

# Delivering justice?

A report on the pay and working conditions of Deliveroo riders

Frank Field and Andrew Forsey  
July 2018

## Contents

Preface	p. 3
Introduction	p. 5
Deliveroo's segmented workforce	p. 6
The weekly call at the dock gate	p. 7
Two truths – flexibility and insecurity	p. 12
A Riders' Wage	p. 17
Conclusion	p. 21

## Preface

The break-up of the domestic post-war settlement was marked, above all, by a welfare state that did not effectively meet the needs of a growing body of workers and the emergence of a labour market which exposed cruelly that failure of the welfare state.

The welfare state was fashioned for stable lifetime jobs and the labour market was characterised by strong trade unions who could police the numbers of people gaining employment, thereby maintaining the living standards of their members.

That labour market has now significantly changed. Whilst there is a large but shrinking group of people who remain in a relatively protected labour market, there has also been a phenomenal growth in what has become known as ‘gig economy’ work.<sup>1</sup>

The gig economy is dominated by what are called platform jobs – offering very largely ‘self-employed’ status jobs. Some, maybe many, of these workers taking up the self-employment option may be very happy to do so. For others, self-employment has been pressed upon them in the absence of regular employment opportunities which an unknown number of workers seek.

The self-employed status and part-time nature of much gig economy work has given the economy a flexibility that is still relatively new. Some of those workers who are keen to seize this opportunity view it as a short-term option while they develop their longer term earning power – setting up their own business, starting on an artistic career and the like.

But for an unknown number of workers these imposed self-employment opportunities are all there is on offer, even though their need is for stable work for at least the level of the National Living Wage.<sup>2</sup> It is this group that we are concerned about in this report and have been in each previous report we have published on the gig economy.<sup>3</sup>

Having now taken stock of the challenges facing some of the country’s most vulnerable workers,<sup>4</sup> the Government is due shortly to decide whether to introduce new legislation to protect this group. This decision – representing a pivotal moment in the growth of Britain’s record breaking labour market – is being taken against a backdrop of recent verdicts reached by the courts to extend basic statutory protection, including the National Living Wage, to some of those workers who were previously exposed to extremely low pay and exploitation.<sup>5</sup>

The roots of one of these legal breakthroughs, gained on behalf of Hermes couriers, are to be found in the first report we published on this segment of the labour market.<sup>6</sup> We found that a sizeable number of couriers were on the receiving end of chronically low wages and appalling treatment because they were classed as ‘self-employed’, despite much of their working life being controlled by the company. The employment tribunal<sup>7</sup> that followed our report, which was lodged by the GMB trade union, reached similar conclusions and ruled that those couriers should receive basic statutory protection.

There are, of course, exceptions to all of the conclusions we reach on the rates of pay and working conditions at the bottom of the labour market. It is hugely important, nonetheless, to

<sup>1</sup> The Government has used, as a working definition of the gig economy, ‘the exchange of labour for money between individuals or companies via digital platforms that actively facilitate matching between providers and customers, on a short-term and payment by task basis’.

<sup>2</sup> The National Living Wage is the statutory minimum hourly rate of pay for workers and employees. It is currently set at £7.83 for people aged 25 and over, and £7.38 for people aged between 21 and 24.

<sup>3</sup> ‘Wild West Workplace: self-employment in Britain’s ‘gig economy’ (2016), ‘Sweated Labour: Uber and the ‘gig economy’ (2016), ‘A new contract for the ‘gig economy’:

Britain’s new self-employed at BCA, DPD and Parcelforce’ (2017)

<sup>4</sup> Department for Business, Energy and Industrial Strategy, *Good Work: A response to the Taylor Review of Modern Working Practices* (February 2018)

<sup>5</sup> Individuals have successfully challenged their ‘self-employed’ status, and gained ‘worker’ status, in cases involving companies such as Uber, Hermes, and Pimlico Plumbers

<sup>6</sup> Frank Field and Andrew Forsey, *Wild West Workplace: self-employment in Britain’s ‘gig economy’* (London: The Stationery Office, 2016)

<sup>7</sup> ‘Hermes couriers are workers, not self-employed, tribunal rules’, *The Guardian* (25 June 2018)

give a voice to those workers whose views and experiences have previously been neglected.

Such exceptions are apparent throughout this, our fourth report, focusing on Deliveroo riders. Here we find that riding for Deliveroo on a self-employed basis can certainly work in the short run for people wishing to engage in the labour market for short periods of time each week, to fit around other primary responsibilities, such as to their family, health, and entrepreneurial interests. For others who view Deliveroo as a main source of earnings, though, the current framework of pay and working conditions is inadequate.

A central question for both Deliveroo and the Government, before it decides on the shape of any new employment legislation, is how to safeguard the living standards of working people who need a reliable source of income but cannot find any work other than those jobs that, for one reason or another, risk plunging their earnings below the level of the National Living Wage. Both the market and the state are currently failing to deliver adequate pay and working conditions for this group of people.

If the labour market is to regain its role as the foundation upon which ordinary people can build up enough money to buy a home or save adequate sums for retirement, two gear changes are required.

First, there is a need for the Government to reform employment law, and enforce it much more robustly, with the objective of introducing greater security for workers without compromising the flexibility of their work. Our key recommendation to the Department for Business, Energy and Industrial Strategy is to **enshrine in legislation the principle that anyone who is both logged into platforms like Deliveroo and readily available for work should be paid no less than the National Living Wage for those periods of time.** We see this as a vital method of shoring up the Government's flagship labour market policy. Alongside this reform, we call on the Department to **ensure that the Director of Labour Market Enforcement is adequately resourced, and given additional powers where necessary, to enforce all**

**aspects of employment law, in both letter and spirit, that relate to vulnerable workers.**

Second, **the country needs platforms like Deliveroo to reconsider, as part of their long-term business models, the responsibilities they hold to those workers whose lives are made very difficult and insecure by both their existing rates of pay and working conditions, as well as the lack of alternative jobs to fit their circumstances.** One of the pleas we issue in this report, is for Deliveroo to tap into what Eleanor Rathbone referred to as, 'the motive of humanity and the natural sense of responsibility', which a company feels for the welfare of its workforce,<sup>8</sup> so it can reach a new settlement with its riders on the distribution of risks and rewards.

