

# REC Code of Professional Practice: guide to compliance

Compliance can feel scary - and to be honest, it is a huge responsibility. But the REC Code is designed to help you be the best business you can be.

This guide to complying with the REC Code of Professional Practice needs to be read in conjunction with the Code. It is a checklist on what you can do to meet the REC Code and the standards expected of all REC members.

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## 1 General Principles

All REC members must abide by the REC Code of Professional Practice (the REC Code).

Members will observe the highest principles of ethics, equity, integrity, professional conduct and fair practice in dealing with others and will conduct their business in a manner designed to enhance the operation, image and reputation of the recruitment industry and REC members. The REC will offer guidance, legal advice and training to members to help achieve these standards.

Ethical conduct is not simply compliance with legal requirements but extends to honesty, respect for and equitable treatment of others, Integrity and social responsibility. It is conduct that holds up to disclosure and public scrutiny. Members and their staff will act towards other members and non-members, candidates, clients and others at all times in good faith. Members should actively seek to support and uphold the mission and values of the REC.

REC has an important role to play in continuously improving standards within the recruitment industry.

The Code is binding on all corporate members of the REC and their subsidiary/associate companies. Where a member operates in a sector or sectors covered by one or more of the REC industry sector codes of practice, the requirements of the applicable code or codes are also binding. Complaints against REC members from candidates, clients or others, can be investigated under the REC Complaints and Disciplinary Procedure.

## 2 Purpose of this guide

The REC and its members have an important role to play in continuously improving standards within the recruitment industry. There are 10 principles in the REC Code. This guide takes each principle in turn and explains how you can meet the principle and provides a checklist for best practice.

The Compliance Team are available to discuss any aspect of the REC Code with you, so please email us at [compliance@rec.uk.com](mailto:compliance@rec.uk.com). We will be happy to help.

### 3 Your step by step guide to the Principles of the REC Code

#### Principle 1 – Respect for laws

Members and their staff must comply with all relevant legislation, statutory and non-statutory requirements and official guidance and any future amendments to such requirements during the course of providing their services to others.

Adhering to this principle ensures that you are compliant with all legislation, statutory codes and official guidance relevant to the recruitment industry. You must have a clear understanding of your obligations under the *Conduct of Employment Agencies and Employment Businesses Regulations 2003* and all other relevant legislation to meet this principle.

#### Checklist

- ☑ Make sure you and your staff know how you can access information and advice on the law and legal changes that will support you in carrying out your duties. Understand how the REC can help you – the REC website, regular member communications, webinars, training.
- ☑ Make use of the REC Legal Guide for model documents and guidance, and make sure that your policies are up to date.
- ☑ Review your working practices to ensure you are compliant with regulations, guidance and the REC Code. Regular internal audits can help with this - we recommend you review this at least annually.
- ☑ Ensure that you receive and circulate REC communications including the REC sector-specific briefings, Legal Bulletin and Bitesize.
- ☑ Ensure you, new and existing staff maintain professional knowledge by reviewing your performance management practices and give staff access to professional development. Check out REC's range of courses and qualifications.

Ensure that your induction for new staff covers all relevant guidelines and requirements so that all new staff are clear on what standards of practice they must work to

- ☑ Have processes in place to manage all requirements under data protection law; conduct regular data cleanses and consider appointing a data protection officer.
- ☑ Contact the REC Legal Helpline on 020 7009 2199 if you require any legal advice.

Review the information available in your offices - make copies of the Code easily available

## Principle 2 – Respect for honesty and transparency

2a. Members will act honestly in all dealings with work seekers, clients, members, non-members and others.

2b. In the course of representing a work seeker or client, a member shall not knowingly make a false or inaccurate statement, fail to disclose a material fact, or make a representation as to future matters without having reasonable grounds for making it.

2c. Members must adhere to principles of truth in advertising and will only advertise positions, through any medium, for which they have documented permission to recruit.

2d. All fees, charges and services provided must be explicitly and fully disclosed to clients prior to the acceptance of an assignment or prior to any work being undertaken for a client.

2e. Members should document all key stages of the recruitment process in line with relevant legislation and good practice guidance.

The purpose of this principle is to ensure that there is a clear understanding of the obligations REC members have towards all those they come into contact with, in particular hirers and work seekers. It aims to enhance the image and reputation of the industry by ensuring the highest levels of professional conduct.

