

News story: Scottish employers to repay employees thousands

The UK Government has published a list of the names of more than 24 employers headquartered in Scotland, found to have underpaid more than 300 Scottish workers by a total of £60,000.

Employers underpaid workers by taking deductions from wages for uniforms, underpaying apprentices and failing to pay travel time.

£1.42m in back pay has been identified for 23,000 workers across the UK, with the employers fined additional £1.97m.

UK-wide companies including Home Bargains and Card Factory (who have significant presences in Scotland) have also been identified as underpaying their employees.

The back pay identified by HMRC affects more UK workers than in any previous list and has generated record fines of £1.95m.

The earliest underpayment dated back to 2011, with the most recent happening this year (2018).

Business Minister Andrew Griffiths said:

Our priority is making sure workers know their rights and are getting the pay they worked hard for. Employers who don't do the right thing face fines as well as being hit with the bill for backpay.

The UK's lowest paid workers have had the fastest wage growth in 20 years thanks to the introduction of the National Living Wage and today's list serves as a reminder to all employers to check they are getting their workers' pay right.

UK Government Minister Lord Duncan said:

It beggars belief that some employers think they can get away with underpaying staff and tricking them out of the wage to which they are legally entitled. That's why we are naming and shaming and fining these companies. We won't stop until every employee in Scotland is paid correctly and fairly for their labours.

The top 5 reasons for National Minimum and Living Wage underpayments in this list were:

- Taking deductions from wages for costs such as uniforms

- Underpaying apprentices
- Failing to pay travel time
- Misusing the accommodation offset
- Using the wrong time periods for calculating pay.

Low Pay Commission Chairman Bryan Sanderson said:

It is crucial that employers understand their responsibilities and workers know their rights around the minimum wage. That is why active enforcement and effective communication from UK Government is so important.

It is therefore encouraging to see that HMRC has recovered unpaid wages for the largest number of workers yet in this round of naming and shaming. I'm confident that the UK Government will continue to pursue underpayment of the minimum wage vigorously.

Funding for minimum wage enforcement has more than doubled since 2015, with the UK Government set to spend £26.3m in 2018/19.

The scheme is in its fifth year and calls out employers who have fallen foul of minimum wage laws, so far identifying £10.8m in back pay for around 90,000 workers, with more than 1,900 employers fined a total of £8.4m. HMRC has launched a series of webinars, available on GOV.UK, to help employers check that they are complying with the law.

The UK Government is currently running a campaign to raise awareness of the National Living Wage and National Minimum Wage rates, which increased on 1 April 2018, as well as encouraging workers who have been underpaid to complain to HMRC. The campaign website has had more than 600,000 visits since the campaign began on 1 April.

Employers who pay workers less than the minimum wage have to pay back arrears of wages to the worker at current minimum wage rates and face financial penalties of up to 200% of arrears, capped at £20,000 per worker.

For more information about your pay, or if you think you might be being underpaid, get advice and guidance at gov.uk/checkyourpay. Workers can also seek advice from workplace experts Acas.