

NEWSLETTER

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The Employment Law Changes Edition



Welcome from Jane



With a number of important employment law changes and consultations already in place and on the horizon, now is the time to make sure your business understands what is changing and how it could affect you. From the rising cost of getting unfair dismissal decisions wrong to new responsibilities around sexual harassment, salary transparency and trade union access, employers need to be prepared.

In this edition, we focus on some of the key employment law developments that businesses need to be aware of and what they could mean for you as an employer.

Inside this issue you'll find:

- The cost of unfair dismissal – and why getting it right matters
- Why sexual harassment is more important than ever
- Salary transparency consultation – what does it mean for your business?
- New trade union access rights – what employers need to know

Whether you're reviewing your employment practices, updating your policies, preparing for upcoming changes or simply making sure you understand your responsibilities, these articles will help you stay informed, reduce risk and prepare your business for the employment law changes.

Employment law changes at a glance

Four employment law changes to know about this October. If you haven't heard about some of these, you're not alone. Some take effect this month; others are coming later. Business owners need to prepare.

Here's what's changing.

Tribunal time limits



Employees now have
6 months
to bring a claim, up from 3

Harassment prevention duty



You must take
all reasonable steps
to prevent harassment,
including from 3rd parties

Salary Transparency



Job adverts
must include salaries

New rules are expected
later this year

Trade union access rights



Unions can request access
to businesses with
21+ employees
coming in 2027



The price you'll pay for dismissing an employee the wrong way

Dismissing employees is getting much more risky for business owners in the UK.

Recent changes in the law mean that you can't just let someone go and assume that everything will be okay. It's easier (and therefore more likely) that an employee will claim that they were let go unfairly and the amount they can claim will be uncapped from January 2027.

Let's look at what's changing, how it affects you and what you need to do to keep your business safe.

What's changing

Right now there's a limit on what a tribunal can award in most unfair dismissal cases.

But, from January, there will be no compensation cap. The qualifying period for unfair dismissal is also dropping to six months. If you hired someone on or after 1 July 2026, they'll be able to claim for unfair dismissal once the rules change in January.

This rule change directly affects how you hire, how you run probation and how you handle any performance or conduct issues in the first 6 months of employment.

On top of that, The Fair Work Agency launched in April this year. This gives employees another avenue to make a complaint and seek protection. The agency can also audit your records and processes without waiting for a worker complaint.

How the changes affect you

For small business owners, these changes mean that dismissal can no longer be a quick operational decision. Before, the two-year qualifying period gave businesses a long runway for hiring and firing and made it easier to let someone go informally.

But with employees now gaining unfair dismissal protection after six months, even relatively new employees may be able to challenge how and why they were dismissed.

This directly impacts how you hire and onboard, how you handle probation and, of course, how you fire people and it matters now, since the 6-month qualifying period took effect from 1 July 2026.

Because compensation will no longer be capped, the financial risk also becomes much higher. That doesn't mean you can never dismiss someone. But you will need to show that you acted reasonably and followed a fair process. Tribunals do not just look at what decision you made. They look closely at how you made it. Common mistakes that create risk include:

- No clear probation process
- Poor or inconsistent performance documentation
- Vague feedback instead of direct conversations
- Dismissing someone suddenly after issues were never formally raised
- Different employees being treated differently for similar behaviour
- Managers making emotional or rushed decisions
- No written records of meetings or warnings

The real cost if you dismiss someone unfairly

You might only think about the legal payout when you think of costs involved, but a poorly handled dismissal can also lead to:

- Legal fees and HR consultancy costs
- Large amounts of management time spent gathering evidence and attending hearings
- Stress and disruption for managers and teams
- Lower morale among remaining employees
- Damage to your reputation as an employer
- Difficulty hiring and retaining good staff

In some cases, employers end up settling claims simply because they don't have the documentation needed to defend themselves properly, even when they believe the dismissal was reasonable.

What you need to do now

The businesses most exposed to these changes are usually the ones with informal processes that have grown quickly. Now is the time to tighten up the basics.

At minimum, you should review:

- Employment contracts and probation clauses
- Your disciplinary and grievance procedures
- How managers document performance concerns
- Whether probation reviews are actually happening
- How warnings and feedback are recorded
- Whether managers understand what a fair dismissal process looks like

You should also think carefully about how you handle the first six months of employment. That period matters far more now with anyone you hire from 1 July 2026.

