NELSONS

Business Law | Personal Law | Investment

Employment Law Update

16 January 2025

Part of Lawfront

NELSONS
Business Law | Personal Law | Investment

Presented by:

- **Ruby Rai** – Senior Associate and Solicitor

NELSONS
Business Law | Personal Law | Investment

Introduction to Nelsons

Nelsons was formed in 1983 in a small office in Nottingham and since then has grown to become one of the leading law firms in the East Midlands with offices in Derby, Leicester and Nottingham providing expert support and advice to businesses, individuals and families with their legal and investment needs.

At Nelsons, we look to empower our clients, give them a voice, fight for them, help them seek justice and steer them through the complex issues they face. Our core values form the backbone of how we aim to go about delivering our services and living out our purpose. The desire to push ourselves forward to better serve our clients has been a constant throughout our evolution.

In May 2023, Nelsons joined Lawfront which was a strategic move for us to realise the bold and ambitious plans we'd set out to achieve; and to ensure we continue to offer our clients the best possible service.







NELSONS
Part of Lawfront
Business Law | Personal Law | Investment

NELSONS
Business Law | Personal Law | Investment



- *Mr Z Bandi & Others v (1) Bolt Operations OÜ and (2) Bolt Services UK Ltd*

Worker Status

Part of Lawfront

NELSONS
Business Law | Personal Law | Investment

Facts

Over 10,000 drivers brought Employment Tribunal claims against Bolt.

Bolt's contracts classify their drivers as self-employed independent contractors. Self-employed independent contractors are not entitled to receive the National Minimum Wage nor holiday pay, but workers are.

Before the hearing, Bolt announced that whilst it did not consider its drivers to be workers, they would receive paid holiday and the National Living Wage from 1 August 2024, which is what the drivers were fighting for in their claims.

However, the drivers' legal representative argued that the method used by Bolt to calculate the payments were not compliant with legislation as Bolt only pays its drivers for time spent on trips, not for time spent logged on to the app.

NELSONS
Business Law | Personal Law | Investment

Ruling

The Employment Tribunal found that the drivers were engaged by Bolt as workers, rejecting Bolt's arguments that:

a) Bolt acted as an agent between passengers and drivers, whereby Bolt facilitated the relationship between passengers and drivers and collected payment;

b) Where Bolt was in contact with the drivers, Bolt was their customer; and

c) Bolt did not engage the drivers to provide services personally.

The Employment Tribunal selected a sample of claimants for the purposes of deciding the claim and a split verdict was reached regarding when the contracts came into existence.

For 2 of the sample claimants selected, the Employment Tribunal also held that there was no mutuality of obligation until the driver accepted a trip, meaning that there were no worker contracts until trips had been accepted.

However, for 6 of the sample claimants, the Employment Tribunal held that because Bolt has refused to tell them that they no longer required them to accept a certain number of trips to avoid being blocked from using the Bolt App, the mutuality of obligation came into existence when they were in an area they were licenced to operate in, they logged onto the Bolt app, were ready to accept trips and were not also logged onto another private hire app.

NELSONS
Business Law | Personal Law | Investment

Impact of this ruling – what happens now?



There will be a further Employment Tribunal hearing to determine how the workers should be compensated regarding their claims for holiday pay and minimum wage



This is likely to be complicated as the Tribunal will need to consider what each driver knew and/or was told about Bolt's discontinuation of blocking drivers from its app where they did not accept enough trips.



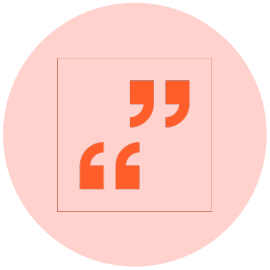
The Tribunal did not provide guidance in this ruling on how to deal with drivers who are simultaneously using two or more private hire operator apps and whether they can be classed as working under multiple contracts at the same time and entitled to multiple payments.

NELSONS
Business Law | Personal Law | Investment

Things to consider



Whilst not within the draft Employment Rights Bill, the Government plans to consult on its formerly announced proposal to remove the distinction between employees and workers.



There are implications for those outside of the Gig Economy and cross all industries that are engaging individuals who contract on a self-employed basis. This case demonstrates that the Employment Tribunal will look into how the parties actually 'work' together, rather than what a document may appear on face value.

NELSONS

Business Law | Personal Law | Investment

Any questions?

Derby Office

Sterne House
Lodge Lane
Derby
DE1 3WD

01332 372 372

Leicester Office

Provincial House
37 New Walk
Leicester
LE1 6TU

0116 222 6666

Nottingham Office

Pennine House
8 Stanford Street
Nottingham
NG1 7BQ

0115 958 6262

Part of **Lawfront**