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Dear Viscount Colville of Culross,

## **Employment Rights Bill: Internships**

I would like to thank you for your valuable contributions during the Employment Rights Bill debate on 3 June 2025, and for admirably stepping in to introduce the amendment on behalf of Lord Holmes of Richmond who was, with regret, unable to join us in the Chamber.

During the debate you enquired how many prosecutions there have been against employers under the National Minimum Wage Act relating to unpaid internships.

In response to your question, between 2007/08 and 2022/23, 21 employers were successfully prosecuted for underpaying the minimum wage, with an additional case accepting a caution. Details of the employers prosecuted for National Minimum Wage offences are included in the 2023 <a href="NLW and NMW">NLW and NMW</a>: government evidence on enforcement and compliance. HMRC does not readily hold data on the number of prosecutions for unpaid working time that relate to interns.

Criminal prosecution is reserved for the most serious cases involving deliberate underpayment or reckless pay practices. This is usually for cases where there is wider public interest, where employers are persistently non-compliant, or where they refuse to cooperate with HMRC.

Alongside criminal prosecutions, the Government's National Minimum Wage Naming Scheme is an important lever to deter non-compliance with the legislation. On the 29<sup>th</sup> of May, we published the names of 518 employers which had failed to pay the National Minimum Wage and National Living Wage to their staff. Of those, 18 employers were named, at least in part, due to an error with their staff's employment status, including cases with unpaid interns. These employers would have paid back the money owed to the worker and paid a penalty of up to 200% to the Government.

As I said during the debate, this Government is delivering the biggest upgrade to worker's rights in a generation and has committed to consulting on the issue of unpaid internships and unpaid work experience.

I would also like to reiterate my point that workers are already protected by the National Minimum Wage Act. An employer cannot call a worker an intern to avoid paying them the minimum legal amount to which they are entitled.

As you alluded to during the debate, the issue is far more complex than changing the legislation and expecting this issue to go away. This is why it is important the Government consults to understand the cause of the issue, so it can take steps to deal with it effectively as legislation alone cannot solve the problem.

I am copying this letter to all Noble Lords who spoke in the debate and to the Noble Lord, Lord Holmes of Richmond. I am also depositing a copy of this letter in the Library of the House.

Best wishes,

The Lord Katz MBE
Lord in Waiting (Government Whip)