



Employment Status Update: Uber Drivers Are Workers

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The Supreme Court handed down judgment on Friday in the case brought against Uber by its drivers over their employment status. Uber had argued that the drivers were self-employed subcontractors, but the Supreme Court disagreed.

Although the contracts stated the drivers were self-employed, the Court decided that contracts should not be taken at face value and that the day-to-day reality of the working arrangements should be examined to determine employment status.

The impact of the decision is that the drivers are entitled to claim national minimum wage (including back pay). This is likely to have significant financial implications for Uber, as up to two years' back pay or £25,000 (whichever is larger) can be claimed in the employment tribunal, or up to six years' back pay can be claimed by way of a county court claim. The drivers will also benefit from 5.6 weeks' annual leave.

The judgment doesn't come as a big surprise, having confirmed the previous decisions that had been reached on the case to date, but will still have significant ramifications for those businesses who rely on self-employed contractors as part of their workforce.

If your business does engage self-employed staff, it would be a good time to review their terms and conditions in light of the Uber judgment to minimise the risk of employment status claims. Such claims are only going to become more common in light of this decision, and coming out on the wrong side of an employment status decision is likely to be very costly.

If you have any questions about how the judgment applies to your business or would like to arrange for a review of your contracts, our employment specialists are here to help. You can get in touch by emailing online.enquiries@la-law.com or if your query is urgent, please call 01202 786135.