



HM Government

United Kingdom Labour Market Enforcement Strategy 2025 to 2026

Annex A: emerging issues around compliance and enforcement in the UK labour market

Summary of stakeholder evidence

July 2025



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Presented to Parliament pursuant to Section 5 (1)
of the Immigration Act 2016

July 2025



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1. Introduction

1.1 Overview

This document reports on our approach to stakeholder evidence gathered for the 2025/26 Labour Market Enforcement Strategy and summarises stakeholder views.

Each year the Office of the Director of Labour Market Enforcement (ODLME) issues a public call for evidence to inform the director's strategy.

Evidence gathering for the 2025/26 strategy commenced in the autumn of 2024, later than in previous years. This was in part due to restrictions on external engagement activities during the pre-election campaign (spring 2024) and the need to assimilate the impact of the Labour government's Make Work Pay agenda (autumn 2024). The resulting Employment Rights Bill, introduced on 10 October aims to tackle low pay, poor working conditions, and poor job security¹. It also includes a commitment to introduce a single body for some state-enforced employment rights, widely now referred to as the Fair Work Agency (FWA).

We held a series of roundtables and launched a call for written evidence, providing an opportunity for stakeholders to highlight evidence of worker exploitation, solutions, and their aspirations for the FWA. Meetings

¹ [Make Work Pay – GOV.UK](#)

with devolved governments in Scotland and Wales, and with Northern Ireland representatives were also held throughout the year. In addition, there has been ongoing engagement with the three enforcement bodies within my remit.

1.2 Roundtables

We held 3 sectoral themed roundtables focused on the sectors we rate highest risk. We also held one round table with a cross-sectoral theme and two on the FWA. In addition, we attended six roundtables facilitated by stakeholders. These were:

- Kalayaan, who support overseas domestic workers
- the Association of Professional Staffing Companies (APSCo)
- the Recruitment and Employment Confederation (REC)
- the Freelancer and Contractor Services Association (FCSA)
- Osbourne Clarke, international legal practice
- Citizens Advice

We also held a discussion with the Workers' Support Centre.

The roundtables provided valuable insights and understanding across a broad range of labour market issues including stakeholder priorities for the transition to

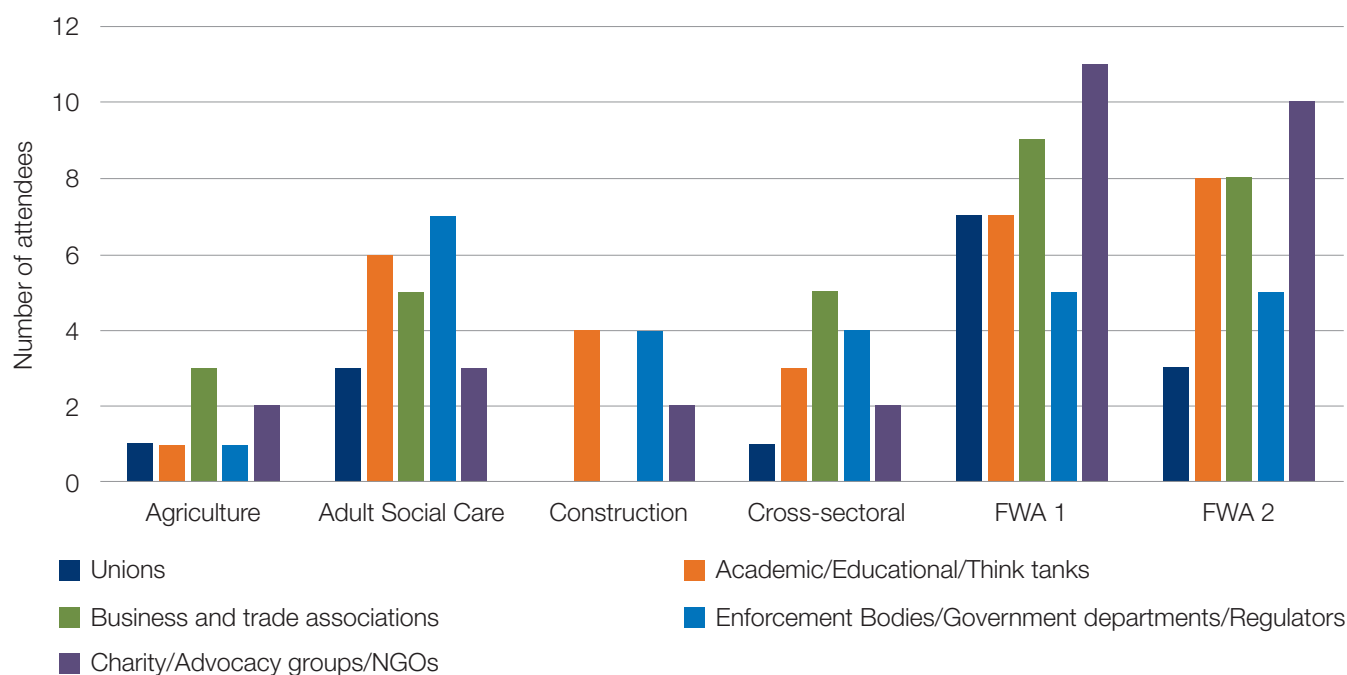
the FWA. We are appreciative of all stakeholders who attended and facilitated roundtables.

A summary of roundtable attendees by type is provided in Figure 1.

This bar chart represents the types of roundtables and numbers of attendees from different organisations.

The total number of attendees across all roundtables was 132.

