

EMPLOYMENT RIGHTS ACT 2025 BRIEFING

JULY 2026

TRANSPORT & LOGISTICS

Transport and logistics employers should be preparing now for some of the most significant employment law changes in a generation.

The Employment Rights Act 2025 (ERA) will have a particular impact on businesses operating large, flexible and dispersed workforces – including drivers, warehouse staff, depot teams and customer-facing employees. For many transport and logistics businesses, the key risks will arise from enhanced trade union rights, restrictions on fire and rehire, new protections for casual and zero-hours workers, and increased liability for third-party harassment.

Five key areas and changes under the ERA that your business needs to be aware of and prepared for;

THE CHANGE AND WHEN?	WHAT THIS MEANS FOR YOUR BUSINESS	RECOMMENDED ACTIONS
THIRD-PARTY HARASSMENT FROM OCTOBER 2026	Transport staff and delivery drivers are some of the most likely to be exposed to abusive behaviour or harassment from customers and other third parties. The ERA reinstates employer liability for third-party harassment with a compensation uplift of up to 25% where the employer has failed to take 'all reasonable steps'. A generic anti-harassment policy is unlikely to be sufficient.	• Conduct a harassment risk assessment specific to customer-facing roles. • Update your policy to cover third-party conduct and harassment explicitly. • Train staff and managers on de-escalation and reporting. • Document the steps taken – this is your evidence of 'all reasonable steps'. • Consider regular focus groups involving front line staff to help identify risk situations and assist in finding best practices for dealing with them and to demonstrate awareness of evolving threats.
EXTENSION TO EMPLOYMENT TRIBUNAL TIME LIMITS FROM 1 OCTOBER 2026	The time limit for bringing most Employment Tribunal claims will double from 3 to 6 months from the date of dismissal or act complained of. This extension will apply to claims for unfair dismissal, whistleblowing and discrimination. In our experience, employers are already facing a Tribunal system under real strain, with increasing claim volumes and substantial backlogs. Extending the time limit to 6 months is likely to prolong litigation risk even further – claims may arrive later, take longer to resolve, and be more fully prepared by the time they are issued.	• Review document retention processes to ensure key HR and operational records are retained for longer. • Preserve evidence early, including witness statements from decision makers, relevant documents and records supporting key employment decisions. • Train managers on effective record keeping. • Build the extended 6-month claim period into your risk management.
ENHANCED TRADE UNION PROTECTION AND ACCESS RIGHTS FROM 30 OCTOBER 2026	We know that transport and logistics is one of the most heavily unionised sectors. The ERA simplifies union recognition, introduces physical and digital access rights to the workplace and strengthens protections for union activities. Employers will have a duty to inform their staff that they have a right to join a trade union – so expect an increase in union membership.	• Review all existing and recognition and access agreements. • Brief and train managers on the updated union rights. • Review and update contracts to reflect that staff are entitled to join a union.
FIRE AND REHIRE RESTRICTIONS FROM 1 JANUARY 2027	Logistics businesses have historically used dismiss-and-re-engage ("fire and rehire") to change driver terms, shift patterns, and depot arrangements during restructuring. This will be automatically unfair in most circumstances – especially where that change relates to pay, hours of work, time off or pension.	• Identify any planned changes to driver terms, including to shift patterns, depot arrangements, pay or pension. • Take our advice before starting consultation on any contractual changes. • Engage early with employee representatives or trade unions where changes
GUARANTEED HOURS FOR ZERO-HOURS AND CASUAL WORKERS FROM 2027	Many logistics businesses employ or engage drivers on zero-hours or casual contracts. New provisions mean that workers on these types of contracts will soon be entitled to guaranteed hours based on actual working patterns. New shift-notice rules will also require adequate notice and compensation for late cancellations.	• Audit your casual and zero-hours workforce. • Identify actual working patterns. • Redesign contracts to comply with guaranteed-hours rules. • Implement new rostering procedures • Train managers on shift-notice obligations.

FIND OUT MORE

THE COST OF INACTION

- A logistics business is planning depot changes involving new shift patterns, revised driver terms and changes to allowances.
- It also has active trade union representation and a significant number of casual drivers used to cover peaks in demand.
- Under the new regime, the business may face several overlapping risks: automatic unfair dismissal claims if changes are imposed through fire and rehire, increased union access and organising activity during consultation, and guaranteed-hours claims if casual working patterns have become regular and predictable.

Action - a short review of contracts, working patterns, union arrangements and proposed restructuring plans now may be far more cost-effective than defending expensive claims later.

ARE YOU READY?

Gordons Employment Team offers focused ERA audits and compliance reviews for transport and logistics' businesses. A short initial call or meeting can help identify the priority areas affecting your people and business.

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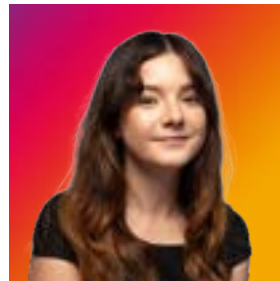
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