The emergence of platforms like Deliveroo has opened up the prospect of work to many people on the fringes of the labour market who would otherwise struggle to find a job that fits their circumstances. This represents a significant boost to the British economy as well as our society.

In keeping with this report, though, there is a flipside: too many of these vulnerable workers have nowhere else to turn if their pay and working conditions deteriorate and their living standards begin to suffer. We call on platforms to consider urgently what additional forms of security they are able to offer such workers without asking them to sacrifice the flexibility they currently have in fitting this work around other commitments.

Throughout this inquiry, Deliveroo has told us of its wish to strike a more just balance along these lines, between flexibility and security. We very much hope that this report will offer the company the map and compass it needs to do so.

---

<sup>8</sup> Eleanor F. Rathbone, *Report of an Inquiry into the conditions of dock labour at the Liverpool Docks* (Liverpool: The Northern Publishing Company, 1904): p. 45

## Introduction

Since it was founded in 2013, Deliveroo has grown into one of Britain's biggest online food delivery companies. In doing so, it has also become one of the leading lights in the gig economy.

Consumers who use Deliveroo are able to order meals from over 10,000 restaurants and have them delivered to their home or place of work. The company's business model involves collecting rates of commission from restaurants on food ordered through Deliveroo and charging consumers a small delivery fee. Its turnover increased from £16 million in 2015, to £72 million in 2016, and its global revenues increased over the same period from £18 million, to £128 million. Meanwhile, its net assets increased from £90 million, to £168 million.<sup>9</sup>

Once a consumer has used Deliveroo to order food from a particular restaurant, and their meal has been prepared, it is collected from the restaurant and then delivered to them by one of the company's tens of thousands of 'riders'. Here we are introduced to the people who are central to the success of the whole operation.

The number of people riding for Deliveroo increased from 280 in 2014, to 4,186 in 2015, to 22,576 in 2016, and again to 37,773 in 2017. So far this year, 32,166 people have ridden for Deliveroo. Approximately 60 per cent of this group are based in London and the South East.

Deliveroo riders are classed as 'self-employed', rather than 'workers' or 'employees'.<sup>10</sup> The company states that, with this classification, 'riders benefit from full flexibility. Riders choose whether, when, and where they wish to work, can use substitutes at will, reject or unassign orders, and choose to deliver or work for other companies, even while undertaking a delivery for Deliveroo. Riders (if and when they decide to accept an order) are also free to pick their own route to complete the delivery'.

<sup>9</sup> Roofoods Ltd financial statements for the year ended 31 December 2016

<sup>10</sup> A person is self-employed if they work, or run their business, for themselves. A self-employed person is not paid through the Pay As You Earn tax system, and they do not have the employment rights (such as holiday pay, sick pay, minimum wage regulations, and employers' pension contributions) and responsibilities of workers or employees.

The reverse face of this classification, as we have documented in previous reports on employment practices at the sharp end of the gig economy, is the insecurity borne by individual riders. One aspect of that insecurity, which arises in the absence of basic statutory protection afforded to people who are classed as 'workers' or 'employees', is extreme low pay. Of the 2.8 million people working in the gig economy, around 588,000 deliver food. Of those, around 158,000 report being paid less than the National Living Wage.<sup>11</sup> It would not surprise us to find a substantial number of Deliveroo riders among them.

The aim of this inquiry, for which we issued a call for evidence on 18 June 2018,<sup>12</sup> was to look closely at the trade-off between flexibility and job security that exists among Deliveroo riders, as well as the consequences of this trade-off for their pay, working conditions, and basic economic and social rights.

We have received evidence from 179 Deliveroo riders based in towns and cities across Britain. The people responding to this inquiry ranged from those who have only recently signed up to ride for the company, to others who have been working with it for four years. Two oral evidence sessions were held in Parliament – one organised with the help of the Independent Workers Union of Great Britain, and the other with assistance from Deliveroo – to supplement the written evidence we received. Riders contributed written evidence either by sending their submissions to us, or through bodies such as Organise and the Industrial Workers of the World Couriers Network.

We report here on the findings that emerged from this evidence and conclude with a series of recommendations which seek to maintain the flexibility that riders enjoy while introducing greater security through a series of reforms that guard against those factors which pose the most severe risks to riders' living standards.

<sup>11</sup> Authors' analysis of data published in Department for Business, Energy and Industrial Strategy, *The characteristics of those in the gig economy* (February 2018)

<sup>12</sup> <http://www.frankfield.co.uk/latest-news/press-releases/news.aspx?p=1021636>

## Deliveroo's segmented workforce

The range of circumstances and characteristics exhibited by people riding for Deliveroo is vast. Throughout this inquiry, we were struck by just how wide a variety of ages, nationalities, family situations, and working patterns exists within Deliveroo's fleet of riders.

However, one particular fault line became clear from our examination of this incredibly diverse group of people: within Deliveroo's workforce, as with many other companies operating in the gig economy, there exists a dual labour market which functions well for some people and very poorly for others.

Some riders view their work with Deliveroo as a supplementary income to fit around other activities such as studying, starting up a business, working with another company, bringing up young children, or caring for family members. Others rely upon Deliveroo as their most important source of income and describe it as their 'main' or 'full-time' job.

