

Recruiters not confident on umbrella compliance

Submitted by: BlueSky Public Relations Ltd

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One in four recruiters (24%) are not confident that the umbrella companies they partner with are compliant – despite the vast majority (92%) working with these type of business. That is according to new research from the Association of Professional Staffing Companies (APSCo (<https://www.apsco.org/>)).

A survey of the trade association's membership also revealed that one in three firms (35%) do not currently have a preferred supplier list for umbrella companies. This is in spite of the fact that almost all of those polled (97%) foresee umbrella company usage increasing in response to incoming changes to IR35 in the public sector.

On the findings, Tania Bowers, General Counsel at APSCo, commented:

“While the majority of service providers are compliant and ethical, there are exceptions to the rule. It is crucial that anyone seeking to engage an umbrella company ensures that they are able to differentiate between ethical providers and those which sell non-compliant solutions.”

“While recruitment firms must always be careful not to recommend an umbrella, creating a Preferred Supplier List is a useful way to limit risk. Firms may choose to produce their own PSL or simply choose to use umbrella companies that already have an accreditation. We advise members that setting up a successful PSL system takes time, and requires a robust auditing and due diligence process. All APSCo affiliate umbrella companies commit to a strict code of conduct and undergo a rigorous application process. They are also required to undertake a regular independent compliance audit which is carried out by one of four equally robust providers: Saffery Champness; EY; Professional Passport or the FCSA.”

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