

SERVICE-SPECIFIC GUIDANCE NOTE

Employment, employment information and business opportunity services

Who should read this?

Any provider that is planning to offer employment, employment information or business opportunity services .

What is the purpose of the Guidance?

To help providers avoid their services being considered misleading under [the Phone-paid Services Authority's Code of Practice](#).

What are the key points?

The main issues for providers to consider are:

- Premium rate charges should not be applied to services which find, or seek to find, persons employment. Section 6(1) of the Employment Agencies Act 1973 prevents the receipt of a fee, whether directly or indirectly, from any person, for finding him employment or for seeking to find him employment.
- Providers charging premium rates in relation to these employment services are likely to fall foul of this rule and, therefore, likely to be in breach of paragraph 2.1 of the Code of Practice (Legality).
- All reasonable steps should be taken to avoid misleading, or taking advantage of, vulnerable consumers. This includes jobseekers.

1. Types of employment services

1.1 These services fall into four categories, all of which carry different expectations:

(i) *Services offered by employment agencies and employment businesses*

Subject to the exception in point 4 below, no charge can be applied to a service which finds, or seeks to find, employment for persons. If providers are found to be charging premium rates to such services, they are likely to be found in breach of paragraph 2.1 of the Code of Practice

(ii) *Services which give general advice about careers and employment, including self-employment*

These services can apply premium rate charges, but will be subject to the Phone-paid Services Authority's Code of Practice. Those providing advice should also see Sector Specific Guidance on [Advice services](#)

(iii) *Services which give information about the providers own vacancies*

These services can apply premium rate charges, but will be subject to the Phone-paid Services Authority's Code of Practice

(iv) *Services which seek to find work for performers and certain other workers in the entertainment field (except photographic and fashion models)*

These services can charge for their services to work-seekers in respect of the occupations listed in Schedule 3 to the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (as amended by the Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2010) ("the regulations"), subject to various limitations and requirements set out in the Regulations.

Providers should note that the use of PRS is likely to breach the Regulations where it takes the form of 'up-front' costs, unless the PRS charges relate directly to the entry of work-seekers into a job seeker or job search publication and various other requirements are satisfied, including the provision of a cooling off period. Providers are strongly advised to refer to the Regulations for further information, and seek legal advice accordingly.

2. How to avoid the service being considered misleading

2.1 Section 2.3 of the Phone-paid Services Authority's Code of Practice (Fairness) sets out a number of Rules to ensure consumers are treated fairly and not misled in any way. In particular, Rules 2.3.2 and 2.3.10 are relevant to employment and business opportunity services.

2.2 Providers should take all reasonable steps to:

- Ensure promotions correspond to genuine vacancies and/or opportunities, the existence of which should be fully substantiated on request;
- Not mislead a caller as to the conditions, necessary qualifications, availability or extent of any potential employment or business opportunity;

- Not make claims relating to earnings, unless the evidence that such earnings are currently and regularly attained by existing employees (or equivalent) is readily available;
- Clearly state any additional expenditure, including any investments, that may be required over and above the cost of the telephone call;
- State the type of work to be done and its geographical location;
- State the number of workers required;
- State the basis and level of remuneration and, where known, the level of earnings that may realistically be expected.