

**THE DECISION TREE, IN ONE TABLE**

## Six classes of signal. *One score* that reads like an accountant wrote it.

PayShield does not output abstract risk numbers. Every score from 0 to 100 maps to a named tier, a recommended deposit, a contract term, and a chase cadence. Five weighted inputs feed the score, plus one heuristic flag for fraud-pattern overrides. The same warning signs always lead to the same answer.

**What feeds the score**

Payment practices	<b>35 PTS</b>	Filing anomalies	<b>15 PTS</b>
Sector benchmark	<b>25 PTS</b>	Network proximity	<b>10 PTS</b>
Director churn	<b>15 PTS</b>	Phoenix patterns	<b>HEURISTIC</b>

SCORE	RISK TIER	DEPOSIT	TERMS	RECOMMENDED ACTION
<b>0-29</b> / 100	<b>LOW</b>	<b>No deposit</b>	<b>Net -30</b>	<b>Invoice as standard.</b> Chase sequence dormant, fires only if payment slips past day 35.
<b>30-49</b> / 100	<b>MEDIUM</b>	<b>20%</b>	<b>Net -21</b>	<b>Take a small deposit, tighten terms.</b> Friendly chase from day 14, firmer reminder at day 21.
<b>50-74</b> / 100	<b>HIGH</b>	<b>40%</b>	<b>Net -14</b>	<b>Substantial deposit, short window.</b> Chase from day 7, escalation tone at day 14, recovery prep at day 28.
<b>75-100</b> / 100	<b>CRITICAL</b>	<b>50%+</b>	<b>Net -7</b>	<b>Half upfront, weekly terms, or decline the job.</b> Chase from day 3, escalate day 14, Small Business Commissioner referral drafted.

**The sixth class: a fraud-pattern override that sits outside the points system.**

**HEURISTIC**  
**Phoenix patterns**

Phoenix patterns are the structural signature of a company that has dissolved one entity and re-incorporated under a new name to escape liabilities, while keeping the same directors and trading style. **If detected, the rule tree forces an immediate Critical tier outcome regardless of the points score**, because no payment-practice history can be trusted from a freshly-incorporated entity sharing officers with a recently dissolved one.

**What we look at:** recently-incorporated company (under 18 months) sharing two or more directors with a mature company that became insolvent or was struck off in the previous 24 months, with overlapping SIC codes and registered office proximity. When all three conditions hold, PayShield raises the Phoenix flag and recommends decline-the-job rather than charge a deposit.

**HOW WE GOT HERE** **Five weighted inputs sum to the score:** Payment Practices Reporting trend (up to 35 points), days-to-pay versus sector benchmark (up to 25), director and CFO churn in the last 12 months (up to 15), filing anomalies including overdue accounts (up to 15), and disqualifications, charges, or insolvency proximity in the director network (up to 10). The Phoenix heuristic operates as a Critical-tier

override outside the points system. All thresholds were calibrated against UK Federation of Small Businesses 2025 late-payment data and Coface UK sector benchmarks. The rule tree is auditable. The action is automatic.