

A Fundamental Misunderstanding

A recent article by FCSA entitled "Shifting PAYE payments to Recruiters: A Dangerous Distraction, Not a Solution" seeks to undermine Professional Passport's understanding of how Joint and Several Liability will impact the market.

Their critique uses a number of convenient misrepresentations to create a narrative aligned to justify a solution they already have.

The article then goes on to provide nine reasons why Professional Passport's position allegedly fails. However, I contend that it is the FCSA who demonstrates a fundamental misunderstanding of the issues and I will now set out nine reasons why our stance is correct.

As it was the FCSA, together with Rebecca Seeley Harris, who claimed the credit for advocating these changes, it makes it even more striking that they failed to understand the consequences of what they pressed for.

Nine reasons behind the fundamental misunderstanding:

1. Monthly RTI verifications and real time payslip checks.
In the post April 2026 world, the only guarantee these provide is a guarantee for the agency to hold a liability if an umbrella fails. They do no more than provide an element of risk profiling but fail to provide any security against liabilities.
2. A lack of understanding of the PAYE system and how this operates.
Had this analysis been carried out, or understood, they too would see why monthly verifications fail to protect post April 2026.
3. This lack of understanding results in a failure to deliver on their stated objectives of openness and transparency.
4. The overstated deliverables and expectations of the checking system threatens to undermine the whole sector they claim to represent.
5. They have misled those who rely on their 'expert' view and failed the providers, exposing them to the same misrepresentations.
6. Describing, and seeking to undermine the facts, as the agency taking over payroll is another example of a misrepresentation to defend their position and foster scaremongering in the market. The simple fact is, it is no more than the agency making a second payment. Umbrellas continue to do everything they have done before.
7. Validating an argument that it is the agencies that are the problem seems a strange position to take as these companies are your clients' client.
8. This is not the option that was rejected, a further misrepresentation.
The option that was rejected was reporting PAYE through the agency PAYE reference. This is very different although I can see how the uninformed may not fully appreciate this fact.
9. The agency has 2 choices, use monthly verifications and risk a liability or pay the PAYE directly and remove the liability.