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Telecoms firms ordered to pay £100,000 National Minimum Wage arrears

Two telecommunication companies have been ordered to pay wage arrears of almost £100,000 to 197 of their call centre telesales workers.

The companies claimed that the employees were apprentices but an employment tribunal ruled that they were entitled to a higher rate of National Minimum Wage (NMW). Axis Telecom Ltd was ordered to repay £21,224.53 in arrears to 14 workers, and Servizon Ltd was ordered to repay arrears of £75,117.28 to 183 workers. In addition, a penalty of £5,000 per company was also imposed.

Notices of underpayment were issued by HMRC on behalf of workers previously employed by Axis Telecom Ltd and Servizon Ltd as call centre telesales operators. HMRC successfully argued at the employment tribunal that the workers were not employed under contracts of apprenticeship and were entitled to be paid a higher rate of National Minimum Wage.

Michelle Wyer, Assistant Director of National Minimum Wage, HM Revenue and Customs (HMRC), said:

“We are pleased the Employment Tribunal has given this ruling in support of the workers who were being underpaid. Our aim is to enforce the law and protect vulnerable workers. Employers are welcome to approach us at any time for advice through the Pay and Work Rights Helpline 0800 917 2368, or contact us at any stage during an enquiry to discuss resolution of outstanding issues.”

A ruling was given on 26 March 2013 following an employment tribunal hearing in Hull.

Notes for Editors

1. The judgement against Axis Telecom Ltd, trading from Shirethorn House, Prospect Street, Hull, and Servizon Ltd, was issued by the Employment Tribunal at Wilberforce Court, Hull on 26 March 2013
 2. Both Axis Telecom Ltd and Servizon Ltd are owned by David Meyers. Servizon ceased trading in November 2010 when it was acquired by Axis Telecom.
 3. Information about the National Minimum Wage can be found at: www.gov.uk/national-minimum-wage-rates
 4. Follow HMRC on Twitter @HMRCgovuk
 5. HMRC's Flickr channel www.flickr.com/hmrcgovuk
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