Where revenue leaks in construction and civil engineering

Construction revenue moves through applications for payment, certifications, retentions and variations, so the gap between what was earned on site and what actually lands in the bank is wide and easy to lose. When billing is staged across long projects and spread over many subcontractors, small slips repeat quietly across every valuation.

WHERE IT LEAKS

Certified less than applied, then never chased

Where the finance data shows an invoice raised below the applied or certified value, the shortfall sits as a short payment that no one goes back to collect.

Variations done but not valued in the next application

Where later applications invoice below the run-rate of agreed work, the finance data shows under-billing for variations that were carried out but never picked up in a valuation.

Staged and recurring billing that quietly stops

A regular staged charge or retention drawdown that ceases mid-project is a stopped recurring charge, easy to miss when a job runs across many months and many applications.

Retentions that fall due but are never released

A retention held against a project is a scheduled amount that should return at practical completion or end of defects, and where no matching invoice or credit ever appears it stays unbilled.

Subcontractor recharges that go one way

Costs recharged to subcontractors show as issued charges, and where the expected recharge invoice is missing or a credit note is applied without the offsetting charge, the recovery leaks.

Duplicate applications and duplicate credit notes

Re-issued applications and re-keyed valuations create duplicate invoices, and credit notes raised twice or never applied leave the ledger overstating recovery or writing off money that was owed.

THE SCALE

It is commonly estimated that around 1% to 3% of revenue leaks before it reaches the bank, and GoCardless has observed that roughly 2.9% of Direct Debit payments fail across about 55,000 businesses. As an illustration only, on a contractor turning over £20m, 1% to 3% is roughly £200k to £600k a year.

HOW IT IS FOUND

It is found read-only from your own accounting and payment data, with no change to your systems or your applications process, and often within a few days.

COMMON QUESTIONS

Does this work when we bill through applications for payment and certifications, not simple invoices?

Yes. It reads the values actually raised and paid in your accounting and payment systems, so it can see where a certified or applied amount was billed short, paid short or never collected, regardless of how the application process is run.

Can it tell us about retentions and variations we have not been paid for?

It works from the finance data, so it flags where an expected retention release has no matching invoice, and where later applications are billed below the run-rate of agreed work, which is often where variations were done but never valued. It reads the money, not the contract clauses.

Will connecting it disrupt live projects or our finance team?

No. The read is read-only from your own finance data, it changes nothing in your systems or your billing, and it typically returns a first view within days rather than weeks.

If it would help to see your own number, you can get a free read of where your finance data suggests revenue is leaking.

Get your free number