

● **Ruling could cost Uber millions, predict lawyer**

Rulings in London employment tribunals rarely rock the global economy, but the [Uber case decision](#) on Friday will have "sent shivers down the spines of technology businesses" everywhere, lawyers forecast.

The California company that operates the taxi service app has already announced it will appeal against the judgment – and not without reason, say employment law specialists. "This outcome is bad news for Uber and is likely to have significant implications for other operators in the fast-growing gig economy," said [Alex Bearman, a partner at Russell-Cooke](#).

If the ruling stood, he said, Uber faced having to fund costly benefits for its drivers such as holiday pay, sick pay and pension contributions.

Sean Nesbitt, a partner at London and international law firm Taylor Wessing, predicted that the ruling could cost Uber nearly £14 million annually in statutory holiday pay – about ten times the company's post-tax profit. Costs for pensions and sick pay would be additional.

Nesbitt also predicted the wider effects of the ruling would be significant, with some 100,000 UK workers in related industries in similarly positions as Uber drivers. There were also suggestions that Uber's post-ruling headaches would not be restricted to holiday and sick pay and pensions contributions – but that the taxman could soon put an oar in.

"HMRC will now expect PAYE deductions to be made from payments to the drivers," said Benedict Gorner, a partner at Gateley.

Easily the most pleased set of lawyers on Friday evening was at Leigh Day, the London firm that acted for the two named drivers in the test cases. "This judgment acknowledges the central contribution that Uber's drivers have made to Uber's success by confirming that its drivers are not self-employed but that they work for Uber as part of the company's business," Nigel Mackay, a lawyer with the firm, said.

"Uber drivers often work very long hours just to earn enough to cover their basic living costs. It is the work carried out by these drivers that has allowed Uber to become the multibillion-dollar global corporation it is."

On the losing side, reported [The Lawyer](#) magazine, acting for Uber was transatlantic law firm DLA Piper.

- Uber tells its drivers: ruling doesn't apply to you -- [The Times](#)

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