### Checklist - General

- Review your working practices on a regular basis (at least yearly) and incorporate any changes that you think will improve your business in its drive to meet this principle.
- Put clear customer service standards in place. Make sure staff know how to apply these and publicise your commitment to customer service.
- Document the outcomes of all contact with clients and work seekers, particularly where information is exchanged or agreements are made regarding the recruitment process.
- Introduce a Complaints Procedure and communicate this to clients and work seekers. Make sure it sets out the stages a complainant can expect to go through when making a complaint. Include who to contact, the timescales within which a response can be expected, and how to appeal a decision (this can be through a senior manager of the agency or can be referred to the REC's complaints procedure).
- Ensure that the complaints procedure includes a stage for dealing with complaints (including AWR complaints) informally i.e. you should encourage work seekers to talk to you in the first instance
- Ensure that all staff are aware of how to respond to a complaint and that the company complaints procedure is operated effectively and outcomes are monitored.
- Check that all staff are aware of the requirements of AWR in dealing with formal written requests from agency workers about any aspect of equal treatment that they believe they are not receiving.
- Aim to resolve any complaints or disputes effectively, promptly and professionally, including when a complaint has been referred to, and investigated by, the REC Complaints Team.

- ☑ Make sure records are accessible and clear in the event of a complaint investigation requesting evidence.
- ☑ Ensure that staff can recognise a subject access request (SAR) and implement a process so that SARS are dealt with promptly and accurately.
- ☑ All adverts for vacancies must accurately reflect the client's instruction. You must be able to prove that all adverts placed or displayed relate to confirmed instructions. Keep records and have procedures in place to remove adverts as soon as they are filled or no longer current. All adverts placed must be compliant with the Conduct Regulations.

## Checklist – Dealing with Clients

- ☑ Have a checklist of information and documents to be sent to clients on initial contact.
- ☑ Ensure that your terms of business are sent to the client before any providing services to the client. Record the time of transmission of terms of business in all cases.
- ☑ Make all reasonable efforts to obtain the client's signed agreement to your terms of business and, in particular, ensure they are clear about the circumstances in which you may charge a fee.
- ☑ **For permanent recruitment**, you should agree terms with clients, in writing, before first providing services to the client. These terms must include:
  - a) the type of service you will be providing (permanent placements, employment agency, etc)
  - b) details of your fees and how they will be calculated
  - c) the details of how a refund/rebate would be calculated and any conditions that need to be met for it to be given
- ☑ While operating as a permanent recruiter, ensure that you make clear to clients which checks you will and will not carry out. This can be detailed in your terms of business, or supplementary information provided to a client along with terms of business, or in written communication prior to placement
- ☑ **For temporary recruitment**, you must agree terms with clients, in writing, before first providing services to the client. These terms must include:
  - a) the type of service you will be providing (temporary placements, employment business, etc)
  - b) details of your fees and how they are calculated (a breakdown of the elements that will make up your fee – the temporary worker's hourly rate, holiday pay, AWR entitlements, National Insurance contributions, your commission and expenses)
  - c) the details of how a refund/rebate would be calculated and any conditions that need to be met for it to be given
  - d) details of your transfer and introduction fees and extended periods of hire
  - e) details of the procedure to be followed if a work seeker supplied is found to be unsuitable.
- ☑ If you carry out temporary recruitment, in respect of your transfer and introduction fees in your terms with clients, you must ensure that they comply with Regulation 10 of the Conduct Regulations.
- ☑ Any verbal agreements with a client to vary written terms must be confirmed in writing along with the date the change will take effect.

- ☑ Make sure your procedures for obtaining and documenting information when taking instructions from a client includes all information as outlined under Regulation 18 of the Conduct Regulations.
- ☑ Check that you have a process in place to obtain and document 'equal treatment' information from a client in cases where an agency worker will complete the 12 week qualifying period under AWR.
- ☑ When supplying limited company contractors who have opted out of the Conduct Regulations, make sure this is confirmed in writing.
- ☑ Ensure that you have processes in place to provide clients, in writing, details about the work seekers you are introducing to them.
- ☑ Ensure that you have a checklist of information and documents to be transmitted to all clients on initial contact and that staff are aware of their obligations.
- ☑ Check that any adverts aimed at clients describing your company's services are accurate.