Figure 1: Attendees at ODLME roundtables



1.2.1 Summary of roundtables

Agriculture

The agriculture roundtable focused on the Seasonal Worker Visa scheme and international workers. The following concerns were raised:

- lack of protections for seasonal agricultural workers in the UK on visas when scheme operators' licences are revoked
- issues with pay, with workers unclear about wage deductions and payslips, a lack of payment for holiday pay and travel time, uncertainty on what counts as working time
- better wage calculation guidance for seasonal agricultural workers
- issues with payments when payslips are showing kilos picked and inferred time rather than hours worked
- uncertainty about how piece rates work with the guaranteed 32 hours
- productivity targets not explained to the worker before coming to the UK
- unfair dismissals over missed productivity targets
- tied accommodation making it difficult for workers to make complaints and request transfers
- lack of access to toilets and hygiene facilities

Adult social care

The adult social care roundtable covered both residential care and domiciliary care provided in people's homes. Stakeholders raised the following concerns:

- recognition that adult social care is a shortage occupation in the UK with a heavy reliance on the use

of the adult social care visa to recruit international workers

- lack of robust vetting and due diligence in issuing sponsor licences to employers
- international exploitation experienced before arriving in the UK, with some arriving with significant debt
- the fragmented and poor commissioning of care services leading to cost-cutting and underpayment of staff
- businesses finding it difficult to guarantee workers regular hours
- Inadequate rest time for workers providing live in care
- non-payment or underpayment of travel time for care workers between home visits, seen as a breach of minimum wage regulations
- lack of sectoral bargaining, adequate pay and conditions to make care work an attractive career option and address staff shortages

Construction

The construction roundtable focused on the government ambition to increase housebuilding and future demands on the industry. Concerns included:

- multiple layers of subcontracting in construction creating complex structures and confusion over who is

accountable. This in turn can impact on employment rights and working conditions

- a lack of transparency around workforce composition and employment models. Large employers should disclose data about their directly employed workers and know the composition of their subcontracted workforce to shed light on potential exploitation risks
- lower skilled construction workers may be falsely classified as self-employed contractors when they should be considered employees with full employment rights

Cross sectoral roundtable

This roundtable looked at issues within the labour market that are reported across more than one sector or with sectors not covered in the first three roundtables.

Associations supporting workers within the garment industry, hospitality, cleaning, and the equestrian sector attended. Cross sectoral concerns were:

- coordination challenges between UK government agencies and devolved governments in enforcement, data sharing, and standardisation of worker protections
- misclassification of self-employment status, depriving individuals of employment rights and benefits
- immigration rules and issues with visa requirements creating vulnerabilities for migrant workers with few safeguards. Non-compliance may be under-reported

due to barriers faced by migrant workers. Issues arose from tied accommodation, debt from upfront fees, language issues and fear of being seen as a troublemaker by future employers reducing employability prospects

- misleading and non-compliant payslips
- phoenixing of companies (dissolving and restarting under a new entity) to avoid paying worker compensation

Hospitality – Workers in this sector face issues such as no holiday or sick pay, excessive hours, non-payment of minimum wage and lack of employment contracts. Pubs were reported as having issues around forced self-employment, withholding pay, lack of adherence to employment rights and fear of complaining due to tied accommodation.

Cleaning – Some similar issues to hospitality around non-compliance with employment rights and protections, and bogus self-employment.

Overseas domestic work – There is a data gap on exploitation risks for this sector, but there are high vulnerabilities due to migrant domestic workers.

Warehouse and Logistics – Pressures to reduce costs are a driver of exploitation in this sector.

Garment Industry – Low margins, contract variations feeding hidden economy work, use of piece rates and a

lack of access to enforcement were concerns for this sector.

Equestrian sector – Elevated levels of non-compliance on contracts, minimum wage violations and bogus self-employment.

Fair Work Agency roundtable

Two roundtables were held on the Fair Work Agency, focusing respectively on:

1. How the FWA can support businesses and workers to ensure that worker rights are better understood.
2. How the FWA can build on the work of the three existing enforcement bodies to improve compliance with and the enforcement of workers' rights.

Short term stakeholder priorities

- ensure a smooth transition of open cases from existing enforcement bodies like the Employment Agency Standards Inspectorate (EAS) and the Gangmasters and Labour Abuse Authority (GLAA) to the FWA
- retaining specialist expertise
- focus on setting up effective communication channels and outreach to educate workers about their rights, especially vulnerable groups like migrants

- to understand the effectiveness of communication channels the FWA should explore the use of apps, social media, and partnerships to reach workers
- target high-risk sectors like care, construction, and hospitality

Medium term stakeholder priorities

- develop a balanced compliance and deterrence enforcement approach like civil penalties and naming and shaming for wilful violators
- streamline processes to cut delays in investigating and penalising violations like unpaid holiday pay and working time
- enable data sharing across labour market enforcement and HMRC rights and tax obligations to identify pockets of non-compliance
- prioritise resourcing inspectors to meet International Labour Organisation (ILO) benchmarks through licence fee models or levies
- clarify employment status definitions and introduce a mechanism to calculate holiday pay
- establish safe and accessible reporting mechanisms for workers to complain anonymously without fear of immigration consequences
- continuously enhance accessibility through multi-lingual resources

- building public trust through fair processes

Longer term stakeholder priorities

- legislative reform to shift the burden of proof to employers, to evidence status as employee or self-employed
- national licensing schemes in exploitative sectors like car washes and nail bars to improve monitoring
- explore linking enforcement to tax and self-employment obligations to maximise impact and revenues
- measure impact not just through cases closed but overall compliance levels across the economy
- establish a rural presence closer to workers
- adequate resourcing commensurate with the role of FWA

2. Call for evidence

In addition to the roundtables, the DLME also published a call for evidence ² on 4 November 2024 which concluded on 13 December 2024. Given the move towards the FWA and recognising the statutory timing of delivery and publication of the Director's 2025 to 26 Labour Market Enforcement Strategy, the call for evidence focused primarily on informing the development of the FWA. This included how the enforcement bodies should prepare for the transition to help ensure the FWA is a success.

The specific questions we asked in the call for evidence are presented in Box 1.

2 Labour market enforcement call for evidence 2025 to 26 strategy available at: <https://www.gov.uk/government/calls-for-evidence/labour-market-enforcement-strategy-2025-to-2026-call-for-evidence>

Box 1: Call for evidence questions

Employment rights enforcement priorities and governance

1. What do you believe should be the priorities for employment rights enforcement as we transition to the FWA?
2. The FWA will take time to be set up. What should priorities be for the enforcement bodies before then? What should be FWA medium to longer-term priorities and why?
3. The FWA will have a statutory duty to publish annual reports and a triannual strategy, overseen by a social partnership board with tripartite representation from business representatives, trade unions and independent experts. What data and reporting should the FWA publish to ensure good accountability and transparency, via these publications or otherwise?

Communication and engagement

1. How do you expect stakeholders to be engaged by the FWA and what do you see as the benefits?
2. By which channels might awareness of the FWA be increased before and once it is established and why do you recommend them?

3. Where can communications around compliance and enforcement be improved such that workers are aware of their rights and their obligations? What evidence do you have that they work?

