



JSL, Fair Work & Ethical Recruitment

What Recruitment Businesses Need to Know

Independent, evidence-based assurance for
complex labour supply chains

9 self-checks inside

Why this matters

Recruitment businesses sit at an important point in the employment supply chain.

They connect people with work, support employers with their workforce requirements and, in many cases, take responsibility for important parts of the recruitment and onboarding process.

That responsibility goes beyond filling vacancies.

Recruitment agencies and labour providers need to consider whether their processes are fair, transparent and compliant, and whether they can demonstrate that they are operating in the interests of workers as well as clients.

This is becoming increasingly important as the Fair Work Agency (FWA) takes a more central role in employment rights enforcement.

The Fair Work Agency began operating on 7 April 2026, bringing together enforcement functions previously carried out by several bodies. It is responsible for regulating employment agencies and businesses in England, Scotland and Wales, as well as enforcing a wider range of labour market legislation and protecting workers from exploitation and non-compliance.

For recruitment businesses, this creates a timely opportunity to ask a straightforward question:

Can you demonstrate that your recruitment practices are fair, ethical and compliant?

Ethical recruitment is not just about doing the right thing.

It is about being able to demonstrate that your recruitment practices are fair, transparent and compliant.

The core question

Can you demonstrate that your recruitment practices are fair, transparent and compliant?

What does fair and ethical recruitment mean?

Fair recruitment starts with treating work-seekers properly throughout the recruitment process.

That means providing clear information, being transparent about roles and terms, avoiding inappropriate charges or deductions, protecting worker rights and ensuring that candidates are not misled about the work they are being offered.

For employment agencies and employment businesses, many of these principles are reflected in existing legal requirements.

Government guidance confirms, for example, that employment agencies and employment businesses generally cannot charge work-seekers a fee for work-finding services, although limited exceptions apply in certain sectors and specific rules apply to different types of recruitment activity.

Agencies and employment businesses must also comply with requirements covering pay, holiday, working time, minimum wage, health and safety, Key Information Documents and written terms of engagement. These requirements should also be considered in the context of the wider labour supply chain, including intermediaries such as umbrella companies, as worker experience and compliance outcomes may be influenced by arrangements involving such intermediaries.

In particular, from 6 April 2020, Regulation 13A of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 introduced requirements relating to Key Information Documents and the provision of specified information to agency workers.

Fair recruitment therefore is not simply a statement about company values.

It is closely connected to recruitment compliance.

The question for recruitment businesses is whether those requirements are embedded into everyday processes and whether there is sufficient evidence to demonstrate that they are being followed.

The Fair Work Agency changes the compliance landscape

The arrival of the Fair Work Agency makes this an important time for recruitment businesses to review their compliance framework.

The FWA is now the state regulator for employment businesses and agencies in England, Scotland and Wales, with certain regulatory functions also extending to Northern Ireland. Its responsibilities include working with businesses to support compliance, investigating complaints from agency workers, carrying out targeted operations based on risk and taking enforcement action where appropriate.

The FWA's 2026 to 2027 delivery plan also sets out priorities around supporting workers and employers, tackling labour exploitation and preparing for the transfer of National Minimum Wage enforcement.

This means recruitment businesses should not view fair and ethical recruitment as a purely reputational issue.

It is part of a wider compliance environment.

Businesses should be able to demonstrate that their policies and processes are designed to protect workers and that those processes operate effectively in practice.

01

Are your terms clear before you start looking for work?

Transparency should begin before a candidate is placed.

For employment businesses, the requirements include providing work-seekers with a Key Information Document (KID) in accordance with Regulation 13A of the Conduct of Employment Agencies and Employment Businesses Regulations 2003. Since 6 April 2020, an employment business must provide the KID before obtaining the work-seeker's agreement to the terms that will apply between the employment business and the work-seeker. The employment business must also provide written terms of engagement in accordance with the applicable requirements. There is no requirement to retrospectively provide or backdate a KID for arrangements entered into before the relevant requirements came into force.

This information should help the worker understand the nature of the arrangement, how they will be paid and what deductions or other conditions may apply.

A useful internal question is whether your recruitment team can demonstrate that this information is provided consistently and at the appropriate stage.

It is also worth checking whether your records demonstrate what was provided to the worker, when it was provided and whether subsequent changes were communicated appropriately.

SELF-CHECK

Could you select a sample of recent workers and demonstrate that the required information was provided before the recruitment process progressed?

If the answer is no, the issue may not simply be missing paperwork. It could indicate that the underlying process is not sufficiently controlled.

02

Are workers being given accurate information about the role?

Fair recruitment depends on accurate information.

Before placing a worker with a hirer, employment agencies and businesses have requirements around obtaining information about the role, including the nature of the work, location, hours, health and safety risks, required experience, training and qualifications, and other relevant terms.

This information is important because workers need to understand what they are being asked to do.