## Checklist – Dealing with Work Seekers

- ☑ **For permanent recruitment** you should agree terms with candidates, in writing, before you provide any work finding services. Ensure that these terms include:
  - a) how you will be acting i.e. as an employment agency or that you will seek to find them permanent work
  - b) that the work seeker authorises you to seek work on their behalf
  - c) the type of work you will seek for the work seeker (this must be specific and relate to the individual the terms are being issued to).
- ☑ **For temporary recruitment** you must provide the work seeker with a Key Information Document (KID). The KID must be provided before terms of engagement are agreed and must meet the requirements of Regulation 13A of the Conduct Regulations. If you offer different options as to how the work seeker can be engaged (e.g. direct PAYE agency worker, via an umbrella company, via the work seeker's own personal service company), you should provide a separate KID for each different option so that the work seeker can see a comparison. Importantly the work seeker must receive a KID relevant to how they will be engaged and a copy retained in your records.
- ☑ If you carry out temporary recruitment you should agree terms with work seekers before providing any work finding services. Where you are engaging with a work seeker who wishes to be supplied via an umbrella company but is not yet registered with one, you must ensure that you agree your standard PAYE terms of engagement until such time as the work seeker has registered with and agreed terms with their chosen umbrella company. Once terms of engagement are in place between the work seeker and the umbrella company and separately between your employment business and the umbrella company, you must confirm, in writing, to the work seeker that the terms of engagement now in place with the umbrella company are in force and supersede the earlier terms agreed between the work seeker and the employment business.
- ☑ Check that your terms of engagement with your work seekers are compliant with Regulations 14 and 15 of the Conduct Regulations.
- ☑ For PAYE temporary workers engaged directly by your employment business, you must provide the work seeker with a Written Statement of Particulars on day 1 of employment - as set out under the **Employment Rights Act 1996**. This is a separate obligation from the obligations under

the Conduct Regulations which requires that you agree terms with your workers before providing work finding services. If you give the worker the REC model terms of engagement ([contract 4](#)) before providing work finding services and then, when an assignment is found, you give the worker the completed assignment details and written statement form (no later than day 1 of the assignment and no later than one month from when you give the worker the terms) you will have met these obligations.

- ☑ Check that your procedures for conveying information to work seekers regarding the client and the position they are applying for include all relevant and pertinent information. This should include, as a matter of course, the identity of the hirer at the point of submission of their details, unless a client has specifically instructed otherwise. Where this is the case, you should ensure that these instructions are clearly documented. You must balance this against a work seeker's right to know where their personal data is being transferred. See also Principle 10.
- ☑ Confirm relevant details to a work seeker, in writing, as required under Regulation 21 of the Conduct Regulations, as well as documenting the information accurately in your own records.
- ☑ Check that any incentive or bonus schemes aimed at work seekers and the terms of any payments or rewards are communicated clearly wherever these are referred to in adverts.

The REC has a model [Customer Service Policy](#) and [Complaints Procedure](#) which you may wish to adopt. You can also find all of the REC model contracts, assignment details and written statement of particulars form on the [REC website](#).

## Principle 3 - Respect for work relationships

3a. Members will not undertake actions that may unfairly or unlawfully jeopardise a work seeker's employment.

3b. Members will not undertake actions that may unfairly or unlawfully interfere in work relationships established by others.

3c. Members will not attempt unfairly or unlawfully to prevent a work seeker from seeking work from other sources.

3d. Members will, in their dealings with all other REC members and non-members, treat them with respect and aim to work in a fair and open competitive environment.

This principle seeks to clarify your obligations, both ethical and legal, and prevent situations where those you come into contact with during the recruitment process feel that you have acted unethically and outside any contractual obligations.

### Checklist

- Consider how you will discuss with clients how to respond if they have already received a CV you send to them, or if they later receive a CV you have sent them. Encourage clients to inform you as soon as possible if this happens.
- Discuss with clients that 'first come, first served' is not necessarily how to decide which agency to operate through. Instead, clarify that the agency they have clearly entered into a contract with for that particular vacancy, is more likely to be found to have introduced the candidate.
- Ensure your client is fully aware of their contractual obligations under your terms of business, especially all circumstances where a fee is payable.
- Confirm with clients that all candidates submitted by your company have given their permission, and that agencies that send unsolicited CVs may be in breach of this Code. We want to make clients more aware that agencies operating in this way are not complying with industry standards.
- Where there is a dispute with another agency over fees, seek to work with that agency to find an acceptable solution so that the candidate's placement and your relationship with the client is not jeopardised.
- Ensure that all details provided by a client regarding a vacancy or placement are checked and recorded accurately, as well as ensuring that they are conveyed clearly to the relevant work seeker.
- Ensure that you and your consultants are fully aware of your obligations in respect of checking references and the suitability of candidates, and that this information is clearly and accurately recorded and documented. In addition, you should ensure that this information is provided to clients on request, so that they can make an informed decision as to the best work seeker for the role in question. This is especially critical where a professional qualification is required or where the work seeker will be required to work with vulnerable persons or those under 18.
- Make sure that you comply with the REC's policy on DBS checks - an Update Service check should be done at least every 12 months (unless a client requests it more regularly) and if a work seeker is



not subscribed to the Update Service, a new DBS will need to be taken out. Encourage the work seeker to register with the service. When you register a new worker, you must check their status through the Update Service prior to supplying to a client or take out a new DBS check.

