Specialist Surety Bond Brokers.

PHILLIPS
SCHROEDER
SURETY

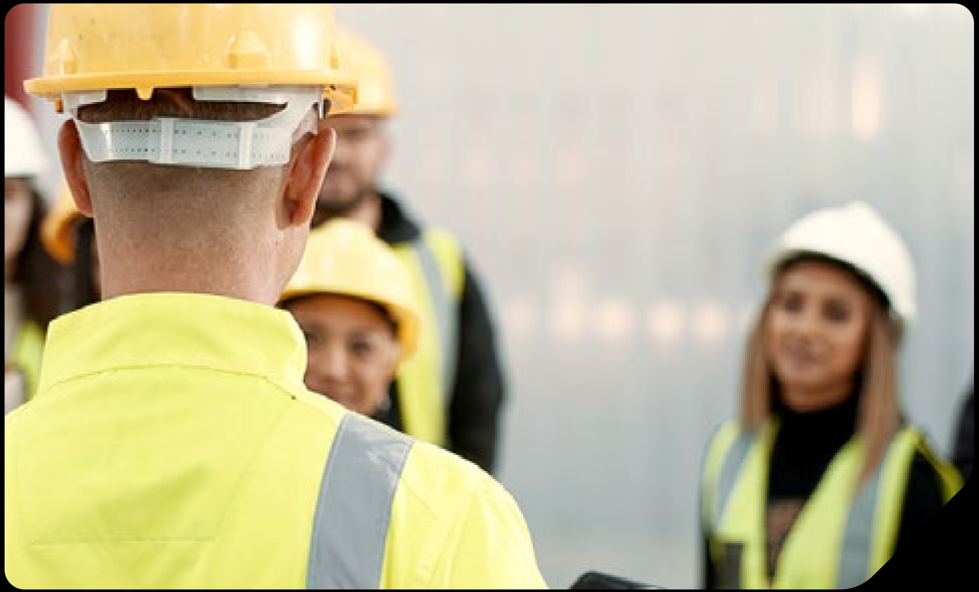
Built on Trust.
Delivered with Expertise.

Client Testimonial

"I have known Rick now for many years and have enjoyed friendly, clear, and honest advice regarding our Performance Bond requirements. As our business has grown, PSS have always provided the support to deliver our obligations to our clients. The responses from PSS to our commercial team are always timely and appropriate. Overall, Rick and his team provide a great service."

Chris Allsopp

Commercial Director, Winvic Construction Limited



Director's Statement

The past year has been defined by complexity and change. Economic headwinds and insolvencies have led to a hardened surety market, characterised by tightened capacity and cautious underwriting. For many businesses, securing essential bond facilities has become a significant financial and administrative burden.

It is precisely in these challenging times that the Phillips Schroeder Surety model, built on **expertise, transparency, and strategic partnership** proves its profound value. When I founded PSS, it was to simplify a needlessly complicated process and ensure clients were never paying over the odds.

Despite the market volatility, I am proud to announce that our dedication to client-centric service has enabled us to achieve a major milestone, having successfully placed over **£1 billion of bonds** on behalf of our clients.

Looking ahead to 2026, we remain your dedicated, in-house bond expert, focused on three critical areas:

- **Capacity Management:** We combat market constraints through proactive Full Facility Management, unlocking new facilities and assisting with strategic negotiation of bond releases, creating and nurturing essential capacity for your future growth.
- **Wording Expertise:** As employers demand increasingly complex and non-standard bond wordings, our technical capability to review and negotiate these terms remains vital to protecting your commercial position and securing the most favourable pricing.
- **Digital Efficiency:** We continue to integrate data-driven solutions to maintain our quick response times and efficient bond placement, ensuring our bespoke service is delivered with speed.

PSS have placed over £1 billion of bonds

Our mission for 2026 is clear: to maintain our status as the strategic partner that turns market complexity into competitive advantage. We remain committed to working hard, on your behalf, for years to come.

Rick Phillips

Managing Director, Phillips Schroeder Surety Limited, January 2026

Meet the Team

We are the surety specialists that put your business first.