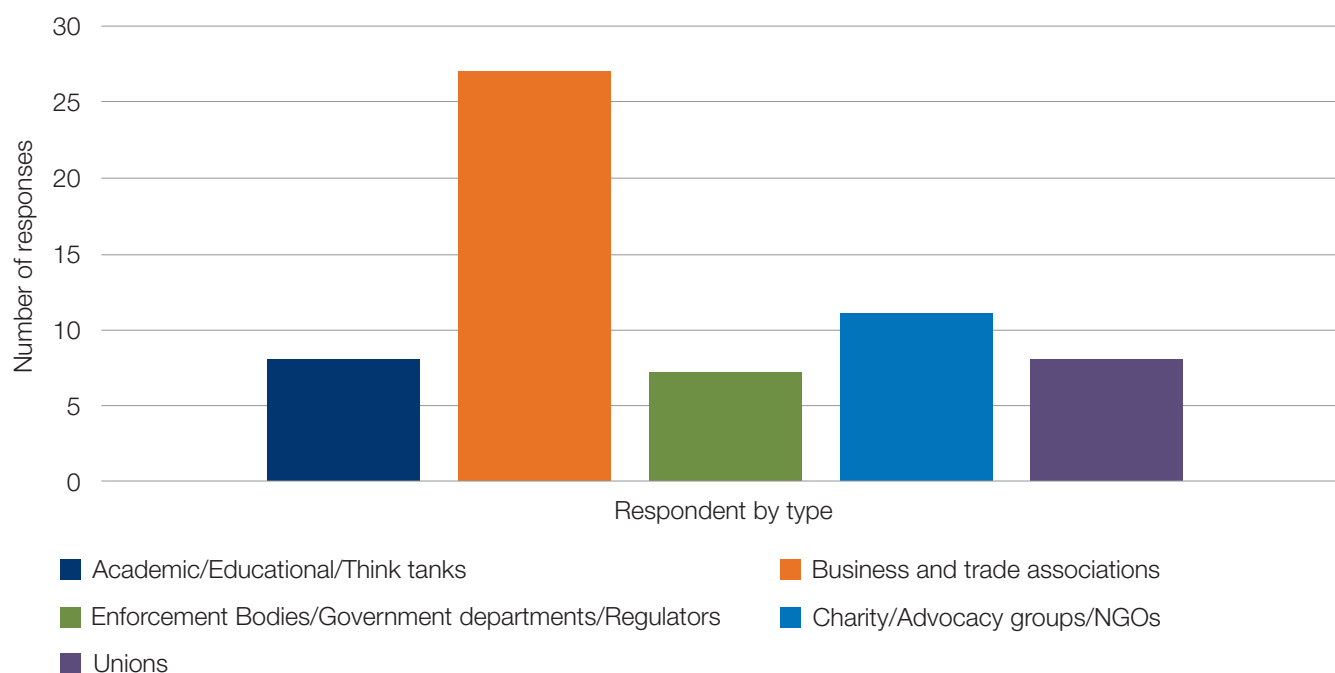
Moving towards an FWA

1. What do you value about the present practices of the three enforcement bodies that you want to see continued by the FWA and why?
2. What would you like to see done differently?
3. The enforcement bodies currently use different approaches for compliance and enforcement – which of these do you think are most effective and should therefore be preferred for the FWA and why?
4. In establishing the FWA is there any good practice you would like to highlight from other UK and/or international regulators/enforcement bodies, either in the labour market enforcement space or beyond?

The number of responses to the call for evidence by stakeholder type is set out in Figure 2.

This bar chart represents the types of organisations that responded to the call for evidence. In total there were 62 responses.

Figure 2: Stakeholder responses by type



This section provides a summary of the responses from stakeholders, grouped by theme.

2.1 Key functions

The FWA should take a holistic view to understand all elements of how worker exploitation occurs, with robust enforcement policies, legal procedures, trained staff, and comprehensive data tracking capabilities.

2.1.1 Compliance v enforcement

The call for evidence asked for views on how the FWA should prioritise its resources between compliance measures (helping employers and workers) and enforcement measures (addressing and punishing poor practice, deliberate and serious non-compliance). Views

were mixed on the degree of prioritisation, however stakeholders accepted both elements are necessary.

Businesses were more in favour of a compliance approach offering educational support but with strong enforcement powers to address serious violations. A targeted, risk-based approach to enforcement should be undertaken, prioritising inspections and stringent penalties in higher-risk sectors and regions. This would direct limited enforcement resources more efficiently. Tough enforcement like naming and shaming could be used for deliberate, repeated violations. For lower-harm breaches, the FWA should take a proportionate approach aimed at rectifying the issue and supporting future compliance, with a grace period for employers to become compliant.

In terms of compliance, it was argued that promotion and education is necessary due to the complexity of the information. Employers need to understand their obligations, particularly new or amended rights. Enabling businesses to seek advice without fear of immediate sanctions would encourage businesses to be proactive and could help small businesses. Once responsibilities are embedded stringent enforcement could take priority.

The FWA should look to enhance efforts to engage and support employers in driving up compliance, through awareness raising, guidance and early resolution approaches. The FWA should look at building a knowledge base within the business community to lead to

sustained improvements in compliance, including providing clear guidance on obligations and explaining consequences if they choose not to comply. The knowledge base should involve two-way communication, ensuring that stakeholder insights inform policy development. Examples of sustained business compliance should be acknowledged, as well as giving prominence to where penalties for non-compliant employers have been enforced.

Inspections are important to increasing the visibility of proactive enforcement. For sectors with a high prevalence of low-paid, precarious work where workers are less able to enforce their own rights, the balance should move towards enforcement and inspections. This should include both advance notice visits and unannounced visits. To achieve this will take adequately funded enforcement resources with better coordination across enforcement providers and partnering with local authorities to address systemic violations.

2.1.2 Penalties

Stakeholders provided a range of views in relation to penalties. Enforcement providers should take a robust approach to using their current powers, with stringent enforcement of existing regulations first before pursuing new legislative changes. Penalties and fines for non-compliance should be increased to make them more meaningful deterrents, drawing on practices in countries

like France, Ireland, Netherlands, Australia, and Norway, where fines can be multiples higher than in the UK.

