



GLA Brief

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Prepaid Debit Cards

Introduction

This Brief explains how the Gangmasters Licensing Authority (“GLA”) Licensing Standards apply to workers being paid by a prepaid debit card. Where workers wages are paid onto a prepaid debit card the following licence standards may be breached.

Licensing Standard 2.2 Critical: Paying Wages

This Standard requires a worker to be paid at least the National Minimum Wage (“NMW”) or if applicable, in accordance with the relevant Agricultural Wages Order.

If a licence holder requires its workers to use a prepaid debit card in order to receive their wages, then any subsequent charge to the worker, whether by the licence holder or the prepaid debit card business, will be required to be taken into account when calculating NMW. This is because this charge would be in connection with the workers employment.

If the use of the prepaid debit card is entirely optional and the prepaid debit card business charges the worker a fee then this fee would not be taken into account when calculating NMW. However, if a licence holder charges the workers a fee for using the prepaid debit card then this fee would be taken into account when calculating NMW.

If a licence holder receives a financial incentive for the workers using the prepaid credit card then the GLA would need to critically analyse the arrangement in order to determine whether there is any impact on NMW.

Licensing Standard 7.1 Critical: Fees and Providing Additional Services

This Standard stipulates that a licence holder must not charge a fee to any worker for any work-finding service that has been agreed. Labour providers must also not make the provision of work-finding services conditional on the worker using any other services provided by the licence holder or any person connected to them.

Where a licence holder makes the provision of work-finding services conditional on the worker using a prepaid debit card this will breach Licensing Standard 7.1.

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