- ☑ Ensure that your client is aware of their responsibilities in terms of checking references and candidate suitability, and that this information is clearly set out in your terms of business.
- ☑ Review how you meet the requirements for checking identity, eligibility to work and suitability when placing candidates you have not met and how this information is conveyed to the client.
- ☑ Ensure that your terms of engagement with temporary workers do not include clauses that seek to prevent them taking up employment elsewhere.
- ☑ Where you have previously received a fee for placing a work seeker with their current employer, you should not approach the work seeker to offer work finding services with a view to placing the work seeker elsewhere, unless the current employer agrees to that approach or the work seeker approaches you directly.
- ☑ Review the procedures you have in place for dealing with situations where a placed work seeker, for whom you have already received a fee, seeks alternative employment, in particular when this is within the agreed rebate period with the original client.
- ☑ Ensure that you clearly document any requests, including written confirmation from the work seeker of their request for work finding services, along with any offers and acceptance of alternative employment.
- ☑ Ensure that the rebate period is honoured, should any offer and acceptance of alternative employment take place within the rebate period.
- ☑ Establish a policy on not targeting client companies for search purposes, ideally within 12 months of last providing services to them. This should include obtaining written confirmation from any candidates who initiate contact to request work seeking services and clearly recording when a candidate first registered with you.
- ☑ Ensure that your client database operates so that information on client companies is easily accessible and helps your consultants avoid contacting current or recent client companies for search purposes within any agreed period.

## Principle 4 - Respect for diversity

4a Members should adhere to the spirit of all applicable human rights, employment laws and regulations and will treat work seekers, clients and others without prejudice or unjustified discrimination. Members should not act on an instruction from a client that is discriminatory and should, wherever possible, provide guidance to clients in respect of good diversity practice.

4b Members and their staff will treat all work seekers and clients with dignity and respect and aim to provide equity of employment opportunities based on objective business-related criteria.

4c Members should establish working practices that safeguard against unlawful or unethical discrimination in the operation of their business

It's a legal requirement for all businesses to comply with Equal Opportunities legislation, but this principle seeks to raise awareness for the business benefits of recruiters actively promoting and applying the values of equity, diversity and corporate social responsibility in their recruitment practice.

The following are practical ways to help you meet the requirements of this principle, and demonstrate to your clients and candidates that you are a champion for diversity and inclusion.

### Checklist

- Ensure your company has an Equal Opportunities and Diversity Policy that encompasses unethical as well as unlawful discrimination.
  - Review this on a regular basis (we recommend annually) so it remains up-to-date with current legislation and good practice.
- Ensure that your policy for staff training and professional development covers equal opportunities and diversity.
- Commit to wording job descriptions, application packs and job adverts in a way that encourages applications from a diverse range of candidates.
- Educate clients on best practice by doing more than adhering to your legal obligations around equal opportunities.
  - Show them what good looks like in terms of developing job specs and a recruitment process that aims for diversity and inclusion. (The REC's Good Recruitment Collective produces guides that can help with this.)
  - Consider offering to train your clients on recruiting with awareness of unconscious and subconscious bias, if that is appropriate.
- Nominate a senior representative within your company to be responsible for diversity and inclusion.
  - That person should ensure there is a way for all relevant information and guidance on equal opportunity and diversity issues to be received by the organisation, and circulated.
  - Your staff should have access to the legal reference guides on all equal opportunity and diversity issues, including any changes in legislation.
- Consider setting up a diversity group for your staff, as a forum for reviewing latest developments and best practice on diversity and inclusion, and the actions your business can take.

- ☑ Ensure that you review and, where appropriate, amend your existing working practices and procedures so that they actively promote the values of equity, best practice in diversity and corporate social responsibility in recruitment practice. If you have one, your staff diversity forum could be responsible for undertaking this review regularly.
  
- ☑ Decide what goals and targets you can set for diversity and inclusion in your business. For example:
  - Aim to have more diversity at senior level. One way to do this is reviewing your management pipeline to nurture diverse talent..
  - Or it might be that you want to encourage your clients to consider best practice in their recruitment practices, and you set goals on how to achieve this.
  
- ☑ When you conduct pay reviews in your company, consider diversity and inclusion principles. For example:
  - You may already have to publish a gender pay report for your organisation - you could expand on this and review and report on pay for minority ethnic colleagues, as a way of monitoring progress and to check whether you need to take action?
  - If you don't have a legal obligation to conduct and publish a pay review, what's stopping you? It's not mandatory but reviewing pay with an eye on diversity can help ensure your company is taking diversity and inclusion seriously. It will give your staff, clients and candidates confidence in your approach and build loyalty.

The REC has a model [Equality and Diversity Policy](#) which you may wish to adopt.

## Principle 5 - Respect for safety

5a Members will act diligently in assessing risks to work seekers and clients and will not knowingly put at risk candidates, clients or others.

