



## GLA Brief

Issue 38 – June 2014:  
Job-Finding Fees and  
Providing Additional Services

**This Brief explains how the GLA Licensing Standards applies to services provided to workers which have associated fees and charges.**

### Licensing Standard 7.1: Fees and Providing Additional Service

The critical Licensing Standard 7.1 requires that:

- A licence holder must not charge a fee to a worker for any work-finding services
- A licence holder must not make providing work-finding services conditional on the worker:
  - Using other services or hiring or purchasing goods provided by the licence holder or any person connected to them, or
  - Giving or not withdrawing consent to disclosing information about that worker
- A worker must be able to cancel or withdraw from any services provided at any time without incurring any detriment or penalty, subject to the worker giving 5 working days notice or, for services relating to accommodation, 10 working days.

Paragraph 1 of the Schedule to the Gangmasters (Licensing Conditions) Rules 2009 (the “2009 Rules”) defines ‘work-finding services’. In summary, this includes services provided by a licence holder for seeking to find or finding a person work.

The 2009 Rules also defines a ‘connected person’. In summary, this includes:

- Family
- An employee or employer
- A partner (in the case of partnerships)

- Any connected companies (which includes subsidiary or holding companies).

Please be aware it is also a criminal offence under the Employment Agencies Act 1973 for employment agencies and businesses outside of the GLA licensed sectors to charge job-finding fees.

## Work-Finding Services

Licence holders cannot charge a worker for finding them a job. It does not matter if the licence holder is based in the UK or outside the UK. It also does not matter if the worker is being supplied for temporary or permanent work. Examples of job-finding fees that would breach critical Standard 7.1 include:

- A licence holder based outside the UK charging an introduction fee to a job-seeker for work with a UK based licence holder or labour user. The licence holder based outside the UK would breach Standard 7.1
- A licence holder charging an administration fee for processing job applications
- A licence holder charging a placement fee to a worker before each shift.

Some chargeable services may be optional but they are so integral to the work-finding process that the GLA considers them to be a work-finding charge. Examples of charges for goods or services which breach Licensing Standard 7.1 include:

- Providing information, advice and guidance on vacancies and work placements
- Checking documents required as part of the recruitment process, such as checking the authenticity of identity documents or medical certificates necessary for the work in question. This also includes any checks which are mandatory in the UK or country of origin
- Conducting reference or criminal record checks (except where the check is a legal requirement in the UK or country of origin)
- Interview and assessment
- Completing documents required as part of the recruitment process which the licence holder would otherwise complete for free if the worker did not opt for the service
- Charging each worker for translating a document which is non-specific to the individual worker. There should be no charge for translating a standard document used by all workers that has only needed to be translated once
- Sending documents to the hiring employer that the licence holder would otherwise send if the worker did not opt for the service
- Any fee associated with guaranteeing a placement or work for the following year
- Providing information on details about the job.

It does not matter if these goods or services are optional. If the worker is charged for any of the above, then Licensing Standard 7.1 will be breached.

### **Additional Goods or Services**

Licensing Standard 7.1 prohibits providing work which is conditional on the worker using other goods or services from the licence holder or from anybody connected to the licence holder. Examples which breach Licensing Standard 7.1 include a worker having to:

- Stay in particular accommodation where it is not an essential requirement of the labour user for the better performance of the job
- Pay rent or other charges to secure the job
- Use particular transport to travel to the UK or to and from work
- Take out a loan to cover costs of travel or any other service
- Pay a fee to be paid wages
- Purchase work wear, tools or equipment necessary for the job
- Undergo and pay for training necessary for the job.

Where additional goods or services are offered to workers, they must be genuinely optional and meaningful. They must also be distinct and completely separate from activities necessary for finding a person work.

Workers must understand that goods or services offered to them are optional. It is not enough for documents provided to workers to state that the goods or services are optional. It must be properly explained to the workers.

Job-seekers who take up goods or services offered must not be favoured or receive preferential treatment compared to those who do not take up the offer.

Licensing Standard 7.1 is not breached if the goods or services are truly optional and distinct from activities necessary for finding a person work. Examples include:

- Planning and organising travel
- Organising accommodation
- Pastoral care which provides ongoing support while living in the UK.

### **Issues the GLA will examine closely**

If a UK based licence holder or labour user does not pay a labour provider based outside the UK for being supplied workers, the GLA will want to satisfy itself that the overseas

labour provider's business model is viable and that workers are not exploited through the use of charges for services.

The GLA is concerned about purportedly optional goods or services that have little value and / or have excessive charges.

Spurious or meaningless goods or services may be considered by the GLA to be job-finding fees in disguise and will breach Licensing Standard 7.1. Where there is universal participation (or such high participation that discounts the probability of non-participation), work-finding services will be taken as conditional on a worker using the additional goods or services and will breach Licensing Standard 7.1. Examples include:

- Workers having to join an expenses scheme or sign up for personal accident insurance
- Pastoral care that offers no meaningful support for the worker.

### Further information

If you any questions about this Brief, please contact the GLA helpline on 0345 602 5020 or email [licensing@gla.gsi.gov.uk](mailto:licensing@gla.gsi.gov.uk).

For the latest news and updates from the GLA:



Twitter: [@UK\\_Gla](https://twitter.com/UK_Gla)



facebook: [www.facebook.com/GangmastersLicensingAuthority](http://www.facebook.com/GangmastersLicensingAuthority)

**If you have received a hard copy of this Brief but would prefer electronic versions in future, please email [communications@gla.gsi.gov.uk](mailto:communications@gla.gsi.gov.uk)**