NWM Conduct Regulations Guide

For contractors and recruitment agencies

Nov 2026 | Reviewed 27 October 2026

The Conduct of Employment Agencies and Employment Businesses Regulations 2003 set standards for recruitment agencies and employment businesses in Great Britain. This guide explains the main protections and the care needed before agreeing to an opt-out.

The rules depend on the engagement and the parties involved. This guide does not itself opt anyone out or replace an agency agreement, NWM agreement or individual legal advice. Northern Ireland has separate legislation.

1 What the rules cover

The Regulations cover matters including information about assignments, agreed terms, checks on work-seekers, payment protections, additional services and certain fees. They can apply irrespective of whether the individual is described as employed or self-employed.

Where the relevant provisions apply:

- Work-seekers must receive and agree appropriate terms before work-finding services begin, and receive the required information about an assignment.
- An employment business must not withhold payment for work done solely because the hirer has not paid it.
- An unsigned timesheet does not justify an indefinite payment delay. The employment business must make appropriate enquiries about the work done.
- Agencies generally cannot charge workers for finding work, subject to specific statutory exceptions. Legitimate payment-service costs are a separate matter and must be explained.
- There are restrictions on detrimental treatment for working elsewhere and on transfer fees charged to hirers. This is not a blanket statement that every transfer fee is prohibited.

2 NWM and your recruitment agency

In a typical Umbrella arrangement, the recruitment agency finds the assignment and NWM employs the worker and administers pay. In a CIS arrangement, the contracts and the assessment of the working arrangements determine the parties' responsibilities. Registration for CIS does not, by itself, decide employment status or whether the Conduct Regulations apply.

Ask for clear information about who engages you, who pays you, the assignment rate, the basis of your pay and any agreed margin or deductions. Raise discrepancies with both the agency and NWM as appropriate.

3 Key information documents

Where the statutory requirement applies, the recruitment agency acting as an employment business must provide a Key Information Document before agreeing terms with the worker. It explains the engagement and payment arrangements, relevant deductions and an example of expected pay.

The agency remains responsible for issuing it even if NWM supplies figures or helps prepare it. A pay illustration, payslip or brochure is not automatically a substitute. Applicable key information requirements are not removed simply by a Conduct Regulations opt-out.

4 When a company opt-out may be available

Regulation 32 provides an opt-out mechanism for certain arrangements involving a company work-seeker and the person it supplies. Being paid through an umbrella company does not automatically create an opt-out. Nor does CIS registration, by itself, give a sole trader the company opt-out.

For an opt-out under the current company mechanism:

- Both the company work-seeker and the individual to be supplied must agree.
- They must notify the employment agency or employment business before the relevant introduction or supply to the hirer.
- The agency or employment business must inform the hirer of the agreement before that introduction or supply.
- The role must not involve working with or attending a vulnerable person. This includes people under 18 and others needing care or attention within the Regulations' definition.
- The agency or employment business must not make work-finding services conditional on agreeing to opt out.

An introduction can occur before the first working day, for example when a CV is sent to a hirer or an interview is arranged. Do not assume that signing just before work starts is early enough. Keep a dated record of the agreement and notices. Ask for a copy of any opt-out agreement and keep it with your assignment documents.

5 What opting out can change

A valid opt-out can remove important protections under the Regulations for the arrangement, including protections concerning payment and restrictions on certain agency terms. The practical effect depends on the contracts and the particular provision.

It does not decide whether you are employed or self-employed, change your tax position by itself, remove every statutory right or allow an employer to ignore wages and other payments it owes. Applicable key information and related record-keeping requirements can continue.

Before agreeing, ask the agency and NWM which protections would change, why an opt-out is being requested, and what the contractual position would be if a payment or assignment dispute arose. Obtain independent advice if you are unsure. Signing an opt-out should be an informed choice.

6 Withdrawing an opt-out

The individual can withdraw the earlier opt-out notice by notifying the relevant employment agency or employment business. Tell the company through which you are supplied as well and keep a written record.

If notice is given while you are already working in a position with a hirer, the withdrawal does not take effect until you stop working in that position. It should not be described simply as an immediate change or assumed to take effect at the next payroll date. Ask the agency to confirm the effective date for your circumstances.

7 Current rules and forthcoming changes

This guide was reviewed on 27 October 2026. The government's implementation timetable, updated on 22 October 2026, schedules further regulation of umbrella companies for December 2027. Future implementation dates remain subject to parliamentary processes and may change. Proposed changes to umbrella opt-outs should not be treated as already in force.

Separate PAYE rules for labour supply chains involving umbrella companies took effect from 6 April 2026. Those tax changes are not the same as changes to the Conduct Regulations or the opt-out mechanism.

NWM and agencies should check the current law before relying on an opt-out and review this guide when the new rules are finalised or brought into force.

8 Getting help or raising a concern

For a question about NWM's documents, an illustration or a payment, contact our team:

NWM, Merchant Court, Milburn Road, Bournemouth, BH4 9HJ.
0330 333 4240 | enquiries@nwm.uk.com

For information about an agency's Conduct Regulations obligations, contact the Fair Work Agency, which took over the Employment Agency Standards Inspectorate's functions in April 2026. Acas can provide impartial guidance on workplace rights.

Contact the Fair Work Agency

Acas advice and support

Official references

Conduct Regulations overview updated 22 June 2026

Regulation 32 on company work seekers and opt outs

The 2019 amendments introducing key information requirements

Government implementation timetable updated 22 October 2026

Key Information Document guidance for employment businesses

HMRC guidance on umbrella PAYE rules from 6 April 2026