5b Members will inform work seekers whenever they have reason to believe that an engagement may cause a risk to health and safety.

This principle reflects your obligations to obtain information relating to health and safety at the client's premises, and ensuring that this information is conveyed to work seekers before an assignment commences.

### Checklist

- Ensure that you are aware of your obligations under health and safety legislation and that these are regularly communicated to all consultants and relevant staff.
- Ensure that you have a policy on what health and safety information must be sought from clients when taking instructions and that this information is in line with any relevant guidance from the [Health and Safety Executive](#).
- Ensure that your policy takes account of any sector specific health and safety requirements.
- Ensure that you have procedures in place for informing both temporary and permanent work seekers about health and safety information relevant to their assignment before work starts, and that this information is confirmed, in writing, prior to an assignment or in line with statutory requirements.
- Develop a proforma to ensure that your staff are aware of how information on health and safety, whether provided by clients or given to temporary or permanent workers, should be documented.
- Ensure that with long term clients, you have an active policy for reviewing existing health and safety information supplied by them.
- Agree, in advance and ideally at contract stage, with clients who will report any health and safety incidents or accidents to the HSE.

## Principle 6 - Respect for professional knowledge

6a All members will work diligently to develop and maintain a satisfactory level of relevant and current professional knowledge.

6b Members will ensure that their staff are adequately trained and skilled to undertake their responsibilities in recruitment practice.

This principle aims to:

- ensure that all staff are informed and trained to effectively carry out their responsibilities
- continually improve your staff's knowledge, skills and qualification base
- identify the appropriate behaviours for members to use in any given situation, and
- clarify the importance of applying an ethical and professional approach to customer service at all times, including in the resolution of complaints and disputes.

### Checklist

- Promote your REC membership and share the compliance standards you sign up to as an REC member with clients and candidates, to encourage trust in your professionalism.
- Use the REC logo on your website, business cards and company material.
- Encourage the use of designatory letters that come from being an [REC Professional](#) - add them to your business cards and celebrate.
- Review your professional development and training policy and ensure, wherever possible, that it is an integral part of your performance management processes and that it covers all stages of the recruitment process.
- Ensure that your staff understand how to access REC training, professional development and other forms of REC support and guidance so they are always up-to-date with best practice.
- Ensure you or someone in your company receives and circulates REC legal bulletins, email newsletters, sector-specific briefings and all other member communications so that you and your staff keep up to date with advice and recent developments. Encourage regular attendance to REC member events.
- Encourage your clients to sign up to the REC's Good Recruitment Collective - which provides best practice advice and support on working with your recruitment partners.

## Principle 7 - Respect for certainty of engagement

7a Members must supply work seekers with full details of the work, conditions of employment, the nature of the work to be undertaken, rates of pay, method and frequency of payment and pay arrangements in accordance with requirements of current legislation.

7b Members will ensure that any variation to the engagement can only occur with prior notification and agreement of the worker.

This principle seeks to ensure that work seekers are clearly and fully informed of the services provided by you, including:

- receiving and agreeing clear terms of engagement before the commencement of any assignment
- all relevant information about any position for which they have been put forward
- progress reports in seeking to find work for them and of any applications for work being pursued on their behalf.

It also seeks to ensure that work seekers are not prevented from taking up any opportunity for employment because of any practices or clauses in their terms of engagement.

### Checklist

- Have a checklist of information and documents to be issued to all work seekers on registration.
- Provide temporary workseekers with a **Key Information Document (KID)** before any terms are agreed. If you offer different options as to how a work seeker can be engaged, e.g. direct PAYE agency worker, via an umbrella company or via the work seeker's own personal service company, you should provide a separate KID for each different option so that the work seeker can see a comparison. **Importantly, the work seeker must receive a KID relevant to how they will be ultimately engaged and a copy should be retained in your records.**
- Ensure that all temporary, permanent and contract workers receive their terms of engagement before providing any work finding services. You should document the timing of transmission and agreement to terms of engagement in all cases (see Principle 2).
- Wherever possible, obtain a signed agreement to your terms of engagement and keep this on file. Where signed agreement is not possible then ensure that agreement to terms can be established and recorded in some other way pursuant to contract law.
- Ensure that you provide PAYE temporary workers engaged directly by your employment business with a **Written Statement of Particulars** before the start of their first assignment. This is a separate obligation from the obligations under the Conduct Regulations which requires that you agree terms with your workers before providing work finding services. If you give the worker the REC model terms of engagement ([contract 4](#)) before providing work finding services and then, when an assignment is found, you give the worker the completed assignment details and written statement form (no later than day 1 of the assignment and no later than one month from when you give the worker the terms) you will have met these obligations.
- Review your terms of engagement to ensure that you are not requiring temporary workers to opt out of the 48-hour working week limit, unless this is permitted under legislation and that it is clear wherever opting out is referred to that this is optional for the work seeker.

