

# Game Changer? UK Tribunal Rules Uber Drivers Are Workers

Insights

11.07.16

On October 28, the Central London Employment Tribunal held that Uber drivers are not self-employed. As a result, the drivers are entitled to certain “worker” benefits, including paid holidays and a minimum wage. Under the law in England and Wales, “workers” occupy a middle ground between employees and the self-employed, with employees entitled to additional benefits such as severance in a reduction-in-force also known as redundancy pay (Scotland’s system differs). Workers are entitled to fewer benefits than employees, but have certain minimum protections, unlike the self-employed.

In disputing the drivers’ claims, Uber insisted it is a technology company providing a service (a mobile telephone application) that simply provides a way for self-employed drivers to connect with potential paying customers. In support of its argument, Uber claimed the self-employed drivers are able to work where, when, and how often they choose. The Tribunal rather forcefully rejected this argument, holding “the notion that Uber in London is a mosaic of 30,000 small businesses linked by a common ‘platform’ is to our minds faintly ridiculous ... Drivers do not and cannot negotiate with passengers ... They are offered and accept trips strictly on Uber’s terms.”

The ruling will potentially affect over 30,000 drivers in England and Wales, and according to the law firm that represented the drivers, it is a groundbreaking decision. They believe it has the potential to affect not only Uber drivers but thousands of self-employed workers around the country taking part in the “gig economy.” Uber stated that it plans to appeal the decision, and for now, will not change any of its business practices.

The ruling highlights ongoing concerns in the UK and elsewhere about the growing trend of a “self-employed” workforce. In response to such concerns, the UK government announced it will undertake a six-month review of current “working practices,” and a new division – the employment status and intermediaries team – has been set up to investigate the status of alleged self-employed workers. Observers predict that other companies within the UK who rely on largely on the labor of self-employed workers will come under greater scrutiny in the months to come as the number of self-employed continues to grow.

## ***Related People***

---





**Danielle S. Urban, CIPP/E**

Partner

303.218.3650

Email