Retail and wholesale. The invoice stops being a document.

A guide to systems for quote to order, stock and purchasing, and fulfilment through to the ledger, around a change that now has a date on it.

A guide to the back office, not the shop floor.

Almost everything written about technology in this sector is about the front of it: the till, the website, the shelf. The work that costs money is behind all three. An order is quoted, stock is committed against a record that may be wrong, something arrives short, and a figure has to reach the ledger that matches what the customer was told.

Three of those steps are about to acquire a format. This guide is about designing for that. Every figure in it is traced to the body that published it, and where a change has been announced but not legislated the guide says so rather than implying otherwise.

Written for operations and finance managers in retail and wholesale, and for the people who choose and pay for their systems.

CONTENTS

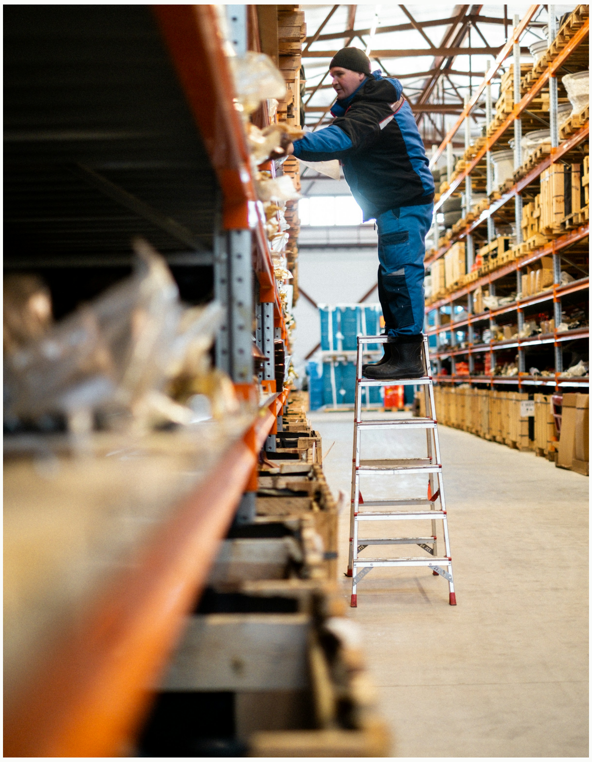
What this guide is not

It is not legal advice, and it is not a compliance checklist. It describes what the legislation and the published guidance say, with references, so that a reader can check them against their own business and take advice on them.

It is not a case study. No retailer or wholesaler is described, named or implied, and the photographs are illustrative. It makes no claim about trading outcomes.

It is not a product comparison. BespokeWorks builds software, and readers should weigh the guide accordingly. The questions on page 12 are as useful against our work as against anyone else's.

What 2029 actually means.



Electronic invoicing is no longer under consultation. The government decided at the Autumn Budget in 2025 to mandate it, and HM Revenue and Customs has since put a date on it: the government will mandate e-invoicing for all VAT invoices from April 2029. On 23 June 2026 it went further and named Peppol as the core interoperability network for the United Kingdom.

The part most often got wrong is who this lands on. The mandate is defined by the VAT invoice, not by who the customer is. HMRC and the Department for Business and Trade put it as: VAT invoices are typically issued for business to business and business to government transactions where VAT is due, though not for business to customer transactions. A wholesaler, or a retailer with a trade counter, trade accounts or public sector customers, is squarely inside it. A retailer selling only to consumers issues few or no VAT invoices and is largely untouched, though not formally exempt, because a VAT-registered customer can ask for one.

Two boundaries are worth fixing now. A PDF emailed to a customer is not an electronic invoice: PDF and Word files, images, HTML in an email or on a page, and scanned or faxed documents are all explicitly excluded. And real-time reporting of transactions to HMRC forms no part of the 2029 change. The government has deferred it rather than ruled it out, saying it would be considered once e-invoicing was well established.

None of this is law yet. No legislation has been published, and HMRC has committed to publishing full guidance, standards, technical specification and legislation by the end of 2027 to 2028. What has been settled is the direction and the network. What has not been settled is almost everything a system has to be built against.

What has been settled.

Four dates define the change, and the distance between the first two is the useful part. A business buying an e-invoicing product today is buying against a specification that has not been written.

ELECTRONIC INVOICING: THE SETTLED POSITION

April 2029	End of 2027–28	23 June 2026	24 Feb 2025
All VAT invoices must be issued as electronic invoices	By when HMRC has committed to publish standards, specification and legislation	Peppol named the core interoperability network for the UK	A separate e-invoicing duty already binding public sector buyers

The last of those is the one almost absent from trade commentary, which treats 2029 as the beginning of UK e-invoicing. Section 67 of the Procurement Act 2023 implies into every public contract a term requiring the authority to accept and process electronic invoices, and it has been in force since February 2025. A supplier to the public sector is already trading under an e-invoicing obligation, four years early.

