Unfair Dismissal: The Six-Month Rule

The Exposure Index

Fifteen industries, four company size bands and twelve UK regions, each scored out of 100 on how exposed they are to the unfair dismissal changes landing on 1 January 2027. Built from three measures, with all three shown, so any score can be taken apart.

WHAT IT IS

One number for how exposed a group of employers is

From 1 January 2027, employees can claim unfair dismissal after six months' service instead of two years, and the cap on compensation goes. The Exposure Index measures how far a group of employers is from being ready, using three things the change acts on: how often they dismiss inside the new window, how repeatedly they do it, and whether the decision is written down anywhere that could be produced.

How the score is built, using the highest sector as the worked example

93% dismissed someone at 6-24 months' service + **47%** did it three or more times + **58%** keep no dedicated record system ÷ 3

66/100 Recruitment & staffing, rank 1 of 12

0 · lower exposure — higher exposure · 100

How to read it

The Index runs from 0 to 100 and a higher score means more exposure. It is a score, not a percentage: 66 does not mean 66% of anything. The UK average across all 1,500 employers in the study is **56**, so any group above that is carrying more than its share of the change and any group below it less.

The three components move independently, and reading them together is the point of the Index. A sector can score highly because it dismisses constantly while keeping decent records, or because it barely dismisses at all but writes nothing down. Those are different problems with different fixes, and the component columns are there so the score can be taken apart.

What it is not

It is not a prediction. Nothing here says how many claims a sector will face, or how any claim would be decided. It measures how much of the change a group is standing in front of, not the outcome.

It is not a score for a single employer. All three inputs are shares of firms within a group, so one firm can only ever score 0, 33, 67 or 100 on them, which is meaningless. If you want a figure for your own organisation, use the self-assessment linked at the end, which is built for one firm and benchmarked against the same population.

BY INDUSTRY

Fifteen sectors, no winners

Every sector in the study, ordered by score. Twelve are ranked. Three rest on bases under 50 employers, so they are shown in their place but carry no rank and should be read as indicative only.

Sector: exposure to the new rules

RANK	SECTOR	INDEX	DISMISSED 6-24M	THREE OR MORE	NO DEDICATED SYSTEM	BASE
1	**Recruitment & staffing**	66/100	93%	47%	58%	150
2	**Hospitality, food & leisure**	62/100	86%	30%	72%	135
3	**Health & social care**	61/100	85%	35%	61%	110
4	**Construction & skilled trades**	60/100	82%	29%	69%	140
5	**Business support services**	58/100	74%	27%	73%	90
6	**Transport, logistics & warehousing**	56/100	78%	24%	66%	80
7	**Retail, wholesale & motor trades**	56/100	82%	25%	60%	154
8	**IT, software & telecoms**	54/100	73%	28%	63%	115
9	**Manufacturing, energy & utilities**	53/100	78%	21%	60%	120
10	**Other professional services**	52/100	76%	23%	58%	170
—	**Public administration & defence***	52/100	72%	20%	64%	25
—	**Agriculture, farming & fishing***	50/100	69%	23%	57%	35
11	**Financial services**	49/100	80%	18%	50%	80
12	**Legal services**	49/100	75%	18%	55%	51
—	**Education***	44/100	62%	18%	51%	45
	All UK SME employers	56/100	**80%**	**27%**	**62%**	1,500

Base: all employers, n=1,500. C1 and B1. * base under 50, shown but not ranked. Ranked on the unrounded composite, so two rows can show the same rounded score and hold different ranks.

No sector is safe and none is close to it. The lowest score in the study is 44, which still means three in five of those employers dismissed someone inside the new window in the last three years and half keep no dedicated record. The gap between the top and the bottom is real, but it is a gap between degrees of exposure.

BY COMPANY SIZE AND REGION

The other two cuts

Size moves the Index further than sector does. Bigger firms dismiss more often and repeat it more often, and their better record-keeping does not offset the volume.

Company size: exposure to the new rules

RANK	COMPANY SIZE	INDEX	DISMISSED 6-24M	THREE OR MORE	NO DEDICATED SYSTEM	BASE
1	250–500	67/100	94%	50%	56%	161
2	100–249	59/100	87%	35%	55%	410
3	50–99	56/100	79%	25%	63%	457
4	10–49	51/100	69%	16%	69%	472
	All UK SME employers	**56/100**	**80%**	**27%**	**62%**	**1,500**

Base: all employers, n=1,500. Employee bands from S2.

