



COMMERCIAL BULLETIN

Your guide to the latest legal updates
from the team at Radius Law.

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CORPORATE & COMMERCIAL

New payment reporting obligations for large companies.

Subject to a few exceptions, new payment reporting obligations¹ **require large UK companies to disclose details of their payment practices in directors' reports for financial years** starting on or after 1 January 2026. The reporting obligations include the average number of days to make payments, calculated from the day the company receives an invoice or other notice of the amount due.

Large companies are companies that satisfy at least two of the following criteria: turnover of more than £54 million; balance sheet total of more than £27 million; and over 250 employees.

New SFO Guidance on Corporate Compliance Programmes.

Following the new Failure to Prevent Fraud offence implemented in September last year², the SFO has updated its [guidance on corporate compliance programmes](#). The guidance underscores a shift towards evaluating the **real-world effectiveness of corporate compliance programmes**, emphasising that benchmarks and practical outcomes matter more than labels and that policies must be actively enforced.



UK parent company liable for foreign subsidiary failings.

On 14 November, the High Court found BHP liable for the 2015 Fundão Dam collapse in Brazil³, which was operated by its foreign subsidiary.

This is the first case where a **UK parent has been held liable for an overseas subsidiary's actions**, challenging the protection traditionally offered by corporate group and joint venture structures.

The case is a stark warning to companies exercising material influence or control over foreign subsidiaries or joint ventures that they face the risk of liability in England.

Director Personally Liable for Breach of Confidence

The High Court has held a director personally liable for breach of confidence after approving the marketing of a tax structure based on confidential information shared under a nondisclosure agreement⁴. The Court ruled that **personal liability can arise simply from possessing and using confidential information**, regardless of the recipient's intentions or whether the information was widely shared. Recipients of confidential information must be vigilant, as even indirect involvement can lead to liability.

The 'red hand' rule reaffirmed.

The Court of Appeal has recently reaffirmed the 'red hand' rule⁵, holding that **unusual or onerous terms must be clearly brought to a contracting party's attention to be enforceable**. That said, in commercial contracts, especially those involving professional advisers, the threshold for a term to be considered onerous is high, and market-standard clauses are unlikely to require special warnings. Brokers or lawyers reviewing terms for their

clients typically satisfy the notice requirement. If the other party is less experienced or unrepresented, clear signposting and acknowledgement of such terms are advisable.

A party cannot waive its termination right without actual knowledge of it

The Court of Appeal has ruled that a party cannot waive a contractual right to terminate unless it is actually aware of that right⁶.

This case concerned a dispute between URE Energy Ltd and Genesis Housing Association. Genesis merged with another housing association, becoming Notting Hill Genesis and notified its suppliers, including URE.

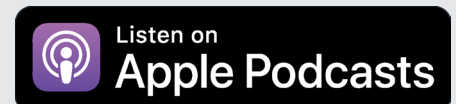
URE's contract with Genesis allowed URE to terminate in the event of a merger. Some months after the merger and following a breakdown in relations, URE terminated the contract, citing the merger as its reason for the termination.

Genesis argued that URE had waived its right due to the lapse of time between its notification of the merger and URE's termination. **The Court of Appeal ruled that, despite the clear contract terms, URE's directors did not have knowledge of the right as they had only 'skim read' the contract** and could not therefore have waived the termination right.

This case creates a concerning precedent. It potentially allows a party a 'get out' right if they can show they had not understood the terms of the contract, which is contrary to the fundamental importance of certainty and predictability in commercial transactions



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CONSUMER

Price transparency guidelines published

In November, the Competition and Markets Authority ('CMA') published the new [Price Transparency Guidelines](#) under the new Digital Markets Competition and Consumers Act 2024. **The Guidelines require businesses to present clear, upfront total prices, including all mandatory fees, taxes, and charges for any advertising that includes a price.** This includes online listings, advertisements, and influencer promotions. Mandatory charges must be included in headline prices, while optional extras may be stated separately only if genuinely optional. If prices cannot be calculated in advance, businesses must explain how they are determined.

We recommend that business audit their pricing practices to ensure compliance with the new guidelines.

The CMA has already signalled its commitment to enforcement and has publicly launched [investigations in sectors such as ticketing, driving schools, gyms, and homewares.](#)

EU cancel my contract

From June this year, any business selling products, services or digital content online in the EU must provide a clear ‘cancel my contract’ button or link on their website or app. This new requirement⁷, applies broadly and aims to make it easier for consumers to exercise their 14-day withdrawal right. The cancellation function must be prominent, simple to use and provide an email confirmation.



ENVIRONMENTAL

Revisions to EU Corporate Sustainability reporting obligations.

In December, European institutions agreed on revisions to the Corporate Sustainability Reporting Directive (‘CSRD’) and the Corporate Sustainability Due Diligence Directive (‘CS3D’). Final publication is expected in March 2026, with the rules entering force shortly afterwards. Key points to note are as follows:

- Changes to thresholds mean fewer companies fall in scope;
- CSRD introduces a new concept of ‘protected undertakings’ to shield smaller businesses from excessive reporting demands.
- Civil liability provisions under CS3D have been deleted, and regulatory penalties changed from a minimum 5% of worldwide turnover to a maximum 3%; and
- The first CSRD reports (other than wave 1) are due for financial years beginning on or after 1 January 2027, with publication in 2028 (one year later for non-EU companies), and all companies are to comply with CS3D by 26 July 2029.

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EMPLOYMENT

Employment Rights Bill receives Royal Assent

The Employment Rights Act came into force in December 2025.

