



**LLOYDS  
EMPLOYMENT LAW  
CONSULTANCY**

# **BEWARE NOTICE**

FROM OUR EMPLOYMENT LAW DIVISION

## **RECORD PAYOUT FOR UNFAIR REDUNDANCY!**

You may have seen in the news very recently that an employee who claimed he was selected for redundancy unfairly by the Abbey National because of racial discrimination (he argued he was targeted ahead of a woman because of the colour of his skin) was awarded £2.8 million. The Tribunal found his dismissal had indeed been unfair and this was on racial grounds. This is an exceptional case based on the fact that he was unlikely to obtain another position on a similar high salary for the rest of his working life and effectively had lost £80,000 per year. The amount is currently the subject of an appeal, but it does highlight that selection procedures in a redundancy situation need to be rigorous and applied fairly and reasonably.

Just getting the procedure wrong can also be costly. In the well known case of Susie Radin Ltd v GMB, the employer was found to have failed in its duties in a collective redundancy situation and had 'simply gone through the motions' of consultation. The employees were each awarded **90 days salary** for failure to consult – this is actual salary not capped at any level.

In these difficult and uncertain economic times of credit crunch and recession, it may be that you have reached the point where you want to, or maybe even have to, consider reorganising your business in order to reduce your costs and ensure the survival of your company. This may involve making some staff redundant, or perhaps considering short time working.

Not only do you have to be aware of current legislation in respect of how to make someone redundant, but what would you do if you have an employee on maternity leave or sick leave? What about temporary staff? What if you are relocating? Does the number of staff involved have any affect on how you deal with the situation?

Don't make the same costly mistakes as the employers in the examples above, mistakes which could have been avoided with the correct advice. Ensure you call Lloyds before starting any reorganisation or redundancy procedure.

**Please retain this Beware Notice for reference as it forms part of our advice.**

**If you have a query regarding this Beware Notice, or any other employment law related issue, please do not hesitate to contact us.**

**Call Lloyds on 0844 7700 656**

**We can help at every stage through to resolution.**

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Please note – if you do not follow any guidance contained in this Beware Notice, you may invalidate any guarantee provided by Lloyds. You should also be aware that there may be health and safety law implications to be considered when implementing changes.

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Anyone can give advice -  
Lloyds provides help.