



GMS Flash Alert

Immigration Edition

2023-177 | September 14, 2023



United Kingdom – Tripling of Fines for Illegal Working and Renting Lodgings

On 7 August, the U.K. Home Secretary announced that from early 2024, fines for employers and landlords who allow illegal migrants to work or rent their properties in the U.K. will triple. Minister for Immigration Robert Jenrick said that “There is no excuse for not conducting the appropriate checks and those in breach will now face significantly tougher penalties”.¹

The announcement is part of the government’s crackdown on illegal working and renting, after it launched a taskforce and introduced data sharing with the financial sector to prevent illegal migrants from accessing bank accounts earlier this year. (For related coverage, see [GMS Flash Alert 2016-062](#), 20 May 2016.)

WHY THIS MATTERS

Businesses employing overseas nationals to work in the United Kingdom will face greater risks of higher penalties for employing illegal workers. Aside from larger fines, risks include downgrading or revocation of the employer’s licence (thus impacting an employer’s ability to sponsor overseas workers) as well as reputational damage to their business as offending employers’ details are published by the Home Office.

Illegal workers can also include business travellers, students, and others who are working in breach of their visa conditions. To reduce risks, it is essential that robust compliance systems are in place, which allow for example: conducting pre-travel due diligence for all business visitors coming to the United Kingdom; carrying out correct right-to-work checks before employment commences, etc.

More Details on the Fines

At present, employers that employ overseas workers without the right to work in the United Kingdom can face fines of up

to £15,000 per illegal worker where this is the employer's first offence. Where the employer is a repeat offender, the maximum fine is £20,000 per illegal worker. From 2024, these fines will rise to a maximum of £45,000 per illegal worker for the first breach, while repeated breaches will see fines of up to £60,000 per illegal worker.

For landlords found to be hosting a lodger without lawful immigration status or renting their properties to those who do not hold the right to reside in the United Kingdom, the fines will increase from £80 per lodger or £1,000 per occupier to £5,000 per lodger or £10,000 per occupier for the first offence. Repeat offenders will be fined up to £10,000 per lodger and £20,000 per occupier, up from the current rates of £500 and £3,000 respectively.

Action Steps for Employers

Employers compliance with right-to-work checking requirements as outlined in the Home Office's guidance (Employer's guide to right-to-work checks: 28 February 2023 (accessible version) - GOV.UK (www.gov.uk) is paramount. This includes making sure that they are conducting right-to-work checks on all prospective employees before such employees commence their employment; and retaining relevant information in the prescribed format.

KPMG INSIGHTS

Before the new fines come into effect at the start of 2024, the Home Office will launch a consultation on actions that could be strengthened to deter licensed businesses from employing workers without lawful immigration status. Given that government immigration enforcement activity has been stepped up with visits, including those targeting illegal working, now at their highest levels since 2019, employers should be reviewing their compliance processes to establish they are sufficiently robust to withstand Home Office scrutiny.

This would include for example: ascertaining that those with responsibility for carrying out right-to-work checks are sufficiently upskilled and trained to understand their obligations; robust right-to-work checking systems are in place that allow for correct checks before employment begins, and where required, follow-up checks; and investing in training and legal counsel support to evaluate stakeholder awareness and understanding of their responsibilities.

FOOTNOTE:

1 See Home Office, "[News story: Tripling of fines for those supporting illegal migrants](#)" (7 August 2023).

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Contact us

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