

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee
House of Commons
London
SW1A 0AA



Date: 18 April 2018

Dear Chair,

Gender pay gap reporting

Thank you for your letter of 27 March 2018 regarding pay gap reporting, in particular for the financial services industry. I know that your Committee has taken a keen interest in this issue and has undertaken important work of its own in this area. As you note in your letter, gender pay gap reporting is an important step towards reducing pay inequality, and the Commission is committed to enforcing against all employers who do not comply with their obligations.

As you say, the Commission has the power to take enforcement action against any employer who does not comply with the Regulations. Our enforcement process commenced on 9 April 2018, when we wrote to all employers whom the Government Equalities Office (GEO) believe to be in scope of the regulations, but who had not reported their pay gap data. Employers were given 28 days in which to comply with the Regulations or face further action. The letter has elicited a significant response with over 400 employers so far either reporting their data or contacting us to confirm that they are not caught by the Regulations. As a result, the number of employers who will be moving to the next stage of enforcement is decreasing.

The next stage for private sector employers will be an investigation under section 20 of the Equality Act 2006, in which we establish whether an employer has committed an unlawful act. If we conclude that it has done so, we will issue an unlawful act notice. If they do not comply with the notice, we will apply for a court order requiring them to do so. Breach of this court order is punishable upon conviction with a level 5 (unlimited) fine.

You requested details of employers from the financial services sector who have not met the deadline, and asked how we will publicise which companies are in breach of the Regulations. We are working on updating the information provided to us by the GEO to ensure that details of employers who are not caught by the Regulations are removed, so we are not at this point able to provide details of all non-compliant employers. However, we will publish details of all employers that reach the investigation stage, along with our terms of reference, at the start of the investigation, and our final report setting out our conclusions at the end of the investigation. This information will be published on our website where it will be available to members of the public and the media. We anticipate commencing our first tranche of investigations at the beginning of June and would be happy to provide you with a further update then.

I hope that this information has been helpful but if you have any questions or concerns, please do not hesitate to contact me.

Yours sincerely,



Rebecca Hilsenrath

CEO

Tel: 0161 829 8100 | **Email:** correspondence@equalityhumanrights.com

2nd Floor, Arndale House, The Arndale Centre, Manchester, M4 3AQ

www.equalityhumanrights.com  [@ehrc](https://twitter.com/ehrc)  