

Right to Work Compliance: Are UK Employers Keeping Up?

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On Sunday, the government announced an extension of Right to Work (RTW) checks to businesses hiring gig economy and zero-hours workers, which we covered [here](#). Just two days later, it released a [report](#) – an essential safeguard against illegal working.

Key Findings from the Report

Commissioned by the Home Office and conducted by Verian, the study surveyed 2,152 businesses across various industries in September 2024, with 30 follow-up interviews providing deeper insights. Here's an overview of what it found:

1. **High awareness, patchy understanding** – While 89% of employers claim to be aware of RTW checks, far fewer understand exactly how to conduct them correctly. The biggest confusion? Rules around agency and zero-hours workers—no surprise given the recent law change!
2. **Over-reliance on third parties** – Some employers wrongly believe they can outsource RTW checks entirely. 81% of surveyed businesses using agency workers assumed recruitment agencies were responsible for conducting checks which is entirely understandable given that there is currently no legal obligation to conduct right to work checks on workers (only on employees).
3. **Confusion over digital checks** – Many employers aren't keeping up with online verification. Despite all the available technology, 79% still rely primarily on manual methods. 37% of those surveyed use the Home Office online service and 23% use Identity Service Providers (IDSPs).
4. **Compliance is inconsistent** – Many businesses fail to check the right documents, exposing themselves to risk if audited.
5. **Small businesses struggle the most** – Larger firms with dedicated HR teams tend to have better compliance, whereas SMEs often lack the resources or expertise. Alarming, 62% of micro and small employers incorrectly believed a driving licence was a valid RTW document, compared to 42% of medium and large sponsors.
6. **The Construction industry is at greater risk of non-compliance** – Employers in construction showed the biggest knowledge gaps around acceptable RTW documents and re-checks. 41% of surveyed businesses in the sector believed illegal working was common.
7. **Employers prioritise compliance but for different reasons** – When asked why they

conduct RTW checks, 91% cited preventing illegal working, 88% were focused on avoiding penalties (basically the same thing) and a very wholesome 87% said they were simply “doing the right thing”.

What’s at Stake?

Failing to meet RTW obligations can have serious consequences, including:

- Fines of up to £60,000 per illegal worker (tripled from £20,000 in 2024).
- Criminal liability for *knowingly* hiring workers who do not have the right to work (or having reasonable grounds to believe that is the case)
- Reputational damage, including bad press and loss of contracts. Both public and private procurement functions are increasingly hot on this sort of thing.
- Sponsorship licence risks—non-compliance could lead to licence revocation, forcing businesses to dismiss sponsored workers and preventing them from obtaining more.

How Can Employers Improve Compliance?

With the Home Office tightening enforcement, businesses need to take a proactive approach:

1. **Review and update policies** – Ensure internal HR teams understand the latest RTW check guidance and use digital verification tools correctly.
2. **Train staff regularly** – Many compliance failures result from human error. Providing ongoing training helps prevent costly mistakes.
3. **Conduct audits** – Regularly reviewing RTW records can help spot gaps and correct issues before a Home Office audit.
4. **Use the right tech** – Employers should use the Home Office’s online RTW service where applicable and ensure all checks follow the statutory excuse process.
5. **Keep clear records** – Retaining copies of RTW documents is essential for proving compliance.

The report makes it clear that while most UK employers fully intend to comply with RTW requirements, many fall short on execution. As penalties rise, businesses hiring zero-hours workers—particularly in construction, hospitality and healthcare—must ensure they fully understand RTW obligations. A small investment in compliance today could prevent huge financial and legal headaches down the line. Regrettably, it appears that the government has not taken this clear evidence that employers can fail to follow all the current regulations despite their best efforts to do so as a cue to simplify the relevant law, but instead as a reason to add further layers of complexity to it. Dumping the minefield which is worker status on top of the existing morass of rules can only end in tears before bedtime.

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