2.1.3 Intelligence and data

Continuing with an intelligence-led enforcement approach would make effective use of existing resources. Priority should be given to high-risk sectors and workplaces with low pay, insecure work, outsourcing, workers on visa conditions, low union representation and no collective bargaining mechanisms. Industries like cleaning, hospitality, construction, garment manufacturing, hand car washes, nail bars, agriculture, and the care sector, are dominated by low wages and high use of international labour. Stakeholders argue for a move towards a more refined, data-driven approach that better targets areas of highest risk.

The FWA should look at ways to improve data gathering, analysis and risk assessment. Data already held by government could be utilised to identify patterns and trends. The FWA should leverage AI technologies to facilitate real-time monitoring of compliance and violation patterns.

The FWA should share information and intelligence between enforcement agencies and wider enforcement providers. Clear communication pathways and protocols will enable nimble sharing of information and intelligence between the FWA and police forces, especially on safeguarding cases. Better use of the Regional

Organised Crime Units (ROCUs) can facilitate coordinated engagement across England and Wales.

An extension to the first responder status, which provides all agencies under the FWA with National Referral Mechanism first responder status, would enhance identification of potential victims of modern slavery and human trafficking linked to labour exploitation.

2.1.4 Licensing and regulation

Stakeholders suggest an extension of licensing to other high-risk areas, particularly hand car washes and umbrella companies, to ensure compliance with labour protections. Licensing schemes need strict enforcement mechanisms like penalties, fines, and potential loss of licence for non-compliant businesses. Any extension of the licensing scheme should be preceded by consultation with stakeholders to ensure that their expertise helps to shape enforcement proposals.

Local authority licensing schemes in the UK, such as for private hire vehicles, demonstrate scalable and adaptable enforcement practices at the local level.

It was also argued that an analysis of the cost-effectiveness of licensing, including licensing compliance rates should be conducted, with regular reports on compliance rates in licensed sectors.

2.1.5 Research

Stakeholders raised the importance of the FWA to undertake and publish research. Enhancing the picture on the scale and nature of non-compliance would enable better targeting of activities. A dedicated research function would enable the FWA to gather comprehensive data, map vulnerabilities and develop its understanding of root causes. This could include longitudinal studies assessing changes in compliance over time, comprehensive data on worker demographics across the UK, nationalities, wages and working hours. Analysis of grievances and complaint statistics would help stakeholders to better understand cross sector and sector specific issues.

FWA strategies should include sectoral briefs and case studies as well as data on work visa experiences. As part of horizon scanning the FWA should look at international comparisons and the intersection of labour rights with other trends, for example, how climate change may impact working conditions. In addition, the FWA should look to understand more about structural inequalities and systemic discrimination faced by women, minorities, and disabled workers and how this increases vulnerability within the labour market.

2.2 FWA resourcing

Stakeholders called for the FWA to be resourced sufficiently to enable effective enforcement of

employment rights. This included ensuring that the compliance and enforcement function of the National Minimum Wage, that is currently managed by HMRC, be moved within the FWA.

Stakeholders called for resources to be allocated to developing a communications strategy to support collaboration as well as to provide bespoke sectoral guidance. Resources should also be allocated to provide for the adoption of innovative technologies and online tools. These can be used to cost-effectively educate and raise awareness of rights among vulnerable worker groups and to simplify reporting mechanisms. Strong functions such as intelligence gathering and investigative capabilities were supported by stakeholders.

2.3 FWA governance and reporting

2.3.1 FWA Advisory Board

The FWA Advisory Board should provide leadership and be able to make recommendations independently. Stakeholders would like to see transparency on the composition of the FWA Advisory Board members, with some calling for attendance at the board by trade unions and community organisations who support vulnerable workers. There should also be sector specific committees in high-risk sectors offering expert input and exerting effective challenge to the board.

The advisory board could lead collaborative workshops and consultations with trade unions, business

representatives, and community organisations to help inform policymaking. The expert knowledge of stakeholders should be utilised to inform the FWA Advisory Board to direct priority proposals.

Stakeholders support a triannual strategy to set out the FWA strategic goals and want to participate in the development of the FWA Strategy (as they do now with the DLME Strategies). The strategy should clearly articulate the FWA's medium to long-term priorities in tackling non-compliance and promoting workers' rights, ensuring alignment with the broader goals of protecting vulnerable workers and enhancing labour standards. An integrated enforcement strategy should incorporate learnings from existing enforcement bodies to retain best practice. Within the strategy there should be a focus on performance metrics (see section on Measuring success and reporting below).

There should be feedback mechanisms to stakeholders through regular roundtables and consultations. Accessible summaries of stakeholder engagement efforts would help stakeholders to understand how their feedback shapes the enforcement strategies.

The strategy should contain summaries of intelligence-led risk assessments that inform the enforcement strategies. These should focus on high-risk areas of labour market non-compliance including sector-specific non-compliance analysis. Annual reports should update on progress made on strategy recommendations.

2.3.2 Measuring success and reporting

Transparency of enforcement activity was flagged as important. The FWA should monitor the efficacy of enforcement procedures and assess initiatives, with the ability to make necessary adjustments based on evidence. Evaluation and transparency in enforcement practices will build trust that the enforcement initiatives are working, such as enforcement actions versus educational initiatives. Further validity of effectiveness can be shown by independent audits and reviews.

The FWA should measure its success and report on its impact to facilitate continuous improvement. Stakeholders suggested a range of Key Performance Indicators (KPIs) (activities delivered), outcome KPIs (compliance rates) and impact KPIs (overall violation reduction) to monitor the effectiveness of the FWA. Quarterly enforcement reports for performance metrics and KPIs should be published and a live dashboard of labour market trends set up.

On licensing – Published metrics could include licensing uptake rates and licence revocations; the numbers of licensed versus unlicensed operators and fines collected from unlicensed operators; the reduction in violations at licensed businesses; and data on licence compliance rates by sector.

On compliance – transparency of the impact of the compliance promotional activity was stressed. For example, evaluation of training and workshops to see

how well information has been understood; the impact of public awareness campaigns; information on how the advice is used; the numbers of workers, employers and businesses who engage with and access information about employment rights and obligations; data on sector specific compliance rates; analysis of trends and patterns (by sector, worker demographics or geographic areas); data on voluntary business corrections; and reductions in repeat offending and unintentional non-compliance.