- ☑ Ensure that wherever temporary workers do choose to opt out of the 48-hour working week limit, they are fully and clearly informed of the procedure to follow for giving notice.
- ☑ Where a temporary work seeker works through a payment intermediary (such as an umbrella company or CIS intermediary), ensure the work seeker has chosen an intermediary to work through. You may have a preferred supplier list of those intermediaries that you are prepared to engage with because, having done appropriate due diligence, you are satisfied they work in a compliant manner. But the individual should then freely choose which intermediary to work through.
- ☑ Review your procedures at the stage at which you submit CVs to clients to ensure you have a system for checking that the candidate's permission has been obtained. Record the candidate's permission so that you can demonstrate this has been obtained.
- ☑ Ensure that temporary workers are aware of the arrangements in place between your employment business and your clients if a client wishes to engage the temporary worker directly or via another employment business, or if the temporary worker is engaged by a third party introduced to them by the client. This information should be confirmed in writing.
- ☑ Review the assignment information (temporary placements) and job confirmation (permanent placements) you give to work seekers to ensure that all relevant details, as set out in Regulation 21, are clearly recorded and documented.
- ☑ Ensure that assignment information (temporary placements) and job confirmation (permanent placements) are given to the work seeker at the time you confirm/offer the position to the work seeker. If this is given verbally, this should be confirmed, in writing, within three working days.  
**NOTE:** If you are using the REC model assignment details and the written statement form mentioned above, in order to meet the obligations of the Employment Rights Act 1996 - you must give the temporary worker this document no later than day 1 of the assignment.
- ☑ Ensure that you do not impose a restriction on any workseeker you have previously engaged from obtaining work by withholding or refusing to provide any information, whether in a reference or otherwise, that is reasonably requested by another employment agency/business or hirer unless you can objectively justify your decision for refusing to give such information in any particular case.
- ☑ Consider setting up a template reference letter and ensuring that all consultants are aware how to access this and of what their obligations are when providing references.
- ☑ Review your terms of business to make clear to clients where responsibility lies for taking up references on candidates for permanent employment.
- ☑ Ensure that you are able to demonstrate what steps you took to check a work seeker's suitability should a client request this.
- ☑ Ensure that clients are always specifically informed before employment or an assignment starts if you have not taken up references.
- ☑ Establish what steps you will take to verify open references or testimonials presented to you by work seekers.
- ☑ Ensure that any policy you have on providing references for temporary workers does not unfairly or adversely affect their ability to obtain employment or work elsewhere.

- ☑ Ensure that work seekers are adequately informed as to how communication between all parties will operate and establish clear timescales within which their calls and correspondence will be returned. We'd recommend that all candidates receive acknowledgement whenever they make contact with your business.
- ☑ Ensure that you agree with work seekers the procedure for keeping them informed, including whether it will be the work seeker or the agency that should initiate contact with the other.
- ☑ Ensure that you do not transfer a work seeker's personal data to any third party, including a payment intermediary (such as an umbrella company, CIS intermediary or similar) unless you have their consent to do so, or another legal basis for such transfer (which should be documented).
- ☑ Review your procedures to ensure you have a system for checking that the candidate's permission to submit their application for a role has been obtained prior to submitting CVs to clients.



## Principle 8 - Respect for prompt and accurate payment

8a Members will pay promptly and accurately any wages and benefits due in accordance with any agreed terms and legal requirements.

8b Members should not penalise temporary/contract workers, for example for having been late or failed to attend part or all of an assignment or for poor performance, by making deductions from pay due for time that they have actually worked.

8c Members will not take on assignments that could result in their inability to pay temporary/contract workers.

This principle aims to ensure that where there are any delays or problems with payment to temporary workers, these are resolved as quickly as possible and that you provide both prompt and clear explanations to the temporary worker regarding the delay. It also seeks to ensure that you are fully aware of your obligations to pay temporary workers for all hours actually worked and not to deduct any pay due for those hours as a penalty.