Geography moves it least. Nine points separate Scotland at the top from the North East at the bottom, against seventeen across ranked sectors, so where an employer is matters far less than what it does.

Region: exposure to the new rules

RANK	REGION	INDEX	DISMISSED 6-24M	THREE OR MORE	NO DEDICATED SYSTEM	BASE
1	Scotland	62/100	86%	32%	67%	91
—	Northern Ireland*	60/100	86%	21%	71%	14
2	North West	58/100	85%	29%	59%	150
3	East Midlands	58/100	79%	31%	63%	108
4	Wales	58/100	88%	29%	55%	51
5	South West	57/100	80%	25%	67%	118
6	London	56/100	81%	25%	62%	291
7	Yorkshire & the Humber	56/100	73%	32%	63%	135
8	South East	55/100	81%	28%	56%	218
9	West Midlands	55/100	76%	25%	63%	126
10	East of England	55/100	77%	26%	61%	145
11	North East	53/100	74%	19%	68%	53
	All UK SME employers	**56/100**	**80%**	**27%**	**62%**	**1,500**

Base: all employers, n=1,500. * base under 50, shown but not ranked.

A score is a starting point

Two of the three components are descriptions of a business model. How often an employer dismisses inside the first two years, and how often it does so repeatedly, follow from how it hires and how fast it moves. Those are not quickly changed and, for most employers, should not be: dismissing someone who is not working out is ordinary management, and it stays lawful in January.

The third component is different. Whether performance concerns are recorded somewhere retrievable is a decision an employer can make this week, at no cost, and it is the component that decides whether the other two are a risk or just a volume of decisions. An employer that dismisses often and records properly is in a different position from one that dismisses often and does not.

Volume you may not be able to change. Evidence you can.

62% of UK SME employers keep no dedicated system for recording performance concerns. That is the component that moves fastest, and it is the one a tribunal reads.

Get your own figure

The Index scores sectors, size bands and regions. It cannot score one employer. The self-assessment asks fourteen questions about how your organisation hires, records and dismisses, returns a score out of 100 built on the same data, and shows your own sector's average beside it.

Calculate your own exposure score

Visit: hrlocker.com/reports/unfair-dismissal-uk-six-month-rule/

Free, ungated, no email required. An indicative self-assessment, not an exposure analysis and not legal advice.

Method and sources

Fieldwork ran online from 3 to 14 August 2026 among 1,500 UK HR decision-makers and business owners at organisations employing 10 to 500 people. Respondents were screened on size, UK location and role, with recruitment and staffing boosted to n=150. All figures are unweighted counts and percentages from the achieved sample, rounded to whole numbers for display and computed from the unrounded values, so a component column and a composite will not always reconcile by hand.

The three inputs are C1 (dismissals at six to twenty-four months' service in the last three years), C1 again for three or more such dismissals, and B1 (no dedicated software for recording performance concerns in an employee's first six months). Groups with bases under 50 are shown but never ranked. Northern Ireland rests on a very small base and is directional only.

Full question wording, every response option and the complete cross-tabulations are published in the data tables, alongside the report at hrlocker.com/reports/unfair-dismissal-uk-six-month-rule/

THE PLATFORM BEHIND THE RESEARCH

About HRLocker

HRLocker builds the systems that make defensible record-keeping routine

Core HR provides one central location to store, manage and organise all employee data.

Recruit streamlines hiring. Everything you need to attract, manage and hire the right people, all in one place.

Onboard delivers a smooth start for new hires. Make every new hire feel ready, welcomed and connected before day one.

Perform structures employee development, capturing expectations, check-ins, feedback and performance data at the point they happen, to build a defensible record.

Each product works independently, in combination or as part of the full HRLocker suite, providing accurate and compliant record-keeping that strengthens confidence, reduces risk and supports audit readiness.

GET IN TOUCH

Talk to sales
hrlocker.com/talk-to-sales/

Request a demo
hrlocker.com/book-a-demo/

General enquiry
hrlocker.com/contact-us/

HRLocker, 5th Floor, Connaught House, One Burlington Road, Dublin 4, D04 C5Y6

HRLocker