



# Conduct of Employment Agencies and Employment Businesses Regulations

Client guide to The Conduct Regs

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This Client briefing has been compiled by the Recruitment & Employment Confederation (REC), the representative body for the UK's recruitment industry of which Sitec Professional Services Ltd is a long standing Corporate Member.

## **Background**

The government has introduced the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (the Conduct Regulations) to raise standards within the recruitment industry. These Regulations stipulate how recruitment businesses should operate, providing added protection for job seekers and companies using the services of recruiters.

## **Information to be supplied to you**

According to the Conduct Regulations, as a client you must be given a contract by the agency or business supplying recruitment services which sets out their terms of business (unless a client/master vendor contract takes precedence). The recruiter must also confirm the identity of the workseeker, that the worker-seeker has the experience, training and qualifications that you require for the position and that they are willing to work in the position.

Agencies and businesses are also required to obtain information about the position from you including information on any risks to health and safety known to you and steps taken to prevent and control such risks.

### ***Obligations to inform you if a work-seeker is unsuitable***

The Regulations introduce a new obligation on recruitment agencies and businesses to notify you if they obtain information that means the work-seeker is or may be unsuitable. For businesses supplying temporary or contract staff this obligation to you is ongoing during the supply of a temporary worker. In the case of permanent recruiters, they are obliged to notify you if they obtain such information during the first three months after introducing a candidate.

## **Restriction on Employment Businesses charging temp to perm fees**

Traditionally employment businesses charge a fee if you take a temporary worker on directly during or after a temporary assignment, known as a "temp to perm" fee. Under the new Conduct Regulations if you take a temporary worker on directly, you may still be liable to pay a transfer fee, provided the employment business gives you the option of an extended period of hire as an alternative to the fee. In addition the employment business may only charge you a fee, if you take on the temporary worker within a period of 8 weeks after the end of an assignment, or 14 weeks from the start of the assignment (whichever is the later).

Recruiters acting as employment agencies i.e. recruiters introducing permanent candidates, are not restricted in charging fees under the Regulations.

## **Incorporated Work-Seekers**

The Conduct Regulations also cover work-seekers who contract their services through a limited company. However incorporated work-seekers are permitted to opt out of the scope of the Regulations if they give appropriate notice to an employment business. This means that the Conduct Regulations will not apply to the supply of that person's services.

The decision whether or not to opt out belongs to the incorporated work-seeker and it is illegal for an employment business to make opting out of the Regulations a pre-condition of finding or offering them work. However if a limited company contractor (LCC) has opted out of the Conduct Regulations, the supplying employment business is under a duty to inform you before supplying that LCC.