### Checklist

- Give every temporary worker a Key Information Document (KID) before any terms are agreed. The KID will provide an illustration of the worker's minimum pay, holiday pay and any deductions. If you offer different options as to how a work seeker can be engaged, e.g. direct PAYE agency worker, via an umbrella company or via the work seeker's own personal service company, you should provide a separate KID for each different option so that the work seeker can see a comparison. Importantly, the work seeker must receive a KID relevant to how they will ultimately be engaged, and a copy should be retained in your records.
- Ensure that the temporary worker's terms of engagement clearly set out the minimum rate of pay, the frequency of pay and method of pay, along with the rate and method of payment for holiday pay that will also apply. Make sure that all temporary workers understand the difference between any PAYE and limited company rates.
- Ensure that this information is clearly documented for each assignment and that this information is given to all temporary workers in paper form, emails or, if by no other means of communication, by SMS, so that you meet your obligations under the Conduct Regulations and this Code.
- Where the temporary worker meets the qualifying 12 week period under the AWR, ensure the worker is notified, in writing, of any additional amounts they are entitled to in relation to equal pay, additional holiday pay and bonus/commission payments.
- Provide all salary information clearly and accurately, including specifying wherever figures provided are pro rata.
- When engaging workers operating through a limited company, make sure that they are clear about the effect this has on their employment status and statutory entitlements, including holiday pay, sick pay, maternity/paternity/adoption pay and pensions from your business.
- Clarify with the client whether expenses to the work seeker will be payable.

- ☑ Ensure that your procedure for conveying information to candidates regarding the position they are applying for (i.e. job confirmation - permanent or the assignment details -temporary) include details of whether and under what terms and conditions expenses will be payable.
- ☑ Ensure that your terms of engagement for PAYE temporary workers and contractors who remain within the Conduct Regulations include a statement that you will pay the worker regardless of whether you have first received payment from the client.
- ☑ Ensure that temporary workers are informed clearly and promptly in the event of any delay in payment, and that all relevant information relating to a delay in payment is clearly documented, including the steps taken to resolve any delay and the outcome of those steps.
- ☑ Ensure that any complaints raised by temporary workers in respect of their pay are resolved as promptly and efficiently as possible.
- ☑ Review your terms of engagement to ensure that all references to pay, including any reference to deducting pay, is within the requirement of the law and this principle.
- ☑ Clearly communicate and document any lawful deductions to pay to temporary workers and, wherever possible, obtain and document their written agreement to the deduction .
- ☑ When you engage contract workers who use third party services to process their pay and statutory deductions, ensure that you communicate clearly and promptly all procedures for submitting timesheets and invoices and that, wherever possible, you obtain and document their written agreement.
- ☑ Ensure that you do appropriate due diligence on all payment intermediaries and that all staff understand company policy on engaging with payment intermediaries.
- ☑ Ensure that you have appropriate procedures in place to avoid the risk of committing an offence under either the Criminal Finances Act 2017 or the Bribery Act 2010. These must be owned by senior management.

## Principle 9 - Respect for ethical international recruitment

9a Members must supply all overseas work seekers with the same level of information as set out and implied in Principle 7. In addition, information provided should include details of the likely cost of living in the area the prospective hirer is situated, the likely length of the job in question and the state of the employment market in the field they are being recruited into. All information must be provided at no cost to the work seeker.

9b Members must ensure that in relation to overseas recruitment they abide by all relevant legislation and Home Office guidelines and provide all relevant and applicable information to work seekers, clients and others.

9c Members recruiting from outside the UK must not use overseas agents who charge for their services, unless that is the legal and normal custom and practice sanctioned by the government of the country of origin. In addition, members must make all reasonable efforts to ascertain such information about any agents used and should be able to demonstrate that they have done so.

9d Members should observe the highest principles of social responsibility, integrity, professionalism, equity and fair practice in their dealings with all overseas work seekers.

This principle aims to clarify your responsibilities if you recruit work seekers from overseas. You must ensure the work seekers are fully informed and supported in making their decision to come to the UK. It also seeks to ensure that you have effective and adequately ethical procedures and practices in place to fulfil your legal obligations and responsibilities as a member of the REC when recruiting work seekers from overseas.

### Checklist

- Ensure that your working practices actively promote equitable treatment of all overseas work-seekers.
- Review the information provided by your company to work seekers from outside the UK in respect of any potential opportunity for employment. These should include:
  - Notice periods, hours, location and nature of work
  - The likely cost of living in the area of the UK in which the hirer is situated, the likely length of the job in question and the state of the employment market into which they are being recruited, so the work seeker can make an informed decision as to whether it is in their long-term interests to accept a position with a UK hirer

All information must be provided at no cost to the work seeker.

- Document clearly the information you have provided.
- Ensure you are aware of the practices of any overseas agents you work with, in particular whether they charge overseas work seekers for their services.
- Be aware of and comply with the policies of the relevant government authority in that country in respect of fees charged by agencies.
- Ensure that you have clear policies and guidelines on the use of overseas agents.



