



UK Employment Law Update – July 2025

Our July 2025 update looks at upcoming new law on the enforceability of confidentiality provisions and developments with the Employment Rights Bill, and provides a round-up of recent case law, including interesting cases on the importance of searching for suitable alternative employment in a redundancy scenario and some disability discrimination cases exploring neurodiversity, disability-related outbursts, and the effectiveness of auxiliary aids.

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Case law updates

Redundancy – alternative employment: A recent Employment Appeal Tribunal (EAT) decision highlights that employers should be taking proactive steps to explore suitable alternative employment in redundancy situations. In this case, a training manager with a decade of sales experience was made redundant and successfully claimed unfair dismissal because of his employer's failure to support his search for another internal role. His employer had not alerted managers to his at-risk status, had failed to support or guide his applications, and had communicated with the claimant via an email account to which he did not have access. The EAT also found that, had the employer acted fairly, the claimant was likely to have secured another internal job, and so full compensation was awarded. ([Hendy Group v. Kennedy](#))

Disability discrimination – neurodiversity: In a recent case involving a claimant with autism and ADHD, the EAT provided guidance on assessing whether an individual is 'disabled' under the Equality Act 2010. Overturning the conclusion of the Employment Tribunal (ET) that the claimant was not disabled, the EAT made it clear that it was sufficient for a person's medical condition to have a substantial adverse effect on just one day-to-day activity; that it was not appropriate to weigh up what someone can do with what they cannot; and that when considering whether an adverse effect of a medical condition is 'substantial', the comparison is between an individual as they are and how they hypothetically would be if they did not have the relevant condition. The EAT also commented how a diagnosis of autism or ADHD can reflect the clinician's professional opinion on how the individual functions differently to a neuro-typical person, which can be relevant in assessing whether the legal definition is met. With disability cases involving neurodiverse employees on the rise, this case is a helpful reminder of the issues for employers to consider. ([Stedman v. Haven Leisure Ltd](#))

Disability discrimination – misconduct: In a recent Employment Tribunal case, a claimant succeeded in her claim for disability discrimination after she was dismissed for gross misconduct following a foul-mouthed argument with a colleague which could be heard by other staff members and visitors. The claimant, a chef in a four-star hotel who had anxiety, depression, and polycystic ovary syndrome, admitted to her outburst and appreciated that it was unacceptable behaviour in the workplace, but argued that her disabilities affected her ability to control anger. The ET found her behaviour to arise from her disability but concluded that her employer was justified in dismissing her. However, the ET was critical of her employer's failure to obtain medical evidence after her prior mental health-related sick leave which may have prevented her dismissal. She was awarded about £13,500. ([Garner v. Thorpe Hall Leisure](#))

Reasonable adjustments: The EAT has upheld a decision that there was no failure to make reasonable adjustments when an employer did not provide an auxiliary aid to an employee in circumstances where, on the facts, it would have made no difference. During the pandemic, a non-emergency ambulance driver with asthma and severe anxiety about catching COVID-19 was provided with a face mask while working but wanted a higher-grade alternative before returning to work after a period of shielding and sick leave. There were various practical and functional reasons why this was refused,

and the mask requested would not have provided complete protection. On the facts, the claimant's anxiety was so severe that he was unlikely to return to work, regardless of whether the higher-grade mask was provided. As such, there was no failure on his employer's part in not providing one. ([Hindmarsh v. North East Ambulance NHS Foundation Trust](#))

Constructive unfair dismissal – working from home: An employee (and director of the company) who resigned after a long-standing breakdown in communication and relations with his fellow directors has succeeded with his constructive unfair dismissal claim. The claimant resigned after alleging that disciplinary action against him and the process for addressing his grievance of bullying and harassment were a sham. On the facts, the ET was satisfied that the employer was in fundamental breach of contract, justifying the claimant's resignation. An interesting feature of the claim (and the point hitting the headlines) was the extent to which the claimant had contributed to his dismissal by failing to attend an agreed meeting with the managing director in person, instead choosing to work from home. The claimant admitted that this was not co-operative on his part, but the ET was satisfied that this was neither culpable nor blameworthy behaviour. ([Wicken v. Akita Systems Ltd](#))