Final thought

A good HR consultant reviews your dismissal process before you need it, not after. That means looking at your documentation, your investigation steps and your decision-making to identify where things would fail under scrutiny.

If you're already in a situation, they help you to handle it without making it worse.

If you've dismissed someone recently, or are planning to, get in touch. We'll tell you quickly whether your process is defensible and what to do if it isn't.



One in five businesses not offering sexual harassment training (and what they mean)

From October 2026, two separate legal duties around workplace harassment have changed under the Employment Rights Act 2025.

The first: the duty to prevent sexual harassment is being upgraded.

The current standard, taking "reasonable steps", is being replaced with "all reasonable steps". This means that a policy alone won't cut it anymore. You need to show that you've done everything you reasonably could to prevent harassment and that evidence has to be there before anything goes wrong.

The second: third-party harassment is becoming a standalone legal liability.

If a client harasses one of your employees at a meeting, or a contractor makes a comment at a work event, you can be held responsible if you can't demonstrate that you took all reasonable steps to prevent it. This applies to harassment connected to any protected characteristic, not just sexual harassment.

A poll of 985 HR professionals in July 2026 by compliance eLearning provider VinciWorks revealed that a fifth of UK businesses haven't given managers sufficient training on the new rules.

If you haven't started preparing yet, now is the time. What does being compliant with both duties look like?

- 1 Your harassment policy is up to date and specifically covers third-party harassment
- 2 You can prove your team has read and acknowledged it
- 3 Your managers have had proper training on recognising and handling harassment
- 4 There's a documented reporting process that your employees know how to use
- 5 You've done a written risk assessment for higher-risk roles or environments
- 6 You could pull all of that evidence together quickly if asked

If you have gaps, you're not alone, but they need fixing.

Reach out if you'd like to find out more about our harassment reviews.



How the UK's salary transparency consultation affects small business owners

The government wants to make you publish salary ranges in every job advert. If this becomes law, you won't be able to just stick "competitive salary" on a listing and hope for the best. A consultation launched in July 2026 is looking at making this mandatory. It also proposes a new watchdog that can audit your pay records, and compulsory pay reviews for any employer caught paying people unfairly. The consultation closes on 27 October 2026. Nothing is law yet. But this is heading somewhere and there are things worth thinking about now.

What's being proposed

There's a lot in the consultation, but here's what matters most if you run a small business. You'd have to include salary information in job adverts. Either a fixed figure, a range or a benchmark rate. If there's no advert, you'd need to give candidates the information in writing before their interview. The exact format hasn't been decided, but the principle is clear: candidates should know what a role pays before they apply.

A new watchdog is being proposed.

It would have the power to look into your pay practices, request your pay data and order reviews of how you pay people. It wouldn't need to wait for someone to make a complaint first.

If you're found to have paid people unfairly, a full pay review becomes automatic.

Right now, that rarely happens even when a claim is upheld. Under these proposals, it would be built in.

Equal pay protections would be extended.

Currently, equal pay claims mostly apply to differences between men and women doing similar work. The consultation proposes extending that to cover race and disability too. That means more employees could challenge you on pay.

Why this matters for you

If the law changes, the impact will go beyond how you post your job ads.

First, your existing team will see what you're offering new hires. If someone on your team spots that you're advertising their role at a higher salary than they're on, you need to be able to explain why. You'll also need to know what the going rate actually is. If you're guessing at salary figures, you'll either pay too much or offer too little. Too much costs you money. Too little loses you candidates and could lead to a claim.

And you won't be able to ask potential candidates what they currently earn. The consultation also proposes banning salary history questions. So, you can't use someone's current pay as a starting point for your offer. You'll need to know what the role is worth independently.

What to do now

No panic needed at this point as it's just a consultation. If any law does get introduced, it will take time. But there are two things worth doing now, whether or not the proposals become law.

First, use seniority-based job adverts.

If a role could be filled by someone junior or someone experienced, don't try to cover both with one advert and a massive salary range. Split it into two. One pitched at a junior level with a lower pay band, one at a senior level with a higher one. Your ranges stay tight, you attract the right people at the right level and you can compare candidates properly.

It's smarter recruitment and it's better for your brand as an employer. We'd recommend this regardless of what happens with the consultation.

