

Global Immigration alert

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United Kingdom

UK extends right-to-work scheme to wider working arrangements

Executive summary

The UK government has confirmed that, effective 1 October 2026, the scope of the UK's illegal working regime will be significantly expanded under the Border Security, Asylum and Immigration Act 2025.

This change reflects the evolving nature of UK's labor market and will require many organizations to reassess their existing right-to-work processes, particularly where they rely on contingent labor or non-traditional workforce models. Businesses that have historically limited checks to employees may need to implement compliance measures across a much wider population of individuals.

Key developments

Key developments include:

- **Wider compliance responsibility:** The current right-to-work scheme primarily applies to individuals employed under a contract of employment. From October 2026, compliance obligations will extend to a broader range of working arrangements, including contingent or flexible workers, self-employed individuals, contractors, consultants, freelancers, subcontractors, businesses that rely on agency, casual, zero-hours or gig-economy labor models, and online matching services/platforms that connect service providers with customers or clients for remuneration.
- **Civil penalty exposure:** The government has reiterated that civil penalties for illegal working can be significant, with penalties now up to £60,000 per illegal worker. As the expanded scheme extends beyond traditional employment relationships, businesses that have not previously been subject to right-to-work obligations may now face direct liability for noncompliance.
- **Digital right-to-work checks:** The updated framework places greater emphasis on digital identity verification. Businesses that choose to use digital verification for right-to-work checks must use the government-registered digital verification service providers. Employers should review their existing onboarding providers and platforms or third-party screening tools to meet the updated requirements from October 2026.

- **Contractual and operational controls:** The draft updated employer code highlights the potential for extended liability to arise in non-direct contractual arrangements and identifies areas, such as contractual terms and conditions, substitution controls and identity verification as key compliance requirements. Businesses that engage subcontractors, intermediaries or platform-based models should ensure contracts clearly allocate responsibility for right-to-work compliance and contain appropriate audit, indemnity and termination rights.

Although the legislation establishes the framework for these expanded obligations, further Home Office guidance is expected to clarify the practical application of the new requirements, including the operation of the statutory excuse and any updates to existing right-to-work guidance and prescribed document checks.

Recommended actions for employers

Ahead of the expanded right-to-work scheme taking effect on 1 October 2026, organizations should review their workforce and labor supply chains to identify all individuals providing labor or services, including contractors, freelancers, subcontractors and platform-based workers. They should also assess whether any existing engagement models fall within the scope of the new requirements and update onboarding processes to ensure right-to-work checks are completed before work commences.

They should also review relationships with agencies, subcontractors and platform providers to ensure responsibility for conducting checks is clearly defined and supported by appropriate contractual compliance protections where necessary. In addition, they should verify that any digital right-to-work checking solutions are compliant with the Home Office requirements, provide required training to HR, procurement, compliance and operational teams, and update policies and procedures to ensure checks are conducted consistently and without discrimination across the workforce.

Impact on employers

The reforms may increase administrative and compliance obligations for businesses that rely on non-traditional labor. The government's consultation specifically considered whether businesses would need to invest in new systems, training or staff to meet the expanded requirements, indicating that operational impact is expected.

Businesses may also need to reconsider how they engage subcontractors, agencies and platforms, particularly where they have limited visibility over the individuals delivering services. Failure to comply could result in increased risk of civil penalties, criminal liability, reputational damage and disruption to workforce supply.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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