

A photograph of three business professionals (two men and one woman) sitting around a table in a modern office or meeting room at night. They are looking at laptops and talking. The room has large windows showing a city skyline at night. The lighting is warm and focused on the people.

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Employment Law Update: A New ERA for Employment Law (Part 2)

21 May 2026

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Agenda

- Probationary Periods
- Time limits
- Focus on Third Party Harassment
- Upcoming changes for October
 - Geldards Compliance Health Check

Probationary Periods

What's changing?

- Qualifying period for ordinary unfair dismissal reducing 2 years – 6 months
- 1 January 2027
- Applies to existing employees who have already reached **6 months'** service by implementation
- Employee starting 1 July 2026 will have 6 months service by 1 January 2027

Impact on probationary periods

- Reduction in “low-risk” probation window
- Traditional 6-month probation periods become risky
- Tighter decision-making timeframe
 - Assess performance
 - Manage conduct issues
 - Make termination decisions safely



Importance of probation management

- Shorten Probationary Period?
 - 3-months – 4 months – 5 months?
 - Extensions
- Formal evidence-based process
 - Clear expectations from day one
 - Regular documented reviews and feedback
 - Early identification of performance issues
 - Formal decision points before 6 months

Importance of probation management

- Train managers in:
 - Performance management
 - Documentation and process
- Align recruitment and onboarding to reduce hiring risk
- Make earlier, evidence-based decisions
- Ability to dismiss at any point during the probationary period
- Temporary to permanent?

Pitfalls

- Sickness absence delaying decision-making
- “Benefit of the doubt” extensions
- Misunderstanding how service is calculated
 - Statutory notice period (1 week) added when calculating service
- Rushing decisions in month 5
 - Discrimination/automatically unfair

Summary

- Build buffer time (decide by 4–5 months, not 6)
- Hold review meetings even during absence where appropriate
- Keep clear written records from day one
- Use structured decision points



Time Limits

Changes to limitation periods

- Currently 3 months less 1 day from the act complained of
- Time limits will double to 6 months – 1 October 2026
- Acas Early Conciliation has already been increased to 12 weeks
- Claimants have significantly longer overall to bring claims
- Employees gain rights earlier **AND** have longer to enforce them

Changes to limitation periods

- Longer “risk window” after an employment decision
- Retain records longer
- Preserve witness evidence
- Claims
 - Better prepared
 - AI



Third-Party Harassment

Third-Party Harassment — Employer Liability Expected to Return October 2026

- If a customer, client, contractor, supplier or visitor harasses employee in the course of their employment, the employer can be held liable
- Covers sexual harassment, age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation
- Defence available - employer took all reasonable steps to prevent third party harassing employee

Who Counts as a Third Party?

- Customers and clients
- Visitors and members of the public
- Contractors and suppliers
- Anyone who is not your employee



Examples of possible situations

- Customer using racially offensive language towards a retail or hospitality worker
- Visiting IT contractor making lewd jokes or unwanted sexual advances towards in-house admin staff
- Event attendees subjecting public facing worker to abusive, degrading or hostile environment
- Worker being subjected to offensive banter in communal shared space by someone from another organisation

Action Points — Third-Party Harassment

- Risk-assess staff safety — alarms, code words, CCTV, bodycams where appropriate
- Set clear expectations with third parties (signs, handouts, recorded messages)
- Address the issue in contractor relationships — make consequences clear
- Update anti-harassment policy and training to cover third parties
- Investigate complaints, take action, and support affected employees
- Never penalise the victim (e.g. avoid reassigning them to a lesser role)

Consequences of not taking action

- Employee claims for third party harassment
 - Compensation for injury to feelings and financial loss
- Equality and Human Rights Commission - enforcement powers to take action
- Reputational damage
- Retention and recruitment issues
- Low productivity

Upcoming Changes and Action Plan

Upcoming changes & priorities

Date / timing	Change	What it means	Status / note
Later in 2026	Sexual harassment prevention and third-party harassment reforms	Employers will need to take more proactive steps; third-party harassment liability is expected to return in some form.	Expected; detail still subject to regulations.
Later in 2026	Extended tribunal time limits	Employees are expected to get more time to bring certain claims.	Expected; final detail awaited.
Later in 2026	Further trade union reforms	Additional access and recognition-related reforms are planned.	Expected.
1 January 2027	Unfair dismissal qualifying period reduced	Employees will generally need 6 months' service instead of 2 years to claim ordinary unfair dismissal.	Planned commencement date.
1 January 2027	Cap on unfair dismissal compensation removed	The statutory cap on compensatory awards is expected to be removed.	Planned commencement date.
Around 2027	January Restrictions on fire and rehire / fire and replace	Dismissals to force certain contractual changes will be more tightly restricted.	Expected; final regulations may affect timing.
During 2027	Zero-hours and low-hours worker protections	Rights to guaranteed hours, reasonable notice of shifts, and compensation for short-notice cancellation, with related protections for agency workers.	Expected across 2027.
During 2027	Bereavement leave and pregnancy/maternity-related dismissal protections	Additional family-related protections are expected to expand.	Expected; some aspects still under consultation.

Geldards checklist



Scan here to complete our
Compliance Health Check

Questions

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Thank You

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