The most significant changes relate to unfair dismissal rights, in particular the reduction of the qualifying period to claim unfair dismissal from 2 years to 6 months and the removal of the cap on compensation. It is unknown when the compensation cap will be removed, but the qualifying period will be reduced on 1 January 2027. This means that anyone employed from 1st July 2026 will have the right to claim unfair dismissal, if they are dismissed on or after 1st January 2027.

The changes are likely to increase the cost of exit packages of senior employees and could lead to more unfair dismissal claims.

The government will publish an impact assessment on the removal of the compensation cap.

Period of early conciliation extended to 12 weeks

In most employment claims, prospective claimants must contact ACAS before issuing the claim. This process (early conciliation) pauses the time limit for issuing the claim. On 1 December 2025, the early conciliation period was doubled from six weeks to twelve. The change is intended to ease pressure on ACAS, but there are concerns it could delay claims and increase uncertainty for employers, especially as time limits to bring claims will be extended to six months in October 2026.

Government publishes working paper on reform of non-compete clauses

The government has published a working paper⁸ seeking views on reform of non-compete clauses in employment contracts. It considers four options, namely:

- a three-month statutory limit;
- a statutory limit determined by company size;
- a blanket ban; or
- banning non-competes below a specified salary threshold.

You can submit responses until 18 February 2026.

Day one right to paternity leave for bereaved partners

On 29 December 2025, the Paternity Leave (Bereavement) Act 2024 came into force, introducing a day one right to paternity leave for bereaved partners. This entitles partners to take paternity leave, irrespective of their length of service, where the mother or adopter of the child dies in childbirth, or within one year of the birth or adoption.

RECENT CASES

TUPE and insolvency – appointment of provisional liquidator before TUPE transfer prevents transfer of employee liabilities

Under TUPE, employee liabilities do not pass to a transferee where it acquires a business after insolvency proceedings are instituted with a view to the liquidation of the assets.

In this case⁹ a struggling bakery entered into a conditional agreement to sell the business but appointed a provisional liquidator before the sale completed. The EAT held that the appointment of the provisional liquidator amounted to insolvency proceedings akin to liquidation, therefore employee liabilities did not transfer to the buyer. Instead, affected employees could claim unpaid wages from the National Insurance Fund.

Employee who knowingly made false sexual-assault allegations receives 20-month sentence for contempt of court

Commerzbank AG brought contempt of court proceedings against its former employee, Mr Ajao (Mr A), relating to false evidence he provided in Employment Tribunal proceedings¹⁰




The court confirmed that making a false statement in a witness statement without an honest belief in its truth amounts to contempt of court and interferes with the due administration of justice. It found Mr A had fabricated sexual harassment allegations against a colleague and gave false evidence to try to win substantial compensation. Mr A's actions seriously harmed his colleague and interfered with the administration of justice. Mr A was sentenced to 20 months in prison.

Did you know...

If your customer is insolvent, you may need to continue supplying it.



How can Radius help?

			FIXED FEE £4,950 +VAT
Review and revision of sales contract terms with protective provisions*	CIGA video team training.	Best practice contract management guide.	

*Contract review for one contract only, the review is for CIGA protection and not a general review of all provisions.

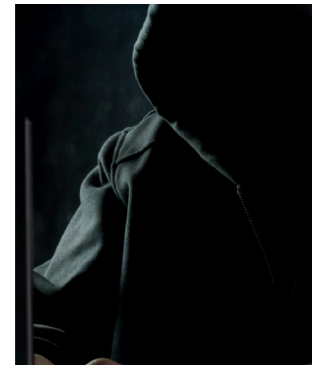
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The law



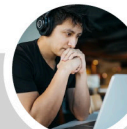
The Duty to Prevent Fraud offence came into force on 1 September 2025

The offence is introduced as part of the Economic Crime and Corporate Transparency Act 2023 (ECCTA).

Companies are liable if an employee or other ‘associated person’ commits fraud to benefit the organisation or to anyone that receives services from the company.



The Radius Plan

		
Fraud prevention workshop and plan (Includes pre-workshop consultations, workshop, and written plan with gap analysis)	Fraud preventions policies and contract term	Bespoke staff training video (Includes unlimited global licence)
£12,000 +VAT	£6,000 +VAT	£8,000 +VAT

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Cases, laws, decisions referred to in this Bulletin

1	Companies (Directors' Report) (Payment Reporting) Regulations 2025;
2	Economic Crime and Corporate Transparency Act 2023 also introduces the new corporate offence of Failure to Prevent Fraud;
3	Município De Mariana v BHP Group (UK) Limited & BHP Group Limited [2025] EWHC 3001;
4	Kieran Corrigan & Co Ltd v. OneE Group Ltd, Bashir Timol and others [2025] EWHC 2759 (Ch);
5	MS Amlin Marine NV v King Trader Ltd [2025] EWCA Civ 1387
6	URE Energy Limited v Notting Hill Genesis [2025] EWCA Civ 1407
7	Directive (EU) 2023/2673
8	https://www.gov.uk/government/publications/reform-of-non-compete-clauses-in-employment-contracts-working-paper/working-paper-on-options-for-reform-of-non-compete-clauses-in-employment-contracts#general-information
9	Secretary of State for Business and Trade v Sahonta and others [2025] EAT 166 https://www.gov.uk/employment-appeal-tribunal-decisions/secretary-of-state-for-business-and-trade-v-sahonta-and-others-2025-eat-166
10	Commerzbank AG v Ajao [2025] EWHC 2904 (KB) https://www.bailii.org/ew/cases/EWHC/KB/2025/2904.html



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