

“Please release me, let me go” Government to consult on removal of non-compete clauses

The Government has announced a consultation exercise into the possible removal of non-compete clauses in employment contracts which will run until 26 February 2021.

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The Government has announced a consultation exercise into the possible removal of non-compete clauses in employment contracts. The consultation, which will run until 26 February 2021, seeks views on proposals to:

- make non-compete clauses enforceable only when the employer provides compensation during the term of the clause; or
- alternatively, outlawing them altogether.

Under UK employment law, such clauses are enforceable so long as they go no further than is necessary to protect a legitimate business interest. They are often used in senior executive contracts and can extremely valuable useful tools for companies seeking to limit ex-employees from taking customers and clients away.

Outlawing the use of non-compete clauses, or requiring compensation to be paid whilst they're in force, would be a significant change to UK employment law. Not only would it require some fairly significant changes to the way UK employers contract with their staff, it would also leave them exposed to key employees leaving and seeking to set up in competition.

These proposals have only just entered the consultation stage so if these changes are brought it in will be quite some time before they become law. As a result no action is required now, however, this is an issue that many organisations will be keeping a close eye on.

In the meantime, you can take part in the consultation [here](#).

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