

The Employment Rights Act 2025

What the April 2026 changes mean for
hiring and risk

Yes, hiring does feel riskier. You're not imagining it.

In recent conversations with employers we've heard the same concern again and again:

“Hiring already feels risky - and April 2026 is about to raise the stakes.”

At RFS, we work with businesses across many sectors and sizes - from SMEs without in-house HR teams, to complex organisations hiring at scale.

As the **Employment Rights Act 2025** comes into force in April 2026, there is now far less room for error when hiring.

What do these hiring changes look like?

01

Day-one protection from unfair dismissal (removal of the two-year qualifying period)

02

Expanded statutory rights from the start of employment

03

Increased enforcement and scrutiny of employment practices

04

Higher baseline employment costs, alongside National Insurance increases introduced in 2025

Traditional recruitment models are now exposed.

BEFORE APRIL 2026	AFTER APRIL 2026
Risk builds over time	Risk is front-loaded
Flexibility sits with the employer	Liability starts from day one
Early exists are manageable	Flexibility through contracts is reduced

These changes are particularly significant if you:

- Hire at pace
- Operate with lean HR resource
- Need to scale teams up or down quickly
- Recruit for roles where performance fit is critical
- Have been burned by a bad hire before

That gap - between how hiring works and how the law now operates - is where risk lives.

This isn't just a HR issue.

It's a business-wide issue.

Most hiring processes were built around an unspoken assumption:

Certainty comes later.

- Probation periods absorbed early uncertainty
- Employers could adjust if a role didn't work out
- Risk increased gradually over time

That assumption no longer holds and business leaders, hiring teams and, line managers, must rethink the way they approach hiring.

From April 2026, employment risk starts on day one.

Here's the business impact:



Hiring decisions that once felt “low commitment” now carry immediate weight



Early misalignment (role clarity, fit, performance) are harder to correct



Managers are more cautious - slowing hiring momentum



HR teams spend more time protecting decisions than enabling growth



Vacancies stay open longer as teams hesitate to take risk, impacting teams



More pressure on hiring teams to get it ‘right’ first time, with every hire

The real cost of getting it wrong.

When organisations think about hiring costs, they usually focus on what's visible:

- **Recruitment fees**
- **Salary**
- **Onboarding time**

What the **Employment Rights Act 2025** brings into focus are the hidden costs - the ones that surface when things don't go to plan, and the ones businesses work very hard to avoid.

For direct hires, that now includes:

- Immediate exposure to unfair dismissal claims
- Legal and tribunal costs earlier in the employment lifecycle
- Reduced ability to scale down quickly

Did you know the cost of a bad hire is often estimated at up to three times salary?

We've got your back.

By April 2026, the **Employment Rights Act 2025** will apply to you - whether you change anything or not.

At RFS we help employers to shield their businesses from risk through our Liquid Workforce model.

- We take care of the HR compliance, payroll and administration
- We place quality, pre-vetted talent into businesses
- We employ the worker and absorb the regulatory risk
- We handle pension auto-enrolment and we pay National Insurance

This means you get the talent you need, for as long as you need it, without the risk.

Get in touch to learn more: info@recruitforspouses.co.uk, or click the button below.

