Disputes Outlook 2025 Employment





Disputes are inevitable. Spotting future risks can help you prepare for a more effective resolution. Once you are aware, you can prepare - our team is here for what comes next.







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Employment Tribunal claims

We are currently seeing an increase in Employment Tribunal claims and delays in listing Tribunal claims for a final hearing. We suspect that the increase may be exacerbated by the reforms recently proposed by the Government (see Emerging Trends), as employers seek to get their house in order before the law changes.

Although we anticipate that the number of claims in the Employment Tribunal will continue to rise during 2025, we do not predict a dramatic change in the volume or type of Employment Tribunal claims. As claims increase and the Employment Tribunal system seeks to cope with the additional pressure, we are likely to see a continued trend towards mediation and commercial settlement to avoid claims lingering for a significant amount of time.

Continue to consider mediation or commercial settlement to mitigate delays in the Tribunal system, particularly as the number of claims increases.

MyHMCTS portal

There is currently a move towards using the MyHMCTS portal for submission of Employment Tribunal responses. It is likely that email will no longer be a valid form of service by early 2025. There have already been teething issues with the technology, which in the short to medium term may create more problems than it solves.



Neep a watching brief for updated practice directions from the Employment Tribunal confirming that email is no longer a valid form of service for responses (currently expected in early 2025).



Sexual harassment claims

A new duty on employers to take reasonable steps to prevent sexual harassment in the workplace came into force on 26 October 2024. Employers need to update their internal procedures which may mean that employees who have experienced sexual harassment feel more able to come forward and we may see an increase in claims.

The Tribunal can increase compensation awarded in a successful claim for sexual harassment by up to 25% where an employer has failed to comply with the new duty, so we may also start to see higher awards for such claims.

→ Ensure that your business has effective policies in place to resolve allegations or disputes relating to sexual harassment and that you are complying with the new duty.

New Employment Rights Bill

The reforms outlined in the new Employment Rights Bill are likely to have a significant impact on the volume and nature of employment disputes in the future. It is proposed that employees will be given the right to sue their employer for unfair dismissal from the first day of their employment, 'fire and re-hire' provisions will be narrowed, and a range of updates are proposed to the law on industrial relations which could increase the prevalence of industrial action. The Government is also proposing to add an extension to Tribunal time limits (which we anticipate will be from 3 to 6 months), which may further increase the volume of claims.

However, we do not expect to see the impact of these reforms on employment disputes in 2025. The Government intends to consult on the Bill with stakeholders and then provide detail on the reforms by way of secondary legislation, which will all take some time. The removal of the qualifying period for unfair dismissal claims (which could have the greatest impact on the volume of claims) will not happen until at least Autumn 2026.

- → Keep a watching brief on the development of the Employment Rights Bill and consider contributing to Government consultations on the various proposals under that Bill.
- Also take a look at **this article** which considers the new Employment Rights Bill in more detail as well as other upcoming developments in employment law.



Employment Tribunal fees

In January 2024, the Ministry of Justice launched a consultation on introducing a £55 fee for Employment Tribunal claims and Employment Appeal Tribunal appeals. However, this does not appear to be a priority for the Government, and it is not clear if it will continue with the proposal.

If fees are introduced in 2025, this could curb the increase in claims, but perhaps not as dramatically as during the previous fee regime when fees were much higher. We will have to wait and see whether the Government takes this forward.



Keep a watching brief on the possible reintroduction of Employment Tribunal fees.

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