On enforcement – stakeholders would like to see information on enforcement action taken against non-compliant employers and monetary penalties issued; statistics showing the proportion of inspections that are proactive versus reactive (triggered by complaints); comprehensive data collection on enforcement actions taken (prosecutions, fines and penalties); and data on where enforcement was focused towards the severe end of the spectrum for workers.

On satisfaction and outcome – stakeholders would like data on how satisfied the worker was with the outcome of their case or complaint; employment tribunal volumes to measure success of initiatives; whether workers have received full recompense promptly; feedback from businesses on guidance provided and data on investigation outcomes. Data on victim support metrics was requested.

On value for money – stakeholders advocated transparency of spending, such as the resource allocated to each enforcement area, expenditure analysis and revenue generation from enforcement activities. The FWA should be able to demonstrate the cost-effectiveness of various approaches to enforcement and compliance to support future resource needs and budget allocations. This could include whether interventions were timely and efficient, and measures to identify whether activity was well targeted to cases where enforcement action was required.

2.4 FWA Communications and external engagement

Good communications are viewed as very important to the success of the FWA, and a communications strategy is key. It was argued that there continues to be a lack of understanding of employment rights among workers, the self-employed and businesses, which is likely to be compounded by new employment rights from the Employment Rights Bill. The FWA should therefore work in collaboration with relevant stakeholders including the Advisory, Conciliation and Arbitration Service (Acas), to use the creation of the FWA as an opportunity to clarify and unify the way workplace rights and responsibilities are communicated, understood, and enforced.

The FWA could play a role in understanding the impact of legislative changes, such as holiday pay, through analysis of holiday pay related queries.

2.4.1 Partnership working

Stakeholders urged the FWA to work in partnership with a wide range of Government departments, regulators and agencies, including:

- the Health and Safety Executive (HSE)
- the Care Quality Commission (CQC)
- local authorities (who already have roles in inspections, intelligence gathering and enforcement related to labour issues)
- the National Crime Agency (NCA)
- police
- wider HMRC
- Companies House
- the Equality and Human Rights Commission (EHRC)
- the Pensions Regulator
- the Insolvency Service
- HM Courts and Tribunals Service (HMCTS)

2.4.2 Stakeholder engagement

Strong stakeholder engagement is a key priority from the call for evidence, with stakeholders calling for the FWA to maintain close two-way working relationships and meaningful participation with external bodies.

Benefits include gaining practical insights into sector challenges and understanding the real-world experiences of employers and workers across sectors. This would help to ensure the FWA can develop effective ways to address issues. Businesses and trade associations that represent them have the potential to identify and implement solutions faster than statutory regulation.

Stakeholders argue that partnering with trusted intermediaries like trade unions, employer and trade associations and NGOs will help to generate awareness about the FWA as well as enhance its credibility and quickly spread knowledge about its functions and mechanisms across communities, promoting a collaborative atmosphere among stakeholders. It can help improve outreach and encourage more workers to raise issues with confidence. Local enforcement offices would help to address regional disparities.

In addition, stakeholders felt that the FWA should engage with community organisations, charities, social enterprises, faith-based organisations, trade unions and labour groups, advocacy, and campaign groups, as well as academic institutions who support workers by

gathering and exploring innovative enforcement approaches.

2.4.3 Access to information and entry points to the FWA

The FWA should be set up in a way to reduce uncertainty for workers who want to or who make complaints. A streamlined ‘one door’ reporting mechanism was suggested for individuals to report labour abuses, removing the need for individuals to go to separate places. A robust triage process would mean that complaints are directed to the appropriate enforcement mechanism. This ‘one door’ approach may increase confidence that worker issues are not falling through gaps between enforcement bodies.

It was argued that the FWA should have a role ensuring that workers have access to legal advice, resources and assistance when navigating their rights. The FWA should actively utilise existing services that already provide guidance and advice to workers and to employers, such as Acas and Citizens Advice. They are trusted sources of employment law information. The FWA should look to leverage these and other established channels to streamline access and ensure that users are directed to the FWA effectively. Acas currently serves as a gateway to enforcement options and provides clear guidance. Their helpline triages worker complaints and navigates them to the most appropriate enforcement bodies.

One suggestion was to rebrand Acas as ‘The Employment Rights Helpline’ to clearly communicate their advisory role. Stakeholders suggest a lead role for Acas in providing all online guidance through GOV.UK on employment rights and consolidating into a consistent style. The government needs to clarify roles and responsibilities between Acas and the FWA to avoid duplication or confusion.

Stakeholders say providing clear guidance to businesses on obligations and explaining enforcement consequences should be a priority. Such transparency helps foster understanding and compliance. Education and guidance are especially needed to support small businesses understand and comply with complex employment laws and regulations. There is a need for simple, practical guidance and tools such as a holiday pay calculator to help employers comply with complex areas of law and promote compliance. Guidance for workers should be accessible, easy to read and simplify complex rights, particularly concerning the National Minimum Wage and holiday pay. Some stakeholders requested bespoke guidance, tailored to prevent exploitation in high-risk sectors.

2.4.4 Communication channels

A range of communication channels were suggested through the call for evidence:

Newsletters: To extend the reach of the FWA, newsletters specific to sectors prone to non-compliance such as agriculture, care, construction, and hospitality.

Social media platforms: Campaigns via social media channels could amplify the FWA pre-launch to help raise awareness of the FWA's brand and roles; ensure more workers are informed of their rights and employers are well-informed and able to meet their obligations.

Posters/leaflets: Information such as through posters and leaflets with QR codes in a variety of settings including workplaces, job centres, GP clinics, faith centres and embassies.

Government channels: announcements and updates about the FWA should be issued through official government websites, newsletters, and during parliamentary debates. Government channels convey authority and credibility, ensuring the dissemination of accurate information about the FWA's goals and operations.

2.4.5 Reaching the hard to reach

Education and outreach initiatives to vulnerable workers should be prioritised, including multilingual communications, to empower individuals to seek redress. The FWA should look to collaborate and strengthen trust with community groups and advocacy organisations to spread information amongst harder to reach workers or local stakeholders. This could include adopting practices

that recognise coercion dynamics or utilising innovative models like ‘cultural mediators’ to reach the most marginalised groups. (‘cultural mediators’ are used by the Netherlands Labour Authority³ and involve qualified professionals with a migrant background who bridge cultural differences between migrants and service providers).