Deliveroo informed us that, in a survey of around 900 riders conducted in June 2017, 90 per cent of riders said that working with the company did not represent their main source of income. Deliveroo further informed us that, across the last 12 months, 72 per cent of riders delivering at least one order in a particular week have worked fewer than 15 hours per week; 19 per cent have worked between 15 and 29 hours per week; 5 per cent have worked between 30 and 39 hours per week; and 4 per cent have worked more than 40 hours per week – even a brief look at the group of riders working full-time with Deliveroo reveals wildly varying circumstances. One rider working up to 50 hours per week with the company informed us that they earn in excess of £790 per week. Another rider said that sometimes they work 'the whole day for 25 quid'.

Why do most Deliveroo riders seem to work on a part-time basis? One reason could, of course, be that they choose to log in for shorter periods of time so they can undertake other activities or work with other companies.

However, another reason presented to us was that riders are struggling to access shifts and

therefore cannot work the number of hours they want. This chimes with broader evidence emerging from the labour market: between May and July 2017, just over a million people said they were working part-time because they 'could not find a full-time job', representing around 12.5% of part-time workers. 356,000 more people said they were working part-time because they could not find a full-time job than in the same period of 2007, a rise of 51% in the past decade.

A proportion of riders in this position work with both Deliveroo and UberEATS, another online food delivery company, out of necessity to maximise their earnings. We were told by one rider that, 'it's a Catch 22 situation [...] we don't run our own business. We would much rather be working for one company because it's a lot less stressful, not having to juggle two jobs in order to please both companies so they don't fire you. But in order to make a decent wage it's what I have to do. So I'm forced to do it, yet these people come back around and say 'they're self-employed because they're working for multiple apps'. I don't want to be working for multiple apps. I'm working for multiple apps because [Deliveroo are] paying me a poverty wage'.

We look in more detail in the following section at one of the key determinants of riders' pay and working conditions: the organisation of the workforce.

## The weekly call at the dock gate

Deliveroo's work is split between 'booking zones', where riders can book shifts in advance, and 'free zones' where they can log in whenever they wish to make themselves available for work. In July 2018, 45 per cent of the time riders were logged into Deliveroo and available for work, they chose to book a session through a booking zone. Data for previous months shows a similar percentage split.

The company informed us that, 'riders decide where and when to work, and for how long they do so. As such, there is never any need for riders to tell us in advance when they plan to work. However, we have built a tool where riders can choose to make bookings in advance, which can be cancelled or amended, if they wish to do so.

'All riders can freely log in to the rider app and go online at any time where we have a need for riders. The self-serve booking (SSB) tool was built by Deliveroo in direct response to feedback by riders, who said that they wanted more certainty over their earnings by being able to plan when they work. SSB uses technology to predict order volumes in any given area at any given time, and then matches the number of orders expected with the number of riders required to deliver those orders. Riders log in freely and work when and where they want, either having made a booking or having decided in real-time that they wish to undertake deliveries. Certain zones are so busy that they are 'free login' all the time.

'If riders want to be sure to be online at a specific hour in a specific area (whether they provide any services at that time or not), they can reserve in advance, but they can equally just log in and find an area where we need riders and begin making deliveries.'

Booking zones are opened up at 11am every Monday to riders who are deemed to have performed best for the company in the previous few weeks. This gives them the first pick of the week's shifts. They are opened up again at 3pm and 5pm for all other riders to try booking any

shifts that remain available for the rest of that week.

This practice is not without precedent. Rather, it seems reminiscent of the system of casual labour that prevailed in Britain's ports until the middle of the twentieth century, where workers would gather around the dock gate desperately hoping that they would be offered work. Some were fortunate to be offered fairly regular shifts, while others were offered no work.

Such a system of casual employment could only work so long as there existed in every port a pool of surplus labour available to meet the demands of the port on its busiest day. According to Alan Bullock's record of that period, the companies took full advantage of this, but refused to accept any responsibility for the fact that during most of the year a large number of the men forming the pool were underemployed.<sup>13</sup>

Likewise, it seems, with Deliveroo, where, according to one rider, 'riders on the advance booking times take most of the peak time slots blocking others from being able to increase their stats, often with little to nothing left to choose from.'

We invite the reader to draw their own parallels between one Deliveroo rider's recent experience, and the experiences of dock workers recorded by Henry Mayhew in London and Eleanor Rathbone in Liverpool.

### Figure 1 – Historical parallels between Deliveroo and the shipyards prior to the Second World War

#### Deliveroo

Since [I first signed up to work with Deliveroo] I have not been able to book a slot to be able to get work. Not one solitary shift.

Basically every Monday at 5pm the slots for the following week are released. As I was a new rider, I was given the opportunity to book from 3pm, so every week I have been sat waiting for the slots to be released, however as soon as they are, I go into the app to find they are always fully booked.

<sup>13</sup> Alan Bullock, *The Life & Times of Ernest Bevin – Volume One: Trade Union Leader, 1881-1940* (London: Heinemann, 1960): p. 117

It is worth noting that some riders can book as early as 11am if they have good statistics. So what I believe is happening is that they have too many riders with good stats that are snapping up all the slots as soon as they are released.

The issue I have is that I have bought a new bike with the promise of getting work, which has left me out of pocket.

Also the time I can book has now changed from 3pm, to 5pm. When I have queried this with Deliveroo, the answer I got was that I need to get better stats, but I can't improve my stats if I can't get any work.

### The London docks

He who wishes to behold one of the most extraordinary and least-known scenes of this metropolis, should wend his way to the London Dock gates at half-past seven in the morning. There he will see congregated within the principal mass entrance masses of men of all grades, looks, and kinds.

Presently you know, by the steam pouring through the gates and the rush towards particular spots, that the 'calling foremen' have made their appearance. Then begins the scuffling and scrambling forth of countless hands high in the air, to catch the eye of him whose voice may give them work.