We believe placing bonds should be easy. We work for you to make bonds quick, simple and cost effective. We provide a full market view that enables clients to make informed decisions about which Facility Terms they wish to pursue

Rick Phillips

Managing Director +44 (0) 7903 365653

Rick is deeply immersed in the surety market, having built his career on a foundation of expertise, client focus, and market insight. After earning a degree in Business and Law, he joined Allianz in 2008 as part of their management trainee scheme, where he gained a strong grounding in financial risk and underwriting

He spent the next nine years at Allianz, rising to Senior Underwriter and managing the surety needs of over 200 large corporate clients. During this time, Rick recognised a gap in the market for a truly client-first surety brokerage, one that prioritises transparency, efficiency, and optimised bond solutions. This vision led to the creation of PSS in 2017.

Henry Robbins

Senior Surety Broker +44 (0) 7903 365653

Henry joined PSS in January 2021 with a clear vision: to drive business growth by attracting top-tier corporate clients while maintaining the highest service standards in the market. With a decade of experience in corporate banking (HSBC and Barclays) and five years in surety broking. Henry brings expertise in financial structuring and client relationship management.

Henry Baird

Surety Broker +44 (0) 7901 043444

Henry joined PSS in October 2023. A graduate of King's College London with an LLB in Law, Henry specialised in Credit, Corporate and Finance Law. Henry leverages this expertise to help contractors navigate the complexities of the surety market seamlessly and to secure projects on the best terms possible.

Joe Short

Surety Broker +44 (0) 7506 320282

As an ex-PGA professional, Joe leverages his dedication to excellence and his proven ability to build and manage high-level relationships to serve PSS clients. He is committed to ensuring every client receives the same high standard of personalised, strategic support that defines the PSS ethos. His experience in high-stakes environments makes him a valuable member of the team.

Performance Bonds

What is a Performance Bond?

According to the dictionary, a Performance Bond is a bond issued by a bank or other financial institution, guaranteeing the fulfilment of a particular contract.

According to those working within the surety (bond) market, a Performance Bond is a tripartite agreement whereby a surety (the guarantor) guarantees the contractual obligations of a principal (the contractor) to the obligee (the employer) in the event that the principal breaches the contract or becomes insolvent.

The guarantor promises to pay the employer damages up to a fixed percentage of the contract sum. Subject to this limitation, the liability of the guarantor under the Performance Bond shall be co-extensive with the liability of the contractor under the contract.

When might a Performance Bond be required?

The obligation for a principal or contractor to provide a Performance Bond under a contract is subject to the discretion of the employer. An employer might always include the provision for a Performance Bond within their standard contract template but this requirement can be waived or enforced by the employer depending on the circumstances.

Typically, a principal would need to provide an employer with a Performance Bond when entering a contract with a value in excess of £1m, but it has been known for an employer to insist that a principal provide a Performance Bond to cover a contract of a lesser value. Equally, it is quite common for the requirement to be waived on schemes well in excess of this value.

Advanced Payment Bonds

What is an Advanced Payment Bond?

An Advanced Payment Bond is a type of surety bond that protects the buyer or client when an upfront payment is made to a contractor or supplier before any goods or services have been delivered.

How it works:

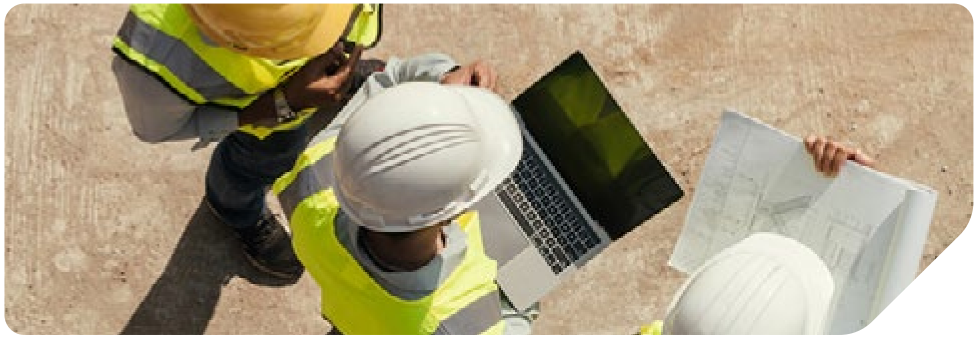
If a client agrees to make an advance payment (for example, to help fund materials or mobilisation), they take on the risk that the contractor may fail to deliver the work or goods as agreed. An Advanced Payment Bond gives the client a guarantee that if the contractor defaults or goes out of business, the bond provider will repay the advance (in full or in part), up to the value of the bond.

