

CEO of Furniture In Fashion Calls On The Government To Offer Protection To Small Businesses

The owner and managing director of Furniture in Fashion Asad Shamim calls on the government to offer protection and assistance to small businesses.

LANCASHIRE, UK, February 6, 2015 /EINPresswire.com/ -- The owner and managing director of Furniture in Fashion Asad Shamim calls on the government to offer protection and assistance to small businesses. His appeal concerns the outrageous practice adopted by corporate clients of charging smaller companies substantial "fees" for doing business with them.

"The situation when bigger companies are forcing suppliers to pay fees for keeping their contracts is alarming and highly unethical. Unfortunately, it has become a widespread practice and has turned into a major problem, which needs to be addressed on a government level," Mr. Shamim says.

A vivid example of such bullying behaviour is the case of the UK food giant Premier Foods charging millions of pounds from its suppliers for staying in business. With the increasing spread of such questionable practices, the "fees" required by big companies from their suppliers in order to "secure future business" reach overwhelming amounts posing a serious threat to small enterprises. According to the FSB (Federation of Small Business), one in five small companies in the UK have suffered from this kind of bullying over the past two years. If these practices become a fixture, they are sure to smother UK small businesses, which are, according to the FSB chairman John Allan, already approaching the breaking point.

Apart from blackmailing smaller businesses into paying "donations" for keeping their contracts, the practice of demanding elongated payment terms has also become very common to business culture in the UK. The standard delayed payment term recognized in the European Union is 60 days, while some companies force their suppliers to wait up to 120 days to get paid.

"This situation creates unfavourable business climate and threatens the international reputation of the UK businesses," says CEO of Furniture in Fashion Asad Shamim. "However, the most



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outrageous fact about these unethical and outwardly immoral schemes is that big companies are still doing nothing illegal according to current UK legislation. This impunity has to be put to an end."

The payments demanded from suppliers to stay in business are often disguised as "donations into business development", "investment payments" or "promotional fees", however, small firms are clearly told they can't refuse paying, if they want to stay on the suppliers` list. Smaller companies often have no choice but to agree, although, many small business owners lately have been openly calling such behaviour blackmail.

The government, so far, has been hesitant to intervene, although the department for Business, Innovation and Skills has expressed concern over the situation. Debates are underway in the House of Lords as to whether or not government should impose regulations on big businesses. Labour party has already proposed legislative changes as part of small business enterprise and employment bill; however, opponents still believe the problem can be solved just by making big companies publicly accountable of how they treat suppliers. As claims the FSB chairman John Allan, big businesses should beware of their unethical practices being revealed to consumers, as the latter are likely to be outraged by how they bully their partners. Customers will be shocked by their favourite brands' immoral business practices, and will demand them to play fair, he says.

But, unlike the FSB representative, CEO of Furniture in Fashion Asad Shamim believes the situation cannot be handled simply by attracting the public`s attention to the problem. "The issue has to be made public," Mr. Shamim says. "However, simply creating publicity won't help. Right now, big companies that stick to honest and responsible business practices are in less beneficial conditions than those who profit from bullying and blackmailing their suppliers. With the situation already getting out of hand, small companies need assistance on a higher level and proper legislation to ensure legal protection from such unfair arrangements."

"The abuse of power and influence by big companies has to attract the attention of regulators. As much as we believe in the idea of free business, if the principles of fairness and mutual benefit are continuously violated, government has no choice but to intervene," Mr. Shamim says.

CEO of Furniture in Fashion has frequently voiced his concern over unfavourable business climate and the ever deteriorating business conditions which make it impossible for small enterprises to stay afloat. As of today, thousands of high street shops are empty because of unreasonably high business rates. With VAT rate of 20% and the rapidly spreading practice of corporate bullying, small firms are literally being pushed to the edge with no relief given. Previously, Mr. Asad Shamim had called on the government to reduce VAT to 15% to boost sluggish economy and take measures to breathe life back into UK small business.

With general elections coming up this year, Mr. Shamim calls on the government to offer small

businesses protection for their survival, and asks the Prime Minister for an affirm commitment to which he will stand by, not just a temporary one to gain votes.

"Such hostile business practices as the notorious pay- to-stay schemes and unduly prolonged payment terms have to be legally prohibited. Moreover, big companies that stay honest and ethical in their dealings with suppliers should get encouragement and recognition for their higher moral standards," states CEO of Furniture in Fashion.

About [FurnitureInFashion](#)

FurnitureInFashion is a UK based online retail business. It supplies furniture items from its German based warehouse and has a showroom in Bolton, UK. The company provides everything from umbrella stand wall art and room dividers to bedroom, [bar stools](#) and [computer tables](#). FurnitureInFashion offers excellent free delivery within UK and has a fantastic customer service as well. For further information and details about the sale, visit <http://www.furnitureinfashion.net>

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