For weeks many have gone there, and gone through the same struggle, the same cries; and have gone away, after all, without the work they had screamed for.<sup>14</sup>

### The Liverpool docks

The usual way of hiring is to hold a 'stand', either in the road outside the dock wall, or inside by the sheds, close to the berth where the ship to be worked is lying. The men know the places where the different employers are wont to hold their stands, and group themselves there, shipmen in one place, quay porters in another; and the foreman or wharfinger for each branch, or in the case of small firms the employer himself, picks as

many as he wants. Naturally he soon gets to know the faces of the men who attend his stand most frequently and whom he has found to work well, and takes them on in preference to strangers.<sup>15</sup>

The demand for labour at the docks [...] varied widely from day to day, and still does. But the method of recruiting labour up to the first World War left the difficulties arising from this fact to be borne wholly by the men. The employers [...] took on labour for each day as they required it and dismissed the men again the moment they had finished loading or unloading a particular vessel.

Several riders offered their own perspective of Deliveroo's booking zones.

### **Figure 2 – The workings of the booking zone**

'The shifts get released on a Monday. If you've been good you'll get to book at 11am. That's when you can get a full range of any hours. If you've cancelled a few shifts at the last minute and that sort of thing, your statistics aren't very good, [so] you book at 3pm. By that point there's not very much left. There's been a few times where I'd have liked to book loads but I could only get two hours a day. But that's been my own doing by not being a very good boy.'

'On Monday at 11am, if you're not in the fortunate position to have worked that specific hour in the past week, you aren't able automatically to request the same hours for that week. If you log in dead on 11, most of the daytime hours are gone.'

'If you can't log in at 11am on the Monday you will lose 80-90% of the shifts you might want to work – a situation caused entirely by Deliveroo oversubscribing the area'.

'My typical Monday involves being at another job and not being sure when I'll be allowed to book in for the rest of the week. Sometimes it's 11am, sometimes it's 3pm, some days it's 5pm. I'm never quite sure when it's going to be. So in terms of going to check my phone and quickly book for the next couple of weeks, that makes it pretty difficult. By the time I can get to my phone,

<sup>14</sup> Henry Mayhew, *London Labour and the London Poor* (Wordsworth Editions, 2008): pp. 386-387

<sup>15</sup> Eleanor F. Rathbone, *Report of an Inquiry into the conditions of dock labour at the Liverpool Docks* (Liverpool: The Northern Publishing Company, 1904): p. 8



usually midweeks have already gone. This counters the narrative of “being able to work whenever you like”.’

‘In the booking zones, it's a mad race to book the dates to work and usually this causes the app to crash. And when you book a time slot it's not guaranteed that time will be high demand for riders to deliver (meaning less deliveries.).’

‘I do work some shifts in booking zones [...] I worked a 5 till 10 shift. By 6pm I had a puncture and because I carelessly forgot my repair kit I was not able to work for the remainder of the shift. Not only did I lose out on the remainder of the money I would have earned for the rest of the evening – I just went completely unpaid – I was penalised by being put into a lesser priority group for my hours. I know there is no point in contacting Deliveroo to resolve this. Experience has taught me that nothing will happen. In effect, I've been given a pay cut as a result of what happened to me because, in future, I will not be able to get such ideal shifts and will not be able to perform so many deliveries.’

‘The zone I usually work in requires you to sign in to the hours you would like to work in advance using the app. It's not made entirely clear how this is worked out, but your performance is assessed and if you have been deemed good then you gain early access to sign in to shifts for the following week. If I cannot work one week, or perhaps I log off a shift early because I'm making under minimum wage, then I can be penalised in the sense that I have late access to sign up to shifts next time around.’

‘You only get [enough hours] to work if you're on top of these three statistics [low cancellation rates, high acceptance rates, and riding at super-peak times]. A colleague went to [another] country for 20 days but before going he told Deliveroo he was going and what he needed to do so he could get his hours back when he returned. They say he should leave the automatic booking and should cancel the shifts as the system would understand he would be on holidays and he wouldn't be affected. When he got back he didn't have his normal hours and upon talking to them they said they couldn't do anything.’

‘If you happen to have a problem with your bike and you can't work – it happened to me and I had to cancel my shifts, I couldn't book those shifts the following week. You can't build your statistics up without those shifts. It's a Catch 22 situation. Once you fall into that 5pm group, it's a very hard battle to get out.’

‘You can plan your weeks ahead, but only if you have access to priority booking sessions, otherwise there will be no job which will cause a massive impact on the personal finances affecting your family’.

‘If I have an accident then I cannot earn money. If I'm sick then I cannot earn money’.

Sometimes, even meeting the ‘three statistics’ affords no guarantee of work in the following week:

‘[...] my statistics have gone down over the last couple of days. This is despite working Friday - Sunday 6-9pm, which are the peak times. I can only assume this is because I have been offered orders within a few minutes of my shift coming to an end. This would not allow enough time to collect the order and then deliver it. You have various options to select in order to reject the order, and I selected 'take me offline now'. I had no idea that this was cutting my shift short and affecting my statistics, until now. Deliveroo never explain anything to you, you have to work everything out for yourself by trial and error. If I had accepted the order and gone over into another hour, I would have been charged an extra hour's insurance by Zego, just for one job - therefore I would only make £4.25 for the order, less £1.15 for the insurance - leaving just £3.10 for an hour's work! They would then take me offline after that job was complete and I would not be offered any others.’

‘I feel I am working extremely hard for Deliveroo and for the most part I have a positive attitude, but I feel that I am being penalised for rejecting orders at the end of my shift, by my statistics going down. This is extremely unfair. Nobody can be expected to pick up (with long restaurant waiting times) and then deliver an order in less than 10 minutes. As a result of my statistics going down - this now means that I can no longer book my shifts at 11am on Monday, as I was

previously, for the week in advance, but I will have to book them at 3pm now. By 3pm most of the prime shifts have been snapped up. If your statistics go down further, you can only book shifts at 5pm. By this time there will be nothing left.’