Naming the network is not the same as publishing the specification. No syntax list, profile or detailed requirement has been published alongside Peppol, and the government has said it will keep engaging on the position of legacy systems that cannot interoperate.

> Emailing a PDF is not electronic invoicing. The test is whether the receiving system can process the invoice without a person retyping it.

An order, from quote to ledger.

A blueprint earns its place when it exposes a dependency. This fictional trade order is ordinary until the delivery is not what was ordered, at which point it has to travel back through every step that already happened. The route in copper is the one that ends up in an inbox.

ILLUSTRATIVE SERVICE BLUEPRINT

Customer | **Sales and stock** | **Finance**

Order placed

What was asked for, at what price, on what terms, and who agreed them.

Stock committed

Availability checked and the line reserved against a record that may be wrong.

Received, but not as ordered

A short delivery, a substitution or a damaged pallet has to unwind the stock commitment, the price and the invoice at once. Systems that model only the complete order push this into email.

Anything outside standard terms

Credit and price approved

An authorised person confirms anything outside standard terms.

Invoiced and reconciled

The customer receives an invoice, and the ledger holds the same figures.

Design implication

A system that handles the complete, on-time, as-ordered delivery is handling the part of the job that was never expensive.

What has to be kept, and for how long.

Retention in this sector runs on several clocks at once, and two of them do not start where people assume. One is counted from the end of a reporting period, one from the calendar year before last, and two have no stated period at all.

Record	What it has to show	How long it must be kept
Packaging data	The packaging data a producer is required to collect and, since 1 January 2026, the supporting evidence behind it.	At least seven years after the end of the reporting period the data relate to. Evidence of packaging waste collected and sent for recycling runs on its own clock and should not be scheduled off the reporting period.
VAT records under Making Tax Digital	Records kept digitally, with data moving between programs by digital link. Copying and pasting from a sales or stock system into accounting software is not a digital link.	The digital record-keeping duty applies to every VAT-registered business regardless of turnover, and has done since 1 April 2022. The turnover test people remember was removed then.
Payment practices reports	For a qualifying company, the average time to pay and the proportion of invoices paid late, published twice a financial year.	Published and public indefinitely. The size thresholds rose on 6 April 2025 to £54m turnover and £27m balance sheet total, with 250 employees unchanged.
Price and review evidence	What total price was shown, where, and when. Omitting material information from an invitation to purchase has been unfair in itself since 6 April 2025.	No retention period is set. The practical period is however long it takes for a complaint or an enforcement question to arrive about a price shown months ago.
Product compliance documents	Nothing yet. The Product Regulation and Metrology Act 2025 gives power to require the recording of complaints and the retention of documents or samples.	No period, because no duty. The power exists and no regulations have been made under it, so nothing is required of a retailer today.

Two of these five have no statutory retention period. Systems that impose one anyway tend to delete the evidence someone later needs.

Eight years of standing still.

Late payment is usually discussed as a problem that is slowly improving. In this sector it has not moved. The median large-business report in wholesale and retail showed an average time to pay of 37 days in 2025, the same as in 2018 and within a day of it in every year between.

Over the same period the median across all reporting large businesses fell from 35 days to 32. The sector has gone from two days slower than the typical large business to five.

AVERAGE TIME TO PAY, MEDIAN REPORT, DAYS

Department for Business and Trade, Large businesses' payment practices and performance statistics 2025, published 14 July 2026, reference tables 1 and 6. Section G is wholesale and retail trade including repair of motor vehicles. The data is self-reported and, as the department notes, not independently verified; it also estimates that fewer than half of the businesses required to report actually do so.

The figure is narrower than it sounds. Under the reporting regulations day one is the first day after the day the company receives an invoice or otherwise has notice of an amount for payment. Everything lost between a supplier raising an invoice and its arrival in the buyer's system falls outside the published number entirely, which is the part of the delay a system can actually do something about.

A second figure points the same way. In 2025 large businesses in the sector paid 15 per cent of invoices late by number but 11 per cent by value, the largest gap of any sector where the value figure falls below the number. That is consistent with late payment concentrating in smaller invoices, though the two are separately calculated medians rather than a like-for-like comparison, and the by-value measure is new this year.

Decided, drafting, and neither.

Four changes are being planned around at the moment as though they were settled. These are the ones most often quoted, with what has actually happened to each.

