



Government promises crackdown on 'unscrupulous' employers that fail to pay minimum wage

Annie Makoff 5 Jan 2017  0 comments

But reports suggest no companies 'named and shamed' over low pay since 2013 have faced criminal challenges

Employers that pay staff less than the minimum wage could soon face tougher penalties, as a new government role has been created to lead the crackdown on rogue businesses.

Sir David Metcalf, the newly appointed labour market enforcement director and a founding member of the Low Pay Commission, will be responsible for investigating and prosecuting employers that don't pay their staff the minimum wage.

Metcalf will steer the UK's three main labour market enforcement agencies: the Gangmasters and Labour Abuse Authority, the Employment Agency Standards Inspectorate and HMRC's national

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Labour / Trade / Authority, the Employment Agency Standards Inspectorate and HMRC's national minimum wage enforcement team. Working alongside the independent anti-slavery commissioner, Metcalf and the new coalition of agencies will “centralise intelligence” and target key sectors that are [“vulnerable to unscrupulous employment practices”](#), said the Department for Business, Energy and Industrial Strategy.

Metcalf said: “While the UK is by and large a fair and safe place to work, there are still rogue employers that exploit their workers and undercut honest businesses. As the government has made clear, this will not go unpunished.”

But despite this appointment, previous assurances that companies breaking the law will face prosecution don't seem to have been followed up. The [Daily Mirror](#) reported that none of the 700 employers named and shamed by Conservative governments since 2013 for paying below minimum wage have faced criminal charges.

Staff working within the retail and social care sectors appear to be at most risk from unscrupulous employment practices. Sports Direct founder Mike Ashley admitted last year that thousands of employees were [receiving less than the minimum wage](#). An HMRC investigation into the care sector also found that nearly 130 care providers were found to be paying staff [below the minimum wage since April 2015](#).

Conor D’Arcy, policy analyst at think tank the Resolution Foundation, said: “Minimum wages only function if they are properly enforced. In recent years, the government has taken great strides to boost enforcement – including naming and shaming bad employers and increasing fines. But the lack of prosecutions show that there is still more the government can do, especially as more people move on to the national living wage.”

In October 2016, [the national minimum wage for under 25s increased by 25p](#), with 21 to 24-year-olds now paid at least £6.95 per hour, and 18 to 20-year-olds receiving £5.55 an hour. Both the national minimum wage and the national living wage will increase on 1 April 2017.

A spokesperson for the Low Pay Commission commented: “We want everyone to be paid at least the minimum wage (or national living wage if over 25), to which they are entitled, and we want staff to know what they are entitled to and employers to understand and fulfil their responsibilities with regards to minimum wage legislation.”

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