Second, make sure that you can explain your pay decisions.

If two people are doing similar work for different pay, can you explain why? If pay has been set based on whoever negotiated hardest or whatever felt right at the time, that's a problem waiting to happen. Look at your current team, check for inconsistencies and fix anything you can't justify.

How we can help

We help small businesses to get their pay in order before they're forced to. That means looking at what you're paying, checking it against market rates and making sure that you could defend every pay decision if you had to. If you want to understand how salary transparency could affect your business, get in touch.

Union

What the new trade union access rights will mean for small employers

This change may have been delayed until January 2027 but it's important to understand the changes now.

New rules would allow trade unions to formally request access to your workplace once they come into force. If you repeatedly breach an access agreement, you could be looking at fines of up to £500,000. That's not a typo. And this isn't something you can quietly sit out.

The Employment Rights Act 2025 introduces two separate trade union obligations in 2027.

1. Trade unions have a right to access your workplace

Under the new rules, trade unions would be able to request access to your workplace. If you employ 21 or more workers, the Central Arbitration Committee could impose access terms if no agreement is reached (in your entire business, not per site). And "workers" in the legal sense is broader than just employees.

A union doesn't need existing members at your workplace to make a request. There's no minimum membership threshold. They can approach any business that meets the headcount and request access to recruit and organise workers.

Access can mean physical entry to your premises or digital access, or both, including your email system or virtual meeting platforms.

When a request arrives, you have 15 working days to

respond in writing. After that, there's a 25-working-day window to negotiate terms with the union. If you can't reach an agreement, either side can refer it to the Central Arbitration Committee, which has the power to impose access terms on you.

One hard boundary: the access right cannot be used for organising industrial action. This follows the reduced union recognition thresholds that came into effect in April. The access right is widely expected to be the route unions will use to build membership in non-unionised workplaces and eventually push for formal recognition.

2. Informing workers of their right to join a union

When the changes come into effect every employer must inform workers, in writing, that they have the right to join a trade union. It doesn't matter how small your business is or whether you've never had any union involvement in your life.

New starters must receive the government's standardised statement alongside their statement of employment particulars. Existing workers must receive it, or be told where they can access it, with annual updates or reminders after that.

There's no standalone tribunal claim for failing to do this. But, if a worker brings a successful claim against you in a qualifying employment tribunal case, the tribunal can add 2 to 4 weeks' pay on top if you were also in breach of this duty. It's an easy extra line for a claimant's representative to include.

Your Top HR Questions

What counts as "all reasonable steps" to prevent harassment?

From October 2026, "all reasonable steps" is the new legal standard employers must meet to prevent sexual harassment at work, replacing the current "reasonable steps" duty.

In practice it means having an up-to-date policy that covers third-party harassment, records showing that staff have read and acknowledged it, documented manager training, a clear reporting process and a written risk assessment for higher-risk roles or environments. The key is evidence. You need to be able to show that you acted proactively, not just that a policy existed somewhere.

It's also worth knowing that from October 2026, a separate new duty makes employers directly liable for harassment by third parties like customers, clients and contractors, across all protected characteristics. The same evidence base covers both.

Can I change an employee's working hours without their agreement?

Generally, no. If hours are set out in the employment contract, changing them without agreement is a breach of contract and could give rise to a constructive dismissal claim.

You need to consult, explain the business reason and try to reach an agreement.

It's also worth knowing that new fire and rehire rules, expected to come into force in January 2027 under the Employment Rights Act 2025, will make dismissing someone for refusing a contract change automatically unfair in most cases.

If you're thinking about changing terms and conditions, take advice first.

An employee left 5 months ago. Can they still take me to tribunal?

It depends on when they left.

If their employment ended on or after 1 October 2026, the time limit for most tribunal claims is six months, so yes, they could still be within the deadline. If they left before that date, the old three-month limit applies and they would likely be out of time.

The clock can also be paused during Acas early conciliation, which can add up to 12 weeks.

Need a confidential chat?

If you have a problem brewing in your business, you're worried about something or you simply need some expert HR support then please get in touch with us for a confidential chat.

A quick conversation could save you from a very costly mistake and we could give you the clarity you need to decide your next steps with confidence.

Whether you're a new or existing client, we offer a free 30 min chat (without any obligation to buy from us in the future).

Get in touch to arrange.