Such rules do not apply in free zones, where shifts are not booked in advance. Instead, we are introduced here to another symptom of casual labour: the oversupply of workers. ‘There’s no limit on the number of riders in the zone but there’s only a set amount of work, so we all get a smaller piece of the pie if Deliveroo decides to recruit riders, which they can, at 10, 20, 30 per day, piling riders into the zone. The pie becomes ever smaller’, said one rider.

Other riders reported similarly that Deliveroo, ‘over-employ so they don’t have to have any dropouts from the service they provide for clients’, ‘the system they use to control free log-in areas is simply to flood it with new riders regularly. That’s what they do. That depresses the income of existing riders – a few leave, but they’re always replaced by a bright-eyed bushy-tailed new influx of riders who believe the dream; you’ll be rich, you’ll be an entrepreneur, you’ll be all these wonderful things that self-employment implies. It generally takes them about six months to lose that dream, by which time they can be replaced again. A typical Monday for me is 30 per cent less busy than a year ago, which was 30 per cent less busy than the year before that’.

Even if restrictions are placed on certain zones, according to riders, ‘it doesn’t stop people signing up in close zones and just coming to work in this zone anyway, so it just reduces everyone’s hours’.

One of the major consequences of this dual labour market, in which the company’s employment practices suit some people and are detrimental to others, is that, as one rider put it to us, ‘there is an element of constant financial anxiety’ for many thousands of people. This was expanded upon by another rider, who informed us that, ‘my average earnings are around £9 an hour, but it is worth bearing in mind that I have another job, and only tend to work for Deliveroo

when I think it will be busy enough for me to hit at least £9 an hour. Plenty of my colleagues, perhaps with fewer options than me, are out there all day and their average hourly rate will be much lower’.

We heard from several riders how their unpredictable earnings worked against their moral economy; of trying to stay debt free, pay the rent on time, putting aside a small sum of money for a rainy day or to put towards a deposit, and to budget sensibly from one week to the next. As Eleanor Rathbone asked of dockers in Liverpool, at the turn of the twentieth century, ‘how is the family to budget from a weekly income that zig-zags this bewildering way?’<sup>16</sup>

### Figure 3 – The living standards of riders who struggle to earn sufficient money in the dual labour market

‘After a short while working for Deliveroo it was clear that we (my wife, daughter, and I) would be unable to factor these wages into our financial planning as the pay is too low and too infrequent’

‘I can’t afford to go on holiday and I’m always worried what will happen if I get injured and cannot work. Bike maintenance adds up and when this is taken into account I’m more often than not earning below minimum wage’

‘I am not earning enough money to pay my bills’

‘The low pay means I’m always low on money at the end of the week’

‘[I never know] if I’m going to use my overdraft or not’

‘I don’t know exactly what wage I am getting so can’t budget’

‘It is all of my income and as a student my whole life depends on that’

‘It makes things more stressful when I fail to get any shifts for the week and/or it is quiet enough that I’m making less than minimum wage’

‘It’s not safe enough to support a family’

<sup>16</sup> Eleanor F. Rathbone, *Report of an Inquiry into the conditions of dock labour at the Liverpool Docks* (Liverpool: The Northern Publishing Company, 1904): p. 43

‘I ride for 7 nights a week just to make sure the bills are paid’

‘If I have the hours I need then it is positive. However, should I not be able to obtain enough hours then it can cause a great deal of stress and anxiety’

‘I see many people who have trusted Deliveroo and now cannot make the rent or feed their children’

‘Not being able to earn enough money is a constant worry, because I know that even if I am lucky and able to book shifts with Deliveroo, I still may earn next to nothing’

‘[The work is] too unreliable to actually make enough money during my shifts to get by’

Pointing towards the fluidity of the relationship between flexibility and security that often exists in this line of work, another rider told us that, ‘I had enjoyed the flexibility and reasonably high rates of pay I originally had as it has allowed me to start my own business with no funding. In the last two months [with changes to working conditions] I’ve gotten into debt, lost my flat and had to move back in with my parents.’

We look more closely at that trade-off in the following section.

## Two truths – flexibility and insecurity

‘Flexibility’ and ‘insecurity’ were reported to us as being the best and worst aspects of working with Deliveroo.

It was with much pleasure and enthusiasm that some riders described to us how the flexibility of their job with Deliveroo means they can pursue other roles and activities which might not have been available to them in other forms of work that pay similar wages. That flexibility takes the form of either choosing a preferred set of shifts in a certain week or being able to log in for work at any time each day.

Moreover, the job was said to have enhanced people’s lives by opening up opportunities to undertake regular exercise and remain active (‘being able to ride my bike around town which I love’), feel part of a community, build bonds with restaurant staff and consumers, and pick up new skills. Deliveroo reported to us that 85 per cent of riders said that flexibility was the part of their job they valued most.

We did, nonetheless, receive evidence of a flipside to that flexibility in its present form: the total absence of any of the basic protection that is enshrined in law for most of the working population. In the words of one rider, ‘one of the reasons I continue riding for Deliveroo is because it’s flexible. I don’t have to plan in advance for when my shifts are going to be or when I’m going to do extra work. That works in my favour. Unfortunately, Deliveroo ask me to exchange that for any semblance of workers’ rights, which I don’t like’. To take one example, a rider who is logged in and available for work does not have the right to be offered any work while they are logged in. Nor do they have the right to be paid any wages, let alone the National Living Wage, during that time.

This dichotomy was summarised in several riders’ contributions.

