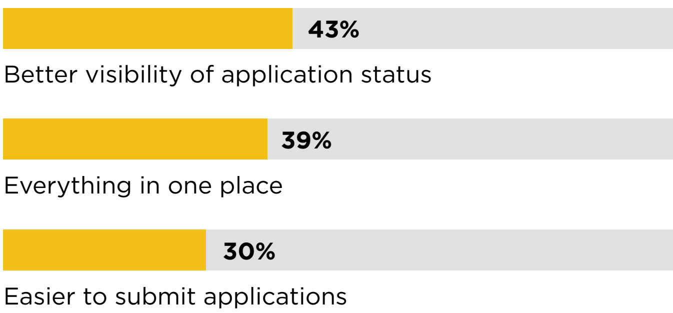
Where it's in use, Payapps is tackling the very problems many subcontractors have flagged:

8 in 10 (80%) have found Payapps helpful for guiding them to submit a compliant application.

8 in 10 (80%) rate it 'extremely', 'very' or 'somewhat' helpful.

5 in 10 (50%) have already cut the time they expend on administration.

What have been the biggest benefits of using Payapps to submit applications for payment?



Overall, respondents report big benefits from using Payapps.

As a cloud-based platform that changes how payment applications are submitted, assessed and approved, Payapps swaps fragmented manual processes for one digital workflow, which cuts admin and improves accuracy. Put simply, compliance gets stronger and disputes become rarer... and the gain runs both ways.

Contractors maintain control and have a clear view of where every application sits, while subcontractors get clarity, faster turnaround and the ability to track an application in real time. The shared visibility this offers is what builds stronger working relationships and helps generate steadier cashflow all along the supply chain.

Key takeaways: Payment is today's competitive difference

Subcontractors across the UK have been forthright in telling us that payment practices remain a major source of friction on construction projects.

Slow approvals, inconsistent processes, heavy admin and patchy communication all pile pressure on their businesses.
In the end, that pressure lands on contractors too, in the shape of slower, riskier project delivery. They also witness a shrinking pool of willing subcontractors and suppliers, as firms begin to drop out over payment difficulties.

For any contractor or subcontractor not yet using Payapps to manage the process, this is the moment to strengthen supply chain relationships.
Getting payment right helps a business to remain competitive and keeps projects productive and profitable. At the same time, it protects subcontractor cashflow and resilience, helping to maintain trust and goodwill.

In an era of increasing disputes and insolvencies, how a contractor handles payments has become a genuine market differentiator.
Manage supply chain payments well, and it can be the difference between a project that succeeds and one that struggles.

With Payapps, firms use a platform that's quick to adopt and cost-effective to run, with a fast return on investment.
Standard processes take the friction out of applications, leading to a smoother experience for everyone and helping to build the kind of reputation that wins repeat work and earns preferred contractor status.

A better application for payment process - one that promotes confidence and improves morale - leaves contractor and subcontractor free to get on with their best work.

About Payapps

Payapps, an Autodesk company, provides a cloud-based collaboration tool for the construction industry. It helps contractors and subcontractors simplify and expedite the assessment of applications for payment, including variations and retention. A simpler and faster digital process ensures greater transparency, increased accuracy, improved compliance, reduced financial risk, fewer disputes and fairer outcomes.

Payapps significantly cuts payment application processing time, helping to meet regulatory requirements. Compliance is improved and made easier with documentation verification integrated with the assessment process. Seamless integration with a wide range of project, construction and financial management software helps provide real-time data on all project payment requests and approvals.

For more information about using Payapps to submit, assess and approve applications for payment, visit payapps.com