



# Introduce fair claimant fees at Employment Tribunals

## *FSB one page briefing*

The Government is reforming employment tribunals to make the system more cost-effective to Government and fairer to the employer, while at the same time maintaining access to justice for all.

The introduction of claimant fees for employment tribunals has been a key FSB ask for the last two years so we were delighted when Government announced and consulted upon the FSB's recommendations.

Our research shows that a typical cost of an employment tribunal is around £6,900 and time to prepare is burdensome on the employer. A fundamental difficulty is that an employment tribunal is currently seen as a no cost option for an employee. The damaging consequence of this is that many small employers take the decision to settle weak claims rather than successfully resist them. We welcome proposals to introduce fees for claimants as it will help reduce the perceived risk of taking on staff. We also hope that the proposals will reduce the number of serial claimants and speculative claims.

However, under the current proposals the majority of claimants would be fee exempt. We are calling for a two stage fee structure to be put in place. Initially, a claimant would pay a small amount to complete the first stage of the process and then another fee if their case was heard. We believe that the majority of claimants should pay fees lower than those proposed with a higher fee being payable if a claimant believed their claim was worth over £30,000. This would level the playing field between employers and claimants.

The present system deters many small businesses from growing and creating jobs, leaving some with a sense of injustice that an employee or ex-employee can oblige them to spend very large amounts of time and money proving that they had not acted unfairly.

The significant step of introducing fees needs to be more than a cosmetic change. A substantial rebalancing of the employment tribunal system is required in order to provide equal access to justice for both the owner or manager of a small business and their employees.

## Key Statistics

- The typical cost of an employment tribunal for small businesses is around £6,900.
- The average workforce of FSB members stands at seven employees.
- 81 per cent of FSB members employ staff.
- Around a quarter of FSB businesses have between five and nine staff and 21 per cent have more.
- Three per cent of FSB members have been summoned before an Employment Tribunal (or Northern Ireland Fair Employment Tribunal) between 2004-2009.
- In the great majority of instances the case has been settled (83%). Specifically, those who have been before an employment tribunal have seen their case resolved in court (35%), out of court (29%) or by arbitration/ mediation (19%).

### For further information:

Marie-Claude Hemming.  
Marie-Claude.Hemming@fsb.org.uk  
Tel: 020 7592 8100.