### Figure 4 – The dichotomy between flexibility and security

‘The flexibility of work is the best bit. Worst bit is probably not knowing if there will be work’

‘[The job is] flexible and really good pay when it is busy [but it is] unreliable. [I] make £10-£12 per hour when busy but can easily earn £4 or less per hour’

‘[The best part of the job is] flexibility. Worst no holiday pay and no income guaranteed if there are no orders’

‘You theoretically can work when you want, realistically there are no guaranteed hours and shifts are now very hard to come by’

Another rider, who valued the flexibility they gained from the job, said that, ‘the worst thing for me is that I can’t pay towards my pension. In fact I’m not earning enough for National Insurance payments so that frightens me in terms of security’

‘I thought it was working out well for me because I could just work at peak times, until I had an accident where I had to go to hospital and a lot of damage was done to somebody’s car. I then started to think at that point about how insecure the job is’

‘There is no guarantee of earning anything when you work a shift, and I usually make less than minimum wage’.

Another rider, whose bike is supplied by Deliveroo so they can fulfil larger ‘cargo’ orders, added, ‘I’m hanging onto this even though they haven’t been buying any new parts for bikes for two months or so. They keep telling us that we’re not going to have our jobs for much longer. So recently every day I’m wondering when are we going to be told what’s going on? If my bike breaks do I have a replacement? No? Will I be able to work without that? No. It’s quite worrying’.

At the heart of this dichotomy lies the distribution of risk between Deliveroo and its riders. How is the risk shared between the company and its workforce if there are few, or no, orders over a certain period of time? Whose responsibility is it to guard against the risk of a rider’s bike being stolen or badly damaged? What if the rider is involved in a serious accident while they are delivering an order for the company? Who bears the consequences of heavy traffic or a restaurant taking too long to prepare an order?

In respect of the first question, it was put to us that, 'if I could [sum] up my relationship with Deliveroo it would be the transfer of risk from the company onto me [...] I am only paid for my *profitable activity*. If there are no orders then I do not get paid, this costs Deliveroo nothing, the risk is on me not Deliveroo. A normal company would take that hit and continue to pay me'.

Moreover, looking to the final question, one rider told us that, 'some restaurants don't get punished for how late they make food go out yet riders get told off for something that's out of their control', while another noted, 'I have orders unassigned because I was stuck in traffic and didn't get to the restaurant quick enough', and a third explained that, 'I had shifts removed for being 'slow' despite arriving early and simply having to wait for the restaurant to prepare the food'.

While some riders told us that they believed taking on a number of risks to be part and parcel of working with Deliveroo, in return for being granted greater flexibility over how they work, others expressed their wish for the company to take on greater responsibility in guarding against those risks. One rider said that, 'I feel the riders take all the risk and aren't rewarded for it', while another pleaded for, 'Deliveroo to accept that they are running a business and that this involves risk, if I have signed up for a shift and for whatever reason it isn't that busy, Deliveroo should still pay me at least the minimum wage (plus holiday pay). It's amazing to think that things have got so bad that getting guaranteed minimum wage would be an improvement'.

We picked up differing views from riders over the adequacy of support they are offered by Deliveroo in times of difficulty or emergency.

Among those who felt adequately supported we heard that, '[I] picked up a puncture, called up rider support, and still got paid for delivery and allowed to log back in when I wanted', and, 'when I started on a full-time job I could only work [with Deliveroo] on Tuesdays. With the new system I'd have lost that. But when I called up head office, they gave me the opportunity to book from 11am on Mondays so I could get my regular shift back, even though I didn't have the statistics'.

On the other hand, there were riders who felt that the company had offered no support when it was needed. 'One time I called rider support clearly confused and badly hurt after suffering a head injury and was given no advice or help except that I was logged out the app', and, 'they say so sorry to hear you nearly died but did you deliver the food', were two examples cited.

Likewise, we heard how, 'emails can go unanswered for weeks (I've had some that have never been answered)', 'their response time to emails is woeful, verging on non-existent. If there is a reply it is a useless, generic message saying that there isn't anything they or I can do about it', "I have no personal contact with anyone [at Deliveroo]. I feel like I am just a piece on a computer game', 'If you email them you will most probably be answered by automated messages, when you talk with real people they will very likely be able to just repeat those automated messages', 'every time you have a genuine problem and reach out to them you just receive a standard email that doesn't address your needs', 'a colleague called their rider support team to inform them he had a crash and was unable to deliver the order, they still signed off with "OK, ride safe!"', 'the rider support over the phone goes straight to the Philippines and it only works for very basic stuff like a problem with a delivery, problem with the system or to get a new download link', and 'I was informed that they would get back to me within two days. I have still not had a reply to my query and this is despite a reminder to them yesterday. As a 'rider' I am not able to contact Deliveroo by phone and actually speak to someone and get things sorted out, instead I am only allowed to email, and usually they send out a copy and pasted generic reply which is not at all helpful. This is very frustrating'.

The current distribution of risk even led some riders to question, for four reasons, the degree of flexibility they have over their work.

First, one rider told us that, due to the oversupply of riders in their city, 'I have no option but to work completely unsociable hours now – flexibility is gone'. In place of flexibility, according to another rider, is a backdrop of insecurity and unpredictability which necessitates 'battling for hours' all the time.

Rather than work when they want, riders in areas where there are surpluses of labour are in a position where they can only scrap for any bits of work that come their way. One rider in this position informed us that, ‘to make it worth my while, I don’t just do an hour here and there for fun. I get up in the morning [...] to hit the breakfast run. I work all day and get home at 11 at night, sometimes later. Some days you do that just to make a decent amount of money. That’s not enjoying the flexibility. You don’t choose to work till 11 at night. You do that because that’s what you have to do to make a good day’s worth of money’.

The second reason stems from Deliveroo having no obligation to offer work to, or pay, riders who are logged into the platform and available for work. Riders have the flexibility to make themselves available for work, but not necessarily to earn money.

