

Compliance & Risk

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Uber loses appeal in landmark ruling for gig economy

In 2016, the UK Employment Tribunal ruled that two Uber drivers were workers and should be entitled to holiday pay, rest breaks and the minimum wage. The Employment Appeal Tribunal upheld that decision on 10 November 2017, leaving the ride-sharing company open to a potential flood of backdated claims from drivers now classified as workers rather than self-employed.

The tribunal said that any of the 40,000 individuals registered as Uber drivers in the London area and who had the Uber app switched on were operat-

ing under a 'worker' contract and were therefore entitled to workers' rights in accordance with UK law.

Paul Jennings, partner at City firm Bates Wells Braithwaite which represented the Uber drivers, said the ruling would have significant implications across the so called 'gig economy'. He added, 'We anticipate that tens of thousands of drivers will now seek to make substantial backdated claims. Our clients have fought tirelessly to gain the rights that they clearly should have been afforded from the outset.'

Uber said it plans to appeal the decision to the Court of Appeal, and possibly as far as the Supreme Court if necessary, which would mean the final answer to the dilemma of whether the Uber drivers are employees could be years in the making.

The GMB union hailed the victory as a 'landmark decision' which ensures drivers are given the rights to which they are entitled. Legal director Maria Ludkin said, 'Uber must now face up to its responsibilities and give

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City firm fined record £500k over failures in compliance controls

The Solicitors Disciplinary Tribunal today confirmed its largest-ever fine levied against a law firm in England and Wales. The fine is double the previous record penalty of £250,000 imposed against international firm White & Case in July 2017 over issues of conflict of interest and client confidentiality.

The tribunal ordered US firm Locke Lord, which has an office in London, to pay

£500,000 after the firm admitted four allegations of misconduct, including failing to have effective systems and controls in place to spot potential conflicts of interest, and failing to prevent a solicitor from directing or requesting payments in and out of the client account which were not related to an underlying legal service.

It is understood to be the first time a firm has

admitted an allegation of acting with a lack of integrity.

The Solicitors Regulation Authority (SRA) stressed that Locke Lord, which agreed the fine with the regulator before attending the tribunal, had been 'constructive and sensible' during the investigation, with the level of cooperation said to have prevented the punishment

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