- ☑ Include guidelines in your internal training on a consultant's ethical and legal obligations when recruiting from overseas.
- ☑ Ensure that the documentation you provide to overseas workers is set out in a clear and understandable format, so that there is no ambiguity about the services they can expect from you, and clear on the terms that they will be engaged on.
- ☑ Consider developing a policy on the use of translation and interpreting services relevant to your business needs.
- ☑ Where you provide or arrange accommodation or refer overseas temporary workers to particular landlords or letting companies, assure yourselves of the quality and condition of the housing.
- ☑ Consider nominating a named person in your company to regularly review, maintain and update information that relates to local housing and that this information is easily accessible to all consultants.
- ☑ Have clear and well-communicated policies and procedures, which clarify how to handle situations where temporary work comes to an end, and what happens when the temporary worker may no longer be entitled to the housing associated with that work placement.
- ☑ Document all stages of an overseas recruitment process, including all relevant instructions from the client.
- ☑ Ensure that you or your nominated employee are aware of all relevant legislation and best practice in respect of overseas recruitment, that you have the mechanisms in place to get any updates on changes, and that this information is easily accessible to all consultants working in this field.
- ☑ Consider developing a policy on your corporate social responsibility as it relates to international recruitment and nominating a named individual in your company who will have responsibility for its implementation.
- ☑ Review and, where appropriate, amend your existing working practices so that they actively promote the values of equity, best practice in diversity and corporate social responsibility in international recruitment practice.

## Principle 10 - Respect for confidentiality and privacy

10a Members must observe the highest principles of integrity, professionalism, equity and fair practice to maintain the confidentiality and privacy of candidate and client information and should respect the confidentiality of records in accordance with law and good business practice.

10b Members and their staff must ensure that they have obtained consent or that they have another legal basis which they can rely on (such consent or legal basis to be documented) before disclosing, transferring, displaying, submitting or seeking confidential or personal information.

This principle emphasises the importance of respecting the confidentiality of your clients and candidates, and ensuring that it is maintained at all stages of the recruitment process. In terms of personal data - you must either have consent or another legal basis prior to any disclosure, transfer or publication of information which relates to them or by which they are easily identifiable. In addition, this principle seeks to raise awareness of the importance of maintaining effective and adequate documentation of individual recruitment processes; this includes the use of recognised and appropriate selection tests.

### Checklist

- ☑ Register with the [Information Commissioner's Office \(ICO\)](#) if you process personal data - this will apply to any company acting as an employment agency and / or employment business.
- ☑ Ensure that the importance of confidentiality is made clear in all relevant training and induction you carry out with your staff. Ensure that the data protection principles and how these relate to the recruitment process are included in your staff training.
- ☑ Ensure that CVs can only be forwarded to clients with the candidate's agreement. Review your registration and interview procedures and any other procedures at the stage at which you submit CVs to clients, to ensure you have a system for checking that the candidate's permission has been obtained. Candidate's consent should be recorded so you can evidence it has been obtained.
- ☑ Have appropriate policies in place regarding the processing of personal data, and that staff know how to respond to a work seeker re their personal data. This includes:
  - the right to be informed in relation to rectification or erasure of personal data
  - the right to object or withdraw consent
  - a subject access request, and
  - rights relating to automated decision making or profiling.
- ☑ Document clearly the outcome of any conversation where information is exchanged or agreements made regarding the recruitment process. Document any permission you obtain from a candidate either by including a written request for consent in your registration procedures or otherwise obtaining written agreement.
- ☑ Make sure your records are accessible and clear in the event of a complaint or investigation requesting evidence.
- ☑ Ensure you request and receive written permission from the work seeker before contacting any referee given by the work seeker. Never contact a work seeker's current employer unless you have their written permission to do so. Ensure that your policy on references also recognises the obligation of confidentiality towards the referee.

- ☑ Review how you operate any selection tests that are applied to work seekers, in particular, any psychometric or personality-based tests or questionnaires. Ensure that the staff responsible for conducting and evaluating the tests are trained in doing so fairly and consistently. Establish clear and transparent documentation of results and criteria for how these are used to determine suitability.
- ☑ Ensure that how you display information about candidates on a website is done in such a format that protects their identity and that of their current employers.
- ☑ Review how you use password protected areas of your website to ensure you are meeting this standard.
- ☑ Before posting information about a candidate, check whether their current employer is also a current client of your company and may therefore be able to access their details. If this is the case, discuss this with the candidate and agree a way to protect their confidentiality.
- ☑ Wherever you intend to place any information relating to a candidate onto a website, have processes in place, such as a checklist, that prevent posting such information before you are sure you have the candidate's permission to do so.
- ☑ Ensure that all consultants using job boards or social networking sites to source candidates comply with the rules of those boards and sites. Ensure also that they follow your internal rules on use of these boards and sites - have an appropriate policy which covers how to engage with those candidates, and how to obtain their permission to introduce them to clients.
- ☑ Ensure that all consultants are aware that access to candidates' CVs from websites should not lead to display or transmission to clients before the candidate's permission has been obtained.

The REC has a number of model documents relating to Data Protection which you can find [here](#).