Change	Where it stands	What to plan around
E-invoicing for all VAT invoices	Decided and dated: April 2029. Not legislated. Peppol named as the core interoperability network in June 2026, with no syntax list, profile or detailed requirement published alongside it.	The ability to produce and receive a structured invoice without retyping, and one authoritative system for what an invoice says. Neither depends on the specification.
Commercial Payments Bill	Still before Parliament and not law. It completed Lords report stage on 15 September 2026, with third reading set for 20 October and its entire Commons passage to come.	Nothing yet. It is written about as though it were settled. It has not passed the Lords, let alone the Commons.
The Prompt Payment Code	Gone. Decommissioned in December 2024 and replaced by the Fair Payment Code, which became operational in February 2025 and awards Gold, Silver or Bronze against evidence, for two years at a time.	The shift from signature to evidence. In the reporting data itself, 91.4 per cent of large businesses record no payment code at all, and more reports still name the defunct code than the one that replaced it.
Product Regulation and Metrology Act 2025	In force since 21 July 2025 and almost entirely enabling. It imposes no product-safety obligation on any retailer, wholesaler or marketplace by itself.	Two of the twelve matters it can reach are back-office ones: the recording or investigating of complaints, and the production or retention of documents or samples. Nothing is required until regulations are made.

One enforcement fact sits under all of this. Failure to publish a payment practices report is a criminal offence carrying an unlimited fine, and in the eight years to January 2025 there had been no prosecution under the regulations at all; the minister told a committee, candidly, that there had not been much enforcement, and the department had written to more than 500 non-compliant firms. The data itself only became an official statistics series in July 2026, nine years after the duty began.

Established, and not yet in force.

Four kinds of claim circulate in this sector at once and they are not the same kind of thing. The two on this page are the ones a business can plan around. The two overleaf are the ones to ask questions about.

Established

The April 2029 mandate and the Peppol designation, both announced by HMRC. The public sector e-invoicing duty under section 67 of the Procurement Act 2023, in force since February 2025.

Digital record-keeping for VAT for every VAT-registered business since April 2022, with copy-and-paste expressly not a digital link. The packaging retention period of seven years. Omission of material information from an invitation to purchase being unfair in itself since April 2025.

Not yet in force

The e-invoicing legislation itself, along with the standards and technical specification, none of which has been published. The Commercial Payments Bill, which has not completed its passage through either House.

Every product requirement under the Product Regulation and Metrology Act 2025, because no regulations have been made under it. Making Tax Digital for Income Tax does not apply to limited companies at all, and no start date has been set for partnerships.

Asserted, and sold.

The claims most often made in a sales conversation, and the ones least often accompanied by anything a buyer could check.

Not established

That technology reduces administrative time in UK retail or wholesale. No government or academic evaluation of electronic data interchange in this sector could be found, and the Office for National Statistics dropped its own estimates of business use of EDI as unreliable.

That AI improves demand forecasting or replenishment here. No published independent evaluation of it in UK retail could be found, and no UK regulator has published AI guidance specific to the sector.

Vendor-sourced

The headline benefits quoted for e-invoicing are not government measurement. A 20 per cent reduction in late payments, £11,300 saved annually by a small firm, 60 to 80 per cent off invoicing costs: the government attributes all three, in its own consultation response, to an accounting software company and to an e-invoicing market consultancy. HMRC's estimate that digital record-keeping saves 26 to 40 hours a year is a survey-based extrapolation whose authors caveat the counterfactual explicitly. And the uplift in sales frequently quoted for counting stock comes from a study part-funded by a stocktaking services company.

> Unverified is not the same as false. It is a reason to ask for the workings, and to write the answer into the contract.

What a small pilot needs to show.

Agree the evidence before building anything. In this sector a pilot has a second job: it has to survive the order that goes wrong, because that is the order the administration exists for.

Question	What to observe	Accountable role	Release condition
The exception	A short delivery, run end to end. Does the stock, the price and the invoice unwind together, or does someone email about it?	Operations manager	Tested on a real discrepancy, not a clean order.
The invoice	Can the system produce a structured invoice the receiving system reads without anyone retyping it?	Finance	Demonstrated against a real trade customer, not a sample file.
The digital link	Every hop a sales figure makes on its way to the VAT return.	Finance	No copy-and-paste anywhere in the chain.
The stock record	Counted lines against system lines, with the measure agreed in advance.	Stock controller	One stated metric, defined before the count, not after it.
Cost at rest	The second year, including licences, integration maintenance and the cost of the specification changing.	Finance	Renewal price agreed in writing before launch.

Keep the first release narrow enough that every exception can be looked at individually, and choose the stock measure before anyone counts anything.

Questions for a first project.

These are the questions BespokeWorks would ask before proposing anything. They work as well against our work as against a supplier already in the building.

01 **Which system is authoritative for an invoice, and can it produce a structured one?**

April 2029 is far enough away that buying against it now means buying against a specification nobody has published. What is worth doing now is what would be worth doing anyway: one system that owns what an invoice says, and the ability to hand that to another system without a person retyping it.