When is it used?

- At the start of construction contracts to cover materials and mobilisation costs.
- In manufacturing or engineering projects where the supplier needs capital to start production.

Key benefits:

- An Advanced Payment Bond de-risks upfront payments while still giving the contractor the funds they need to get started.
- In short, an Advanced Payment Bond builds trust and cash flow without compromising security.



Retention Bonds

What is a Retention Bond?

A Retention Bond is a financial instrument commonly used in the UK construction industry as an alternative to traditional cash retentions. Typically, clients withhold a percentage (often 3% or 5%) of interim payments to contractors to ensure the completion of work and to address any defects. This practice can strain cash flow, especially when profit margins are narrow.

With a Retention Bond, instead of withholding cash, the client receives a guarantee from a surety provider. This bond guarantees that funds will be available to rectify any issues if the contractor fails to meet contractual obligations. Consequently, contractors benefit from improved cash flow, while clients maintain financial security.

The cost of obtaining a Retention Bond varies, typically ranging from 0.4% to 5% of the bond value per annum. Factors influencing this cost include the contractor's financial stability and the project's risk profile. Contractors often bear this expense, considering the cash flow advantages it offers.

Incorporating Retention Bonds can lead to more efficient project execution by alleviating financial pressures on contractors and ensuring clients have the necessary safeguards against potential defects or incomplete work.

When might a Retention Bond be required?

A contractor wants to improve cash flow
Instead of having a percentage of payments withheld (often 5%), the contractor provides a bond, allowing them to receive full payment while still giving the client financial protection.

The client requires protection against defects or incomplete work
Clients use retentions to ensure any defects identified during the defect liability period are rectified. A Retention Bond offers the same security without holding back cash.

The contractor is worried about the solvency of the client or they are worried that the client won't release the final retention at defects.
Obtaining a Certificate of Making Good can be difficult, with a Retention Bond in place, cash retentions can't be held hostage or used as a discount.

It's contractually agreed as an alternative to cash retentions
Many main contractors and clients now include the option for a Retention Bond in their contracts, especially on large-scale or longer-term projects where cash flow is critical.

The contractor is working on multiple projects
Using Retention Bonds instead of cash retentions helps maintain liquidity and working capital across several jobs at once.

In short, Retention Bonds are used when both parties agree that protecting project quality doesn't need to come at the expense of a contractor's cash flow.

Highways Act Bonds

What is a Section Agreement or Highways Act Bond?

A Section Agreement, commonly referred to as a Highways Act Bond, is a type of surety bond required by local authorities in the UK when a developer or contractor is building or modifying roads, footpaths, or drainage systems that will eventually be adopted by the council or utility provider.

A Section Agreement protects councils and the public by ensuring roads, paths, drainage, and related infrastructure are properly completed before being adopted. It's a crucial part of many residential and commercial developments, especially when infrastructure needs to be adopted by public bodies.

When might a Section Agreement be required?

Section Agreements are typically linked to legal agreements under the Highways Act 1980, including:

Section 38 Agreement
For new roads to be adopted by the local authority.

Section 278 Agreement
For changes or improvements to existing public highways.

Section 104 Agreement (under the Water Industry Act 1991)
For new sewerage infrastructure to be adopted by the local water authority.

The bond guarantees that the developer will:

- Complete the infrastructure works to the required standard.
- Do so within the agreed timeframe.
- Cover any remedial works if necessary.
- If the developer fails to fulfil their obligations, the local authority can call on the bond to fund the completion or repair of the works.

Off-Site Materials Bonds

What is an Off-Site Materials Bond?

An Off-Site Materials Bond is a surety bond that protects the value of materials purchased for a project, but stored off-site before installation. This bond gives the employer confidence that materials they have paid for or are liable for will be delivered and used as intended.

It is commonly used in construction contracts where materials are procured in advance and stored in a third-party facility, warehouse, or supplier premises. The bond ensures that, in the event of supplier failure, insolvency, or other issue, the value of the off-site goods is protected.