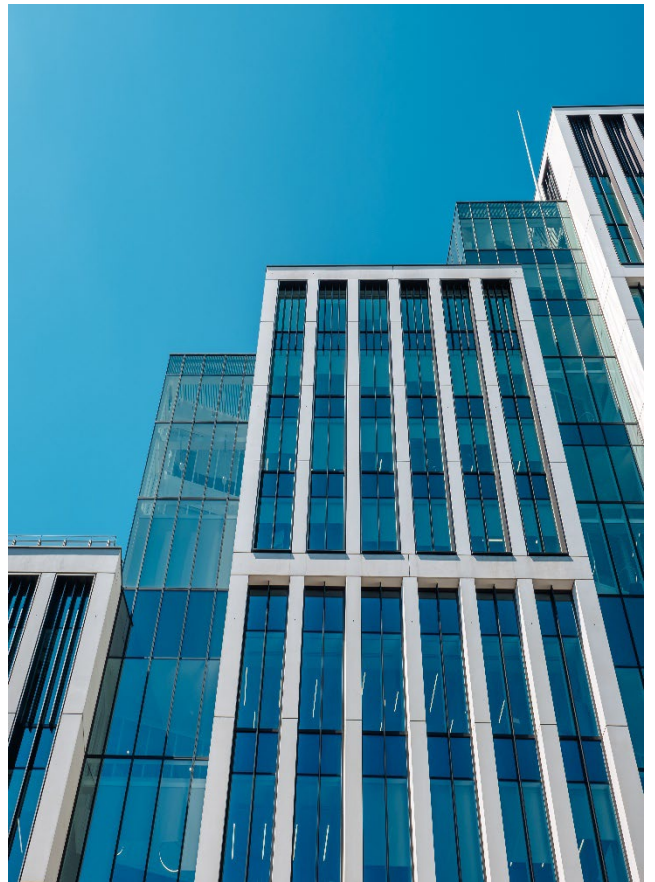
Unfair dismissal – band of reasonable responses: A couple of cases reported this month are a cautionary reminder that sanctions for misconduct must be within a band of reasonable responses. In one case, a security guard was unfairly dismissed despite falling asleep while on duty, but dismissal was deemed outside the band of reasonable responses in circumstances where he had an unblemished 16-year employment record, fell asleep for 15 minutes at 5am on his sixth consecutive night shift, and where there were no adverse consequences arising as a result. He was awarded over £20,000 in compensation. ([Okoro v. Bidvest Noonan \(UK\) Ltd](#)) In another case, an employee who used his work credit card for a personal purchase was similarly unfairly dismissed in circumstances where he contacted work the following day to inform his employer and make arrangements to repay the £100 he had taken using the work credit card, and where there had been a history of the claimant and the company's managing director loaning money to each other. The ET was not satisfied that there was theft or dishonesty and awarded over £26,000. ([Pitchell v. JATA Construction Ltd](#))

Entire agreement clauses: The EAT has upheld the enforceability of entire agreement and no oral variation clauses. The claimant, a consultant solicitor, alleged that an oral agreement entitled him to a greater share of fees on a particular client matter. This court rejected this argument, finding that the written contract governed all entitlements. The decision highlights how well-drafted entire agreement clauses can bar later claims based on informal variations. ([Dobbie v. Paula Felton t/a Felton Solicitors](#))

ET proceedings – anonymity: A claimant has been granted anonymity in circumstances where medical evidence supported the contention that public disclosure of information about her and her health would have a seriously detrimental effect on her mental health. Balancing her rights with the principles of open justice, the EAT granted anonymity, notwithstanding some information about her health already being in the public domain. ([JK v. Ealing Council](#))