Enforcement officers need to receive cultural awareness training, better to understand specific groups and cultural differences. Stakeholders also supported enforcement inspectors taking a victim centric approach to combat modern slavery and labour exploitation.

Partnerships with Acas and local authorities to expand outreach capabilities would help the FWA access hard to reach workers to provide information about their rights and the support available to them.

2.4.6 Moving towards the FWA

The call for evidence asked for views on what is valued about the present practices of the three employment bodies that should be continued in the FWA as well as what should be done differently. Views on the approach to compliance and enforcement of the three enforcement bodies was also requested.

A collaborative, risk-based, balanced, transparent, and consultative approach should continue under the FWA to

3 [Home | Netherlands Labour Authority](#)

build on current effective practices while introducing improvements.

The FWA should establish strong cooperative frameworks among existing enforcement bodies, map existing competencies and powers, and identify gaps in legislation and intelligence. Coordination of joint working between EAS, GLAA and HMRC NMW should be strengthened.

HMRC NMW and DBT minimum wage team

Stakeholders highlighted a range of areas they value in relation to current minimum wage enforcement:

- the commitment to consider all complaints
- a collaborative approach to compliance
- robust powers and ability to ensure workers are paid money owing to them
- the existence of reporting hotlines and mechanisms for workers to report violations of employment rights
- guidance and outreach within sectors

It was suggested that the following could be done differently:

- the naming scheme can be disproportionate; the backlog needs to be addressed; naming rounds should be more frequent
- prioritise investigating more significant non-compliance, even where few workers are affected

- independent evaluations by organisations such as the National Audit Office to validate impact and value for money
- organisations such as Acas to draft NMW guidance
- formalise engagement with industry bodies
- clearer, more accessible sector-specific guidance on areas of long-standing confusion for employers, such as requirements around dress codes, uniforms, and reimbursing expenses for minimum wage workers
- clarify working time definitions and rules for salaried staff working variable schedules

GLAA

Stakeholders value the following in relation to GLAA:

- the statutory licensing regime for labour providers
- the model GLAA uses to engage with specific sectors

The following could be done differently:

- clarity on public disclosure of enforcement actions, including naming non-compliant organisations, to drive behavioural change
- transparency as regards following up third party reporting to increase confidence in effectiveness of the licensing regime
- the adoption of a balanced approach that combines the licensing scheme as both a compliance assistance

tool (education, standards-setting) and an enforcement mechanism (penalties for unlicensed operations)

- addressing issues of low-level labour abuse that does not meet the modern slavery threshold to prevent escalation into more severe violations
- increase penalties for labour market offences to deter non-compliance
- engage with stakeholders to reinstate effective target-setting with regular public performance reporting

EAS

Areas valued by stakeholders include:

- guidance on agency worker rights
- inspectors' expertise in identifying issues
- reporting of performance against targets and approach to ensuring inspector productivity
- proportionate approach to minor breaches
- collaborative approach, fostering two-way communication – encourage other enforcement bodies to adopt similar ways of working with organisations to facilitate compliance rather than just penalise them
- proactive visits

The following could be done differently:

- update and improve the Key Information Document (KID) guidance
- an extension of powers to enter premises and remove evidence/documents, businesses that obstruct this being categorised as an offence
- expansion of the remit of the EAS to register and provide oversight over recruitment agencies, especially those involved in international hiring
- improving transparency requirements
- bringing umbrella companies under tighter oversight; recommending regulation of umbrella companies
- clear mechanisms of accountability within joint employment models

2.4.7 International best practice

Stakeholders were asked to share examples of international best practice.

Increase penalties in low pay sectors: sectors with a high prevalence of low-paid, precarious work where workers are less able to enforce their own rights should have higher fines and penalties (see France, Ireland, Netherlands, Australia, and Norway)⁴.

International Labour Organisation (ILO): Stakeholders suggest the UK should look at adopting a prevention-

4 Enforce for Good- Resolution Foundation 2023 available at: <https://www.resolutionfoundation.org/app/uploads/2023/04/Enforce-for-good.pdf>

based, risk-targeted, and initiative-taking inspection approach guided by ILO forced labour indicators⁵.

Australia's Modern Slavery Act: emphasises business accountability through mandatory reporting requirements⁶.

Australian Workplace Justice visa: The Workplace Justice visa⁷ is a temporary visa pilot that allows temporary visa holders, or recent temporary visa holders, to stay in Australia. It allows workers to remain in Australia for 6 to 12 months to pursue a workplace exploitation claim relating to their employer. They are allowed to work while they hold this visa. The visa application can also include family members if they are in Australia with the worker. Australia has also introduced the Strengthening Reporting Protections Pilot which allows some temporary visa holders who have been exploited at work to apply for protection against their visa being cancelled.

Canada open work permit: this enables the individual to work for any employer (bar some limited exceptions)⁸.

New Zealand- No assumed guilt: The New Zealand Inland Revenue Department (IRD) conducts

5 International Labour Organisation – Indicators of forced labour 2012 available at: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_203832.pdf

6 Australia Modern Slavery Act 2018 available at: <https://www.legislation.gov.au/Details/C2018A00153>

7 Australian Workplace Justice Visa 2024 available at: <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-activity-408/australian-government-endorsed-events-workplace-justice-pilot>

8 Canada open work permit 2024 available at: <https://www.canadim.com/work/open-work-permit/>

investigations based on no assumed guilt. This allows inspections in a more pragmatic conversational manner that evaluates the intentions behind non-compliance.

Australian Fair Work Ombudsman: Sector specific campaigns providing information, education and advice on pay rates and workplace rights and obligations for employers and employees⁹.

Learning from other UK regulatory areas: The UK government can learn from its own best practice such as the licencing of private hire vehicles by local authorities.

2.5 Other priority areas for the FWA

2.5.1 Safe reporting mechanisms

Respondents argued safe reporting mechanisms are needed for workers who may be unwilling to report issues due to fear of adverse consequences for themselves or others. The individuals fear their personal data will be shared with Immigration Enforcement and therefore there is a need to separate the employment rights enforcement mechanism within FWA from immigration enforcement by establishing a “firewall” between the two functions. This is recommended by the ILO and European Union (EU). To achieve this, stakeholders suggested an independent confidential mechanism that stands alone from government, or using blockchain technology for confidential whistleblowing.