It was put to us by one rider that they could choose, ‘when NOT to work, I don’t need to phone some manager or frantically try to find someone to cover my shift if something important comes up (please note, choosing when to NOT work is different to being able to choose when to work, I can’t choose when to work as this is dependent on demand and other factors)’. This scenario was posed as a challenge to what a similarly placed rider called, ‘the narrative that Deliveroo controls – [...] “you’re free to work wherever and whenever you want” – well, that’s actually a lie. You’re free to be available for work, but I could be sitting on my backside for three hours on a wet Monday afternoon doing nothing at all [while waiting for an order]. I want to work, but I can’t. I’m merely available. “Working” to them means being available for work, whereas for me it’s actually doing deliveries and getting some money for it’.

Third, the terms of work appear to be set by Deliveroo without any meaningful negotiation

with riders, either individually or collectively, which some associated with a breach of their ‘self-employed’ classification. Riders reported, for example, that, ‘the way that we’re told we’re going to be paid differently and sign these new contracts, is not how somebody would communicate with their self-employed contractor. It’s, you know, “Hi riders, we’re changing the way we pay you”’, ‘self-employment should allow us to have a significantly greater say in the contract. We have no voice’, ‘I have no control over the terms of work/payment’, ‘as a self-employed [worker] I could ask for a better pay after a quote ... I’m not! I’m forced to work on their basis whenever they decide to give me an order’, ‘this week they’ve changed the terms and conditions again’.

Another rider summarised their situation in the following terms: ‘I associate being self-employed with a degree of entrepreneurship, with coming up with my own ideas and implementing them. At the moment I have all of the risk associated with being self-employed but without the ability to make any of my own business decisions that influence that risk, they are made by Deliveroo. The idea that me and thousands of Deliveroo riders across the county are all running independent, yet somehow identical, small businesses is absurd. When Deliveroo decided to pay us differently, they sent us an email giving us about 3 days’ notice, there was no discussion, it was take it or leave it, riders weren’t even privy to how the new formula of paying us works, it was just “this is how we’re paying you now”. That is not the relationship between a client and an independent contractor’.

Several riders informed us that they wished to build up a collective voice with their colleagues, so that meaningful negotiations could take place with Deliveroo over their pay and working conditions, but that they were made to feel either unable to pursue this option or uncomfortable in trying to do so.<sup>17</sup>

<sup>17</sup> It was reported to us that Deliveroo responded to riders’ attempts to unionise in a way that runs contrary to how they talk to people who work for them: ‘They started following us and started taking pictures of how we were recruiting people on the street corner. They used those pictures to fire someone who was organising with us, under false pretences. They started calling us, emailing us, coming to the street corner and lying to people about what the union was. They

were harassing us all the time. They got people together and asked them if they were members of the union, and asked them would they maybe not like to be a member of the union. They created this whole bullying aspect and misrepresented what the union was and who the riders unionising were, in order to scare people away from it. They then hired a huge army of lawyers [...] to fight off this case which at its core is the fact that we want Deliveroo to listen

It was also suggested that, in the absence of such organisation, there exists a huge inequality in bargaining power that enables Deliveroo to offload risk onto riders by classing them as 'self-employed'. Riders described how, 'what Deliveroo have done, in pushing all of these obligations onto us riders, they're claiming that that is proof of our self-employment', 'it's clear they're in breach of food safety laws, because they say riders can have substitutes but the company has no control over who is delivering the food', 'for GDPR, they've said they're the data controller and the riders are data processors. The substitutes are sub-processors. They're now saying to riders not only, if you're going to use a substitute, do you have to conduct a criminal records check, you have to make sure they're insured, you have to do an immigration check, you also have to agree in a written contract data protection obligations', 'because Deliveroo say that you're an employer, there's certainly no way you're paying [a substitute] the national minimum wage, you haven't auto-enrolled them into a pension [...] they are forcing you to be an employer but Deliveroo aren't giving you the national minimum wage, they're not paying you annual leave, but you have those obligations on you towards your putative substitute'.

We did not pick up from our evidence a great need or want among riders to use substitutes to cover their orders and Deliveroo was unable to tell us how many riders use substitutes.

The fourth reason presented to us by riders is that, to stand a fighting chance of gaining shifts in a given week through a booking zone, they need to have worked to a particular pattern in the previous few weeks, which is set by Deliveroo, rather than how they might have wished to work.

Under this scenario, flexibility is contingent on riders sticking to a certain pattern of work.

Whilst Deliveroo informed us that, 'riders are under no obligation to log in or work with Deliveroo once they have on-boarded with us', riders reported to the contrary that, 'you have to work Friday, Saturday and Sunday evenings in order to get shifts', 'the fact you have to work for

the statistics in order to get priority for the sessions doesn't make me feel self-employed', 'requiring at least 24 hours cancellation notice for any shifts makes a mockery of Deliveroo's flexible working claims', 'ability to get hours [is] dependent on 'statistics', [while] ability to improve statistics [is] dependent on hours worked', 'if I am self-employed then I'd like not to be penalised for not working priority shifts', 'accidents and mechanical issues [mean] that, not only do we lose income due to the incident, but also potentially get penalised by Deliveroo for missing shifts', 'I've had stats go down when I've been ill, making it harder for me to get shifts,' and, '[If I] have to miss a shift then I lose my good statistics and it's really hard to make it up again, plus if I miss the 11am time on Monday to get the shifts [...] I miss all the shifts of the next week'.

One rider also questioned in detail how this practice squares with their employment status: 'I do not believe we were self-employed because to get the priority 11am slot on a Monday, to book the shifts you actually wanted to work, you had to work Friday, Saturday and Sunday, 7-9pm. You had to attend all your shifts. You couldn't cancel shifts. If you do, you drop to 3pm or 5pm where there's nothing available. So you can't work. You do not work when you want, where you want, for however long you want. You work to their schedule and to their availability'.