Legislative developments

Non-disclosure agreements: Legislation takes effect on **1 October 2025** which affects the enforceability of confidentiality clauses – or non-disclosure agreements (NDAs) – in England and Wales with individuals who are (or reasonably believe they are) victims of crime, regardless of whether they have told anyone about that crime. The legislation applies to all sectors and all relationships and circumstances where NDAs may be used. Broadening existing rules, the changes which apply to NDAs signed on or after 1 October 2025 allow victims of crime to disclose details of the relevant crime to the following without that disclosure breaching their NDA: (1) police or other criminal investigation/prosecution bodies (for purposes of investigating or prosecuting the crime); (2) qualified lawyers (for the purpose of seeking legal advice); (3) regulated professionals and professional support services (for obtaining support); (4) regulators (for cooperation purposes); (5) close family (parents, children, spouses/partners, but not extended family or friends); and (6) persons authorised to receive information on behalf of any of the preceding. NDAs signed before 1 October 2025 remain subject to the current legal framework. Guidance has been issued (see below, 'New guidance: Non-disclosure agreements').



Employment Rights Bill: The House of Lords Committee stage continued during June, with ongoing debate and consideration of the Employment Rights Bill (ERB I) and its proposed amendments. That process has now concluded, and the updated version of the ERB will be considered in the next stages of the process, which is due to start on 14 July. The end is certainly in sight, but with Parliament in recess from 22 July until 1 September, it looks unlikely the ERB will be passed before autumn. Even once the ERB does get royal assent, most of the provisions will not take effect until a later date and will need separate regulations setting out much of the details. The government has committed to consult on those details, allowing interested parties to have their say on the proposals, and on 1 July 2025 published its [timetable](#) for a phased approach to both the consultations and implementation of the provisions, with a timeline taking us through to 2027. Read more in our employment law watch [blog](#).

Data Protection – data subject access requests (DSARs): The Data (Use and Access) Act 2025 was passed on 19 June 2025, amending existing data protection legislation in various areas, including automated decision-making, direct marketing, data transfers, and data subject access requests (DSARs). Most provisions will not come into force until a later date, but the DSAR provisions, which make it clear that respondents only have to make reasonable and proportionate searches in response, are effective now.

Other news

Paternity and shared parental leave: The Women and Equalities Committee (WEC) has published a [report](#) setting out its findings from an inquiry into paternity rights and shared parental leave (SPL). The report concludes that the current system fails to properly support working families and calls for a full review, something the government had committed to in its first year of office. The WEC makes several recommendations for reform, including: extending the period of paid paternity leave to six weeks; increasing statutory paternity pay to 90% of average earnings for six weeks; improving flexibility in taking paternity leave to increase take-up; introducing a system for self-employee or non-employee; reforming SPL to simplify and broaden eligibility and increase flexibility; taking steps to address the barriers to the taking of leave; considering the adequacy of protection against discrimination for taking leave; and considering the issues in the context of single-parent families, multiple birth families, and kinship carers. The government launched a full review into parental leave (including maternity, paternity, and SPL) on 1 July 2025 and is expected to seek views from parents and employers in due course.

Misogyny in music: The WEC has also published a [report](#) highlighting the scale of misogyny in the music industry, making several recommendations for change to drive improvement both across the sector and more widely.

ET statistics: The latest [ET statistics](#) from January through March 2025 have been published and show an ongoing increase in caseload. The number of open cases has increased by 32%, with open multiple claims having increased by 9% from the same quarter last year.

Employment strategy: The government has published '[The UK's Modern Industrial Strategy 2025](#)', a 10-year plan to drive growth in business and industry. From an employment perspective, the strategy includes a commitment to expand opportunities and enhance skills in order to generate secure jobs, and to increase access to talent by reforming the current employment support system as well as the visa and global talent systems to attract individuals from abroad.

New guidance

Non-disclosure agreements: The government has published [guidance](#) on the changes to the enforceability of NDAs which take effect from 1 October 2025 (see above).

Toilet, washing, and changing facilities: The Equality and Human Rights Commission (EHRC) has published an [amended interim update](#) (first published in April) clarifying that it applies to workplaces, although it provides no further commentary on practical steps for employers to take. While there has been a consultation on updated guidance for services, public function, and associations, it is unclear when the ECHR will revisit its guidance for employers.

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