

BUYING GOODS AND SERVICES SAFELY

Practical steps: what to check and how to check it

Friday 14 October 2022

Useful links, search tools, and key points

Section 1. Find key details about a company

Companies House: <https://find-and-update.company-information.service.gov.uk/>

Potential red flags include:

- A very recent incorporation date
- A company whose status is shown as “Proposal to strike off”
- Late filing of accounts or other official documents
- Significant charges registered against the company by individuals
- Company directors with a long trail of dissolved or struck off entities, particularly if these entities share a similar name
- Frequent directorship changes (a potential sign of instability)
- Very low or negative assets, cash holdings, and revenue over time (find these figures by checking the company’s financial accounts)

Section 2. Check their VAT registration

Is your supplier required to register for VAT?

- In the UK, limited companies whose revenue from taxable goods and services is greater than £85,000 are required to register for and pay VAT
- All your business’s VAT-registered suppliers will have a unique registration number

How to find a supplier’s VAT number?

- Check an invoice submitted to you or another official document, such as an insurance form or claim
- If you are yet to receive any of these documents, you can use an online VAT number search engine
- Larger companies may also list their VAT number on their websites
- All UK VAT numbers will consist of the letters “GB” or “XI” (for Northern Ireland), followed by nine digits

Example VAT number search engine: <https://vat-search.co.uk/>

How to verify a supplier's VAT number?

- For UK suppliers, use the government VAT verification service:

<https://www.gov.uk/check-uk-vat-number>

- You can also phone HMRC on **0300 200 3700**.
- For EU suppliers, use the VIES database maintained by the European Commission. This uses information from member states' national VAT databases.

https://ec.europa.eu/taxation_customs/vies/#/vat-validation

- The UK government portal also has a page listing correct VAT number formats for each EU member state. The same page provides letter templates in most EU languages, which you can use to ask a supplier to confirm their VAT number.

<https://www.gov.uk/guidance/vat-eu-country-codes-vat-numbers-and-vat-in-other-languages>

Section 3. Search the internet for negative information

Four ways to run Google searches

1. Run a simple search on the company and its directors, e.g. **JS Associated Ltd, John Smith**
2. Use quote marks to search on an exact phrase, or multiple phrases. Examples: **"JS Associated Limited" "JS Associated Ltd", "John Smith", "John Johnston Smith"**
3. Use a broad negative search string, using AND and OR operators. An example is provided below:

"John Smith" AND (accused OR alleged OR suspected OR investigated OR indicted OR accusations OR allegations OR suspicion OR investigation OR probe OR indictment OR illegal OR illicit OR unlawful OR criminal OR crime

4. Tweak the search string to find specific information. In our example case, helpful searches will include:

"John Smith" AND (fraud OR convicted OR cleared OR guilty OR acquitted OR walked free)

"John Smith" AND "Crown Court"

"John Smith" AND (fraud OR theft OR verdict OR sentence OR guilty)

"John Smith" AND (fraud OR theft)

NOTE. If a company has recently changed its name, make sure you include the previous name in the above searches.

Other useful online sources

UK online legal databases (BAILLI): https://www.bailii.org/form/search_multidatabase.html

The Disqualified Directors Register: <https://www.gov.uk/search-the-register-of-disqualified-company-directors>

The Individual Insolvency Register (England and Wales): <https://www.insolvencydirect.bis.gov.uk/eiir/>

Scottish Insolvency Register: <https://roi.aib.gov.uk/roi/Security/Home/Landing>

The Financial Crime Authority's unauthorized firms and individuals register:
<https://www.fca.org.uk/consumers/unauthorised-firms-individuals>

Some key UK industry regulators and professional associations:

- Association of Chartered Certified Accountants
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants in Ireland (operates in Northern Ireland)
- Institute of Chartered Accountants of Scotland
- Chartered Institute of Arbitrators
- Chartered Association of Building Engineers
- Chartered Institute for Securities and Investment
- Chartered Institute of Building
- Chartered Institute of Credit Management
- Chartered Institute of Legal Executives
- Chartered Institute of Logistics and Transport
- Chartered Institute of Marketing
- Chartered Institute of Patent Attorneys
- Chartered Institute of Payroll Professionals
- Chartered Institute of Plumbing and Heating Engineering
- Chartered Institution of Building Services Engineers
- Chartered Institution of Civil Engineering Surveyors
- Chartered Insurance Institute
- General Dental Council
- General Medical Council
- General Optical Council
- General Pharmaceutical Council
- Professional Standards Authority for Health and Social Care
- Authorised Conveyancing Practitioners Board
- Bar Standards Board
- The Law Society
- Law Society of Northern Ireland
- Law Society of Scotland
- Solicitors Regulation Authority
- Council for Licensed Conveyancers