9 Australia Fair Work Ombudsman available at: <https://www.fairwork.gov.au/>

Advocacy groups, trade unions, and charities report that individuals seek help from trusted frontline organisations before – or often instead of – approaching enforcement bodies. A formal mechanism therefore needs to be in place for those organisations trusted by workers to report violations to the FWA, without fear that the trust these organisations have developed with workers may be compromised through their data being shared with Immigration Enforcement.

2.5.2 Holiday Pay

The TUC estimates over one million employees did not receive their full holiday pay entitlement last year, totalling £2 billion in unpaid wages. Clarification would be helpful on what counts as “normal remuneration” to include in holiday pay calculations, how to treat expenses, and dealing with rolled-up holiday pay for irregular hours workers. The FWA should look at workers on statutory leave like long-term sickness and maternity pay, where there should be transparency around accrual and payment of holiday pay entitlements.

2.6 Sectoral risks

ODLME takes a sector-based approach when assessing risk. Evidence was tabled in the following areas:

2.6.1 Adult social care

Concerns in relation to adult social care continue to be raised, including international workers paying high

recruitment fees, sometimes over £10,000, in their country of origin¹⁰. It was suggested there is a lack of adequate scrutiny and checks on sponsors/recruiters using the Health and Care Worker visa route.

Within the UK, stakeholders reported care workers being paid less than the minimum wage, having wages deducted or withheld, not being paid for overtime, travel time, statutory sick pay, or holiday pay. Workers are expected to undertake unpaid mandatory training and/or unpaid work meetings in their own time. Workers are made to sign opt-outs from the Working Time Directive and accept terms and conditions containing clauses requiring payment when leaving employment.

2.6.2 Seasonal agricultural workers

The FWA should look to partner with a range of organisations to raise awareness among agricultural workers about their rights and the FWA's role, and to disseminate guidance, promote compliance and leverage connections to farms and businesses. Potential partners include:

- the Department for Environment, Food and Rural Affairs (Defra)
- the National Farmers Union (NFU)

10 Press Release Unison 2025 – Care staff having to share beds – available at <https://www.unison.org.uk/news/press-release/2025/02/migrant-care-staff-having-to-share-beds-sleep-rough-and-charged-thousands-in-illegal-fees/>

- the Agriculture and Horticulture Development Board (AHDB)
- the Association of Labour Providers (ALP)
- the Recruitment and Employment Confederation (REC)
- the Seasonal Worker Visa Scheme Taskforce (SWVS Taskforce)
- the Worker Support Centre
- Focus on Labour Exploitation (FLEX)

In addition, greater coordination is needed between the devolved governments in Scotland, Wales, Northern Ireland where laws affecting the agricultural workforce may differ.

There is limited visibility of overseas recruitment practices. Oversight of the Seasonal Worker Visa Scheme (SWVS) should be strengthened to combat exploitation, particularly concerning recruitment fees and unsafe working conditions. Research has found most SWVS workers surveyed took out loans to cover costs of coming to the UK, paying up to £5,500 before earning a wage¹¹.

11 Bearing fruit! Making recruitment fairer for migrant workers 2025 available at: <https://labourexploitation.org/app/uploads/2024/04/Flex-Report-Final.pdf>

NGO evidence highlighted exploitation cases and cited data from the Defra Seasonal Workers Survey¹². They flagged concerns that some agricultural workers may experience substandard, overcrowded, and unhygienic living conditions. They note a lack of clarity about who has responsibility for inspecting farm accommodation.

Stakeholder evidence also highlighted widespread use of productivity targets and piece rates instead of hourly pay, with workers not paid for all hours worked. Stakeholders say there is a lack of clarity around the relationship between piece rates, productivity targets and minimum wage compliance, with employers using holiday pay artificially to meet the 32 hour per week requirement without the worker giving consent.

2.6.3 Hand car washes

One stakeholder estimates 80 per cent of hand car washes in the UK operate outside the law, with widespread issues like underpayment or non-payment of wages, poor working conditions, health and safety violations, and employment of vulnerable migrant workers.

2.6.4 Construction

There are concerns about exploitation in the construction sector. Workers may be moved from an employment

¹² Defra Seasonal Worker Survey results 2023 published 2024 available at: <https://www.gov.uk/government/publications/seasonal-workers-pilot-review/seasonal-workers-survey-results-2023>

contract to a “contract for services”, essentially becoming self-employed. Abuse of the Construction Industry Scheme (CIS) was raised as a risk for being used to push workers into self-employment status inappropriately.

2.6.5 Garment industry

There are concerns with supply chains with multiple layers in the garment sector. Exploitative purchasing practices within supply chains need to be addressed. Due diligence legislation should be implemented which serves to hold companies accountable to improving overall labour standards. A Garment Trading Adjudicator, modelled on the existing Groceries Code Adjudicator, could regulate unfair trading practices. The Adjudicator could ensure retailers comply with principles of “Fair Dealing” regarding order changes, payment terms, and prices when dealing with suppliers.

2.6.6 International recruits

Stakeholders suggest workers dependent on their employer for a visa are more likely to be victims of exploitation. The short duration of the visa creates a power imbalance in favour of the employer. The worker is unable to change their employer and can be unwilling to report issues for fear of losing their job or visa. In addition, inflexible guidance around visa revocations unfairly impacts workers when sponsors lose their licence.

International workers also face other concerns such as not being issued with a contract, non-payment of wages, underpayment of national minimum wage, no holiday pay or statutory sick pay, and excessive working hours.

Workers without the right to work or those operating outside the terms of their visa are also vulnerable to exploitation and this may also feed through to the terms of engagement of their work colleagues.

2.6.7 Other areas

Stakeholders reported concerns about additional sectors, which often overlapped with concerns for other areas including:

- recruitment sector – an increase in the use of umbrella companies, making it difficult for workers to know where to raise issues
- supply teachers – concerns about the lack of job security with zero hour contracts, key information documents not being fit for purpose and contracts not provided at the right time
- equestrian sector – reports of young, inexperienced workers who lack confidence to challenge non-compliance and require an easy and accessible system for reporting
- small businesses – the need for greater support through education and the FWA to forge a partnership with retailers

- hospitality – a suggestion that the FWA should include sectoral boards and bespoke guidance on the impact of legislation such as holiday pay
- film industry – clarity on worker status and information on the rights of self-employed. Retention challenges could be overcome by providing better working conditions
- overseas domestic workers – option to renew the six-month visa and for homes to be recognised as workplaces
- fishing – reports of low pay and long hours

2.7 Enforcement gaps and other worker rights issues

Stakeholders raised concerns about gaps in enforcement and gaps in worker protection.