- Covers high-value or long-lead time items stored away from the construction site
- Guarantees that off-site materials will be delivered and incorporated into the works
- Reduces the need for clients to withhold payment until delivery
- Can be tailored to meet the conditions of a specific JCT or bespoke contract
- Offers comfort to funders and developers advancing payment before delivery

When is an Off-Site Materials Bond required?

An Offsite-Materials Bond is required in construction projects when:

- A contractor seeks early payment for materials not yet delivered to site.
- There is a need to secure specialist or imported items in advance of the build schedule.
- The value of materials stored off-site is significant, and the employer requires assurance that those materials will ultimately form part of the project.
- Developers or funders request financial protection for materials already paid for but not yet on site.

Off-Site Materials Bonds are particularly relevant on large or complex projects where bespoke components or overseas shipping timelines are involved.

How to Appoint PSS

Making PSS your appointed surety broker is a simple, strategic, and zero-cost decision that immediately transforms how your business manages bond risk and capacity. We seamlessly integrate with your operations, acting as your dedicated, in-house bond expert.

The Benefit: Our Service is Free to You

We are paid a direct commission by the Surety Provider only when a bond is successfully placed. Crucially, you will pay the same premium amount as if you were to go direct to the surety provider, meaning that utilising our specialist service is a win-win situation, adding expertise and capacity management at no extra cost.

The Appointment Process: Three Simple Steps

Step 1: Initial Consultation and Proposal

We begin with a comprehensive, confidential discussion about your business, current bond facilities, upcoming project pipeline and strategic goals.

The PSS Commitment: We analyse your existing arrangements and current market landscape to present a clear, data-driven proposal detailing how PSS will optimise your bond facilities, reduce long-term costs and improve your capacity and wording position.

Step 2: Sign the Broker of Record Letter

To officially appoint PSS as your broker, we require a signed **Broker of Record (BoR) Letter.**

- **What is the BoR?** This is a standard administrative document that formally notifies your existing or prospective Surety Providers that PSS has been appointed to act on your behalf.
- **Our Guidance:** We will draft this letter for you. Once signed, we manage the entire notification and migration process with your current or target surety markets.

Step 3: Facility Handover and Ongoing Management

Once appointed, our team moves swiftly to assume responsibility for your bond portfolio.

- **Full Facility Management**: We recommend and specialise in Full Facility Management. Under this arrangement, you assign PSS as the appointed broker for your entire surety panel, inclusive of the new facilities we obtain for you. We assume responsibility for comprehensive management, including negotiating non-standard wording, liaising with sureties, and managing your aggregate exposure.
- **Bi-Lateral Facility Management:** Alternatively, you may opt for a bi-lateral agreement where PSS manages only the new facilities we obtain, while you continue to manage your existing facilities in-house.
- **Your Partnership Begins:** We immediately begin conducting regular market exercises to ensure you always have the best value and capacity available, acting on your behalf for all your bond needs.

Testimonials

We Highly Recommend Rick and the Team

"Since the inception of our business, Rick has worked closely with us to develop our bond facility from nothing as a startup into a robust facility that allows us to offer bonds for all projects that require them. Rick has consistently been proactive, frequently reviewing our facility with both existing and new sureties, while also being responsive to our evolving needs. We highly recommend Rick and the team at PSS for any bonding requirements."

Sam Harrington
Director, Tanro Ltd

Professional, Proactive, and Comprehensive Service

"Henry and the team at PSS always provide a very professional, prompt and proactive service. There is always a sense that every possible option is explored in order to ensure that our business receives the most effective solution."

Darren Sutherland
Financial Director, Area Sq Limited

Strategic Support in Challenging Times

"The team at PSS have been a pleasure to work with from day 1. They have been a valuable support to our growing business at a time when our industry has faced many challenges and uncertainty. The team at PSS are responsive, professional and have a very clear understanding of our needs."

Tom Goldsworthy
Finance Director, Morro Partnerships Ltd

Thorough, Efficient and Economical Service

"Our experience working with Henry and Rick has been great, a real pleasure; they are professional, experienced, and truly knowledgeable about their product and the market.

They provide a very thorough but efficient and economical service, our business feels important to them, we are not just a number. I would recommend their services to others."

David Smith
Chief Operating Officer, Advanced Interior Solutions Ltd

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