02 **What happens when the delivery is not what was ordered?**

The complete, on-time, as-ordered delivery is the cheap case. Ask to be shown a short delivery unwound end to end, and watch how much of it happens in email. That is where the administrative cost in this sector actually sits.

03 **What does your stock accuracy figure measure?**

ECR Retail Loss applied eight standard measures of stock record inaccuracy to a single twelve-item worked example and got answers ranging from about zero to 92 per cent. They are not on a common scale: one is a percentage of sales, another a percentage of records. An accuracy percentage with no stated measure carries no information at all.

04 **What would have to be true in a year for this to have been worth it, and who is measuring it?**

No published evaluation shows technology reducing administrative time in UK retail or wholesale, and the benefit figures the government itself quotes for e-invoicing come from suppliers of it. A business can still measure against its own baseline, and for some time that will be the only evidence there is.

If a supplier cannot answer the first two without talking about their product, that is information as well.

Theo Coleman

Chief Technology Officer, BespokeWorks. September 2026

Sources and scope.

Every figure is traced to the body that published it rather than to coverage of it. Claims were checked a second time by a pass whose only purpose was to refute them, which corrected or reworded twenty-seven of the forty it examined. Retrieved 19 September 2026.

Tax update spring 2026: simplification, modernisation and fairness. HM Revenue and Customs, 23 June 2026. Source of the April 2029 mandate and of the designation of Peppol as the core interoperability network.

Promoting electronic invoicing across UK businesses and the public sector: consultation response. HMRC and the Department for Business and Trade, 26 November 2025, 342 responses. Source of the decentralised model, the exclusion of PDF and image invoices, and the deferral of real-time reporting.

Procurement Act 2023, c. 54, section 67, electronic invoicing: implied term. Commenced 24 February 2025.

VAT Notice 700/22: Making Tax Digital for VAT. HMRC, updated 1 April 2022, on the removal of the turnover test and on what counts as a digital link.

Find out if and when you need to use Making Tax Digital for Income Tax. HMRC guidance, last updated 26 March 2026.

Large businesses' payment practices and performance statistics: 2025. Department for Business and Trade, Official Statistics, 14 July 2026, reference tables 1, 6, 7 and 8.

The Reporting on Payment Practices and Performance Regulations 2017, SI 2017/395, Schedule paragraphs 9(a) and 13, and the 2024 amending regulations. The size thresholds rose for financial years beginning on or after 6 April 2025.

Hansard, Delegated Legislation Committee, 15 January 2025, on the absence of any prosecution under the reporting regulations.

Office of the Small Business Commissioner, on the decommissioning of the Prompt Payment Code in December 2024 and on the Fair Payment Code that replaced it.

Commercial Payments Bill [HL], HL Bill 4 of session 2026-27. Parliament bill page, last updated 16 September 2026.

The Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024, SI 2024/1332, regulations 23, 24 and 35, and Table 2.

Digital Markets, Competition and Consumers Act 2024, section 230 and Schedule 20, commenced 6 April 2025 by SI 2025/272. Competition and Markets Authority guidance CMA207 and CMA209, the latter published 18 November 2025.

Product Regulation and Metrology Act 2025, c. 20, sections 2, 3 and 15. Section 11(1) and (3) had not been commenced as at 19 September 2026.

UK Business Data Survey 2026. Department for Science, Innovation and Technology, Official Statistics, 18 June 2026, on AI use, integration, policy and awareness in the wholesale and retail sector.

Artificial intelligence in UK businesses, 2023 to 2026. Office for National Statistics, 20 July 2026, on how businesses in the sector acquire AI.

Making Tax Digital: estimating the wider economic benefit. HMRC, research conducted by Verian, 27 February 2025, which is the source of the 26 to 40 hours figure and of its caveats.

ECR Retail Loss, on the eight standard measures of inventory record inaccuracy applied to one twelve-item example, together with the peer-reviewed studies of stock record accuracy in US and UK grocery retail.

Photographs are illustrative and show no BespokeWorks client, member of staff or premises. Cover: photograph by Centre for Ageing Better on Unsplash. Page 3: photograph by Kseniia Ilinykh on Unsplash.

What could not be established

No UK government or academic evaluation of electronic data interchange in this sector could be found, and the Office for National Statistics dropped its own EDI estimates as unreliable. No peer-reviewed study of reconciliation error rates between e-commerce sales channels and accounting systems could be found, which is the guide's central integration question. No UK-specific official measure of on-shelf availability exists. No published independent evaluation of AI for demand forecasting or replenishment in UK retail could be found, and no UK regulator has published AI guidance specific to the sector. Nothing here is legal advice, and the packaging and deposit return positions in particular differ between the four nations.