2.7.1 Exploitation below the modern slavery threshold

The definition of forced compulsory labour is narrow under the Modern Slavery Act 2015 meaning that exploitation and severe labour abuses often fall short of the legal threshold for modern slavery, making enforcement difficult. The exploitation can include unethical and illegal recruitment practices like charging of fees, debt bondage, misleading job adverts and contracts, employers withholding documentation and

poor treatment. In addition, failure to address lesser harms can enable more serious violations to become entrenched.

2.7.2 Access to private homes

It was suggested that enforcement powers should be extended so that private homes are recognised as workplaces, enabling the FWA to enter these where labour exploitation is suspected. A stakeholder supporting overseas domestic workers highlighted a recent law in Brazil that enables labour inspections within private homes where a domestic worker resides, with access being authorised either by the employer or the employee.

2.7.3 Working visas

Renewable work visas with bridging visas would enable workers to move to another role without risking their immigration status. This would help empower workers to enforce their rights allowing them to maintain their immigration status. Stakeholders recommended looking at Australia's Workplace Justice visa and Canada's Open Work Permit.

2.7.4 Employment status and misclassification of employment status

Concerns 'were expressed' about a lack of clarity of employment status for certain worker groups such as casual staff and in the construction sector. Enforcement is needed against misclassification of self-employed

status, which can be used to avoid paying minimum wage, sick pay, holiday pay, pension contributions, and National Insurance contributions. It can be challenging for those supporting these individuals to determine worker status.

2.7.5 Internships and unpaid work

Internships, training roles, or unpaid work were raised as being used by some employers to undercut employment rights and wages.

2.7.6 Intermediaries and umbrella companies

Respondents flagged to us that non-compliance risks arise from the use of service companies, personal service companies, payroll companies and other intermediary engagement models used to hire workers. This market continues to operate with minimal oversight. Non-payment of wages and a lack of transparency and accountability are concerns for this sector.

It was suggested that use of employment models where an umbrella and agency business jointly employ a worker leads to confusion as to which entity is responsible for employment rights and wage payments.

It was argued that the FWA should have the powers to act against non-compliant umbrella companies, with the option to issue penalties against the directors or require

the workers to be fairly compensated by the umbrella company for any underpayments.

It was suggested that regulation needs to be based around the definition of “temporary work agency” as set out in the Agency Worker Regulations (AWR).

It was noted that recruitment businesses can and should do some due diligence before partnering with any umbrella company, but it is not feasible for recruiters to fully police the sector due to a lack of expert knowledge and resources to keep up with a fast-changing model.

2.7.7 Pay slips

Concerns continue to be raised in relation to payslips, including payslips not being provided, inappropriate salary deductions, lack of clarity, not understanding pay components, or variances week-to-week. This lack of basic information makes it difficult for workers to understand their rights and entitlements. The TUC say low-paid and ethnic minority workers are disproportionately impacted by wage underpayment and lack of payslips. Occupations like waiters, care workers, cleaners and retail assistants face higher non-compliance risks.

2.7.8 Key Information Documents

Key Information Documents (KIDs) are a legal requirement to inform agency workers about their pay related information. The KID should be concise and

provide the agency worker with clear, transparent employment information at the right time. This should also include providing the KID in the worker's preferred language.

2.7.9 New employment rights

Businesses misunderstanding or failing to comply with the new requirements introduced in the Employment Rights Bill are a concern to businesses. This includes provisions around rights to guaranteed hours, reasonable notice of shifts and compensation for cancelled shifts. Concerns were raised in relation to smaller companies with fewer than 25 employees, who are unlikely to have extensive HR capabilities. It was noted that some KIDs may be unclear or not provided at the right time.

2.7.10 Family leave and pay

Organisations that support workers whilst on maternity leave say that statutory maternity pay, and parental leave should be a priority for the FWA.

Annex A: Acronyms and Abbreviations

Acas – Advisory, Conciliation and Arbitration Service

AHDB – Agriculture and Horticulture Development Board

APSCo – Association of Professional Staffing Companies

CIS – Construction Industry Scheme

CQC – Care Quality Commission

Defra – Department for Environment, Food and Rural Affairs

DLME – Director of Labour Market Enforcement

EAS – Employment Agencies Standards Inspectorate

EU – European Union

FCSA – Freelancer and Contractor Services Association

FLEX – Focus on Labour Exploitation

FWA – Fair Work Agency

GLAA – Gangmaster and Labour Abuse Authority

HSE – Health and Safety Executive

HMRC – HM Revenue and Customs

HMRC NMW – HM Revenue and Customs – National Minimum Wage

ILO – International Labour Organization

IRD – New Zealand Inland Revenue Department

KID – Key Information Document

KPI – Key Performance Indicator

NCA – National Crime Agency

NFU – National Farmers Union

NGO – Non-governmental organisation

ODLME – Office of the Director of Labour Market Enforcement

REC – Recruitment and Employment Confederation

ROCUs – Regional Organised Crime Units

SWS-Taskforce – Seasonal Worker Scheme Taskforce

SWV – Seasonal Worker Visa

TUC – Trade Union Congress

Annex B: References

Australia Modern Slavery Act 2018 available at: <https://www.legislation.gov.au/Details/C2018A00153>

Australia Fair Work Ombudsman available at: <https://www.fairwork.gov.au/>

Australian Workplace Justice Visa 2024 available at: <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-activity-408/australian-government-endorsed-events-workplace-justice-pilot>

Bearing fruit! Making recruitment fairer for migrant workers 2025 available at: <https://labourexploitation.org/app/uploads/2024/04/Flex-Report-Final.pdf>

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Defra Seasonal Worker Survey results 2023 published 2024 available at: <https://www.gov.uk/government/publications/seasonal-workers-pilot-review/seasonal-workers-survey-results-2023>

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[files/wcmssp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_203832.pdf](#)

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Labour Market Enforcement strategy 2025 to 2026 call for evidence available at: <https://www.gov.uk/government/calls-for-evidence/labour-market-enforcement-strategy-2025-to-2026-call-for-evidence>

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