It also helps protect employers by ensuring that the recruitment process is based on accurate information about the role and the requirements attached to it.

Recruitment businesses should therefore consider whether their consultants have a consistent process for obtaining and recording assignment information.

SELF-CHECK

If a worker challenged the information they had been given about an assignment, could you demonstrate what the hirer originally told you and what was communicated to the worker?

03

Are pay and deductions transparent?

Pay is one of the most important areas of fair recruitment.

Workers should understand who is paying them, how much they can expect to receive and what deductions may apply.

Government guidance states that employment agencies and businesses must comply with requirements relating to payment, including paying workers for the work they do, holiday entitlement and minimum wage requirements.

For workers paid through umbrella companies, the Key Information Document is also intended to provide information about minimum rates, estimated take-home pay, deductions, who is paying the worker and any fees that apply.

Recruitment businesses should therefore look carefully at the information being provided to workers, particularly where intermediaries or different payment models are involved.

SELF-CHECK

Could you explain every significant deduction affecting a worker's pay and demonstrate that the worker received appropriate information about it?

04

Are you protecting workers from inappropriate practices?

Ethical recruitment requires more than meeting minimum administrative requirements.

Recruitment businesses should consider whether their processes could expose workers to inappropriate fees, pressure, misleading information or unfair treatment.

The government states that employment agencies and businesses cannot charge work-seekers a fee for work-finding services and identifies a number of other prohibited practices, including withholding wages and making unlawful deductions. Where unlawful charges, deductions or withheld wages arise within a labour supply chain, the relevant parties may also have obligations or liabilities to repay or reimburse amounts improperly withheld or charged, depending on the circumstances and the applicable legal framework.

For labour providers operating in higher-risk environments, the wider issues of exploitation, modern slavery and worker welfare may also require particular attention.

Compliance. One's audit framework includes worker welfare considerations such as fair treatment, recruitment fees, modern slavery indicators, safeguarding and escalation.

The question is whether your organisation has controls capable of identifying these issues before they become serious problems.

05

Do you know where your workers are coming from?

Ethical recruitment becomes more complex when workers are sourced through multiple channels.

A recruitment business may work with referral partners, overseas recruitment organisations, subcontractors, payroll intermediaries or other labour providers.

That can create additional risk if the organisation does not have clear visibility of how workers are sourced and whether the same standards apply throughout the supply chain.

Compliance. One's audit framework specifically considers second-tier and onward supply, payroll intermediaries, payment models and approved-provider requirements.

Recruitment businesses should therefore ask:

- **Who is involved in sourcing our workers?**
- **What checks have we completed on those organisations?**
- **Do we know what practices they use?**
- **Can we demonstrate that they meet our required standards?**

Ethical recruitment cannot stop at your own front door if another organisation is sourcing workers on your behalf.

06

Are your recruitment consultants equipped to make the right decisions?

Policies do not operate themselves.

Recruitment consultants and operational teams make decisions every day that can affect compliance and worker welfare.

They decide what information to obtain, what to communicate to candidates, when checks are completed and how issues are escalated.

That means training and understanding are critical components of recruitment agency compliance. Effective compliance should be supported by appropriate training records, regular refresher training, competency assessments and internal audits to demonstrate that relevant staff understand their responsibilities and that compliance is monitored and maintained in practice.

Your people should know what good practice looks like, understand the relevant requirements and know what to do when something does not look right.

This is particularly important for new starters and teams operating at high volume, where speed and commercial pressure can sometimes compete with process discipline.

SELF-CHECK

If a consultant identified a potential compliance or worker welfare concern today, would they know exactly who to escalate it to and what information to record?

07

Are your recruitment processes consistent?

One of the biggest challenges for recruitment businesses is consistency.

A company may have a strong compliance policy, but individual branches, consultants or teams may interpret and apply it differently.

This is why a recruitment compliance audit should look at evidence from actual worker files and processes rather than relying solely on policy documents.

ComplianceOne's audit methodology includes reviewing evidence, identifying non-conformances, classifying findings according to risk and reporting practical corrective actions.

A review might identify that one team consistently provides the required documentation while another does not, or that a particular process works well in theory but breaks down when recruitment volumes increase.

Consistency is therefore a useful measure of compliance maturity.

08

Can you demonstrate that your processes are working?

This is where ethical recruitment moves from intention to assurance.

It is relatively easy to say that your business treats workers fairly.

It is more valuable to demonstrate how.

Can you show that workers receive the right information? Can you evidence that terms are communicated? Can you demonstrate that checks are completed? Can you show that complaints are investigated and escalated? Can you demonstrate that corrective action has been taken where problems were identified?

This is the difference between having a compliance policy and having an effective compliance framework.

An independent compliance audit can provide another perspective by testing the evidence behind your processes and identifying areas where controls may need strengthening.

09

What happens when something goes wrong?

A strong ethical recruitment framework does not assume that problems will never occur. Instead, it establishes what happens when they do.

Your process should provide a clear route for identifying concerns, recording them, assessing their significance, assigning responsibility and taking corrective action. Depending on the nature and seriousness of the concern, this should also include appropriate root cause analysis, escalation and follow-up to prevent recurrence. Organisations should have clear channels for workers and staff to raise concerns, including an appropriate complaints process and, where relevant, a whistleblowing process, with concerns handled confidentially and without retaliation. Records should be maintained to demonstrate how concerns were assessed, what action was taken, who was responsible and whether the corrective action was effective.

The Fair Work Agency has powers to investigate breaches, issue civil penalties and take action in relation to labour exploitation. Its enforcement policy explains that its remit includes employment agency standards, pay-related rights, gangmaster licensing and protections against serious labour exploitation.

For recruitment businesses, this makes internal escalation particularly important.

A concern that is identified and addressed early may be easier to resolve than an issue that remains hidden within a process until it becomes the subject of a complaint or external investigation.

Your Fair & Ethical Recruitment Self-Check

Take a fresh look at your recruitment processes and ask whether you can confidently answer "yes" to the following:

Worker information

- ☐ Do workers receive the required information before work-finding services begin?
- ☐ Are terms of engagement clearly documented?
- ☐ Are Key Information Documents provided where required?
- ☐ Is assignment information accurate and complete?

Pay and deductions

- ☐ Are workers paid correctly?
- ☐ Are deductions transparent?
- ☐ Are minimum wage requirements being monitored?
- ☐ Are payment arrangements clearly explained?

Fair treatment

- ☐ Are workers protected from inappropriate fees?
- ☐ Are concerns and complaints taken seriously?
- ☐ Are safeguarding and worker welfare issues considered?
- ☐ Are potential exploitation or modern slavery indicators identified and escalated?

Recruitment supply chain

- ☐ Do you know who is involved in sourcing your workers?
- ☐ Are third-party recruitment partners appropriately assessed?
- ☐ Are onward supply arrangements visible?
- ☐ Are suppliers subject to ongoing assurance?

Compliance management

- ☐ Are recruitment processes documented?
- ☐ Are staff appropriately trained?
- ☐ Are worker files subject to quality checks?
- ☐ Are compliance issues formally recorded?
- ☐ Are corrective actions tracked through to completion?

If several answers are "no" or "we are not sure", that does not automatically mean your recruitment business is non-compliant.

It does indicate that you may have areas where greater evidence and assurance are needed.

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Fair recruitment is about evidence, not intention

Most recruitment businesses want to operate fairly.

But good intentions are not enough when you need to demonstrate how your recruitment processes actually work.

Fair and ethical recruitment needs to be built into everyday controls.

It should be reflected in the information provided to workers, the way assignments are managed, the treatment of pay and deductions, the management of suppliers and the way concerns are escalated.

It should also be supported by evidence.

That is particularly important in a regulatory environment where the Fair Work Agency is responsible for investigating complaints, carrying out targeted operations and taking enforcement action where appropriate.

The question is therefore not simply:

"Are we an ethical recruitment business?"

It is:

"Can we demonstrate that our recruitment practices are fair, transparent and compliant?"

From self-assessment to independent assurance

A self-check is a useful starting point, but it has limitations.

When a business reviews its own processes, it can be difficult to identify issues that have become normalised over time. A process may appear effective because everyone understands how it is supposed to work, even though the evidence shows that it is not being applied consistently.

An independent recruitment agency audit provides an opportunity to test the process from outside the day-to-day operation.

Compliance.One provides independent, evidence-based assurance across complex labour supply chains. Its approach examines how labour is sourced, engaged, onboarded, paid and governed, turning evidence into clear risk visibility and practical corrective action.

The audit process can examine supplier governance, recruitment, worker onboarding, pay, employment status, contractual compliance and worker welfare, depending on the scope of the review.

The purpose is not simply to identify problems.

It is to give recruitment businesses a clearer understanding of where their risks sit and what practical action may be needed.

The question every recruitment business should be asking

The arrival of the Fair Work Agency provides a timely opportunity for recruitment businesses and labour providers to look again at their approach to fair and ethical recruitment.

- **Are your policies up to date?**
- **Are your teams applying them consistently?**
- **Are workers receiving clear and accurate information?**
- **Can you demonstrate that pay and deductions are being managed appropriately?**
- **Do you understand your recruitment supply chain?**
- **Are concerns identified and escalated?**
- **And if someone independently reviewed your worker files tomorrow, would the evidence support the standards you say you operate?**

Ethical recruitment isn't just about doing the right thing. It is about being able to demonstrate that your recruitment practices are fair, transparent and compliant.

For recruitment businesses, that means moving beyond policy and intention towards evidence, assurance and continuous improvement.

Compliance.One

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