Such requirements were described by one rider as demonstrating a lack of both flexibility and security: 'My availability changes radically around my other work and family life, but when I am unable to work for Deliveroo the stats that they use to determine when I get to book shifts suffer. This means that there are often no hours left when the shifts are released to me at 5pm (other riders get access at 11am and 3pm). This is a catch 22, as I cannot improve my stats if I cannot work. There have been no shifts available to me for well over a month now.'

A harmful consequence of this practice, in the words of one rider who feels obliged to conform to certain working patterns, regardless of how little they might be paid for doing so, is that, 'I'm

---

to us. We want to debate terms and conditions with them. We want there to be a balance of power at work to rectify the situations riders are talking with them'.

still paid piece rate and there's no guarantee of work in my day. I can turn up and I'm either faced with logging out because I'm not making much money and then potentially being penalised, or just sucking it up and earning less than the minimum wage'. Likewise, other riders reported how they, 'have to work every Friday, Saturday and Sunday night otherwise you can't book any hours for the following week.'

In compounding the sense that the balance of risk is skewed against riders, we were told that, 'I actually quit recently and [Deliveroo] refused to give me a reference or any note to my new employer, which caused some problems since I needed a reference from every previous job', and, 'I returned the equipment after I left and they refused to give any of the deposit back since they had changed the design of the gear slightly so mine was out of date'.

Deliveroo told us that it wants to be able to offer riders both flexibility and security. We welcome this sentiment. The introduction of a new insurance product to protect riders against loss of earnings while recovering from an accident is an encouraging first step towards realising this vision.

We strongly recommend that Deliveroo should take additional steps towards rebalancing the distribution of risks that exist in the online food delivery industry. Those steps should include giving riders more of a say, both individually and collectively, over their pay and working conditions, as well as an improved communications system to support riders encountering difficulties or facing an emergency.

The next section throws light on an issue which we believe warrants the company's most urgently needed next step: eradicating extreme low pay among its most disadvantaged riders.



## A Riders' Wage

An analysis of Deliveroo riders' earnings produces as diverse a picture as our previous analysis of their circumstances and characteristics. The different dynamics of the relationship between risk, flexibility, and insecurity are crystallised in the distribution of riders' earnings.

Riders' hourly pay ranges from nothing, to upwards of £20, with average rates tending to hover a little above, a little below, or at the level of the National Living Wage:

- The lowest earnings reported to us included hourly amounts of nothing, £2, £3, £4.25, £5 and £6.
- The average earnings reported to us included hourly amounts of £5, £6, £6.83, £7, £8, £8.50, £9, £10, and £12
- The highest earnings reported to us included hourly amounts of £9, £10, £12.75, £15, £16, and £17

Deliveroo informed us that, 'we are able to look at total rider earnings from their work with Deliveroo only, and can see that the average earned across an hour is £10 [...]'. Although it is worth emphasising that due to their classification as 'self-employed', in the words of one rider, 'my hourly rate hovers at around minimum wage fairly regularly, but when you consider my lack of holiday pay and employer pension contributions etc. then ultimately I get paid less than a regular person on minimum wage'.

Almost all Deliveroo riders are now paid per delivery, rather than on an hourly basis. Previously, a certain proportion of riders received guaranteed hourly rates that were topped up based on the number of meals they delivered per hour.

Several riders highlighted this shift from pay per hour, to pay per delivery, as being symptomatic of the unequal distribution of risk. One noted that, 'because I'm on pay per drop, if there's no orders Deliveroo doesn't have to pay me anything and so I take all of the risk, while another added, 'if there are few deliveries Deliveroo have little to no loss.' In a limited number of areas, Deliveroo has retained guaranteed hourly rates for riders who are logged in and available to accept each order

that comes their way. The company has explained to riders that this entails being, 'offered at least two orders per hour they choose to work in [certain zones] [...] if for any reason they're offered fewer than two orders per hour on average, we'll add extra fees to their invoice to make up the difference'.

However, this offer tends to be time limited and, according to some riders, is used as a temporary means of attracting riders into new areas so the company can establish its presence there. One rider said that, 'as soon as they've grown a market and there's always a supply of workers to provide that service, the minimums disappear'. In addition, there is a risk that riders may lose out on the guaranteed hourly rates through no fault of their own: 'I had the guaranteed minimums but there were several restaurants where my box was too small to fit their pizza boxes in. I had to reject the order but, as a result, you lose that guarantee. This is testament to a lack of communication. If I had someone to call up and say, "the box doesn't fit", any normal human would say "fine, you still have the guarantee"'.

Deliveroo reported to us that 87% of all orders completed in the last 12 months have been delivered by a rider paid per delivery, but those who are still paid per hour reported that this offers a valuable degree of certainty: 'for me, for safety, and because I want to make sure I've got something for the future, I tried to think of it as, if I get paid per hour, at least I have that security'.

Meanwhile, riders who are now paid per delivery, having previously been paid per hour, reported that, 'at the beginning it was okay, but recently it has become like a jungle out there. It's a lot more competitive out there now', 'sometimes they just don't pay me at all', 'pay per drop is a failure. Some of the riders [...] are on £1.60 or less an hour at times', and, 'I used to be guaranteed per hour but now it is per drop and not guaranteed pay. The hourly rate often falls below the minimum wage. This is because there aren't enough orders coming'. Several riders in this situation reported that Deliveroo has made a concerted effort to pay a growing number of riders per delivery, rather than per hour.

In the absence of guaranteed hourly rates, riders take on significant risks: 'If restaurant orders take

a long time I take a hit on my wages even though this is something out of my control'. Similarly, in the words of another rider, 'If one job goes a bit wrong, that's the whole hour taken up with that job and the demand drops about 9am with nothing until midday. A lot of people come out for the demand between 8am-9am. They don't necessarily work for another company, so they come out, do two jobs, make £8 and then wait for three or four hours for the demand to go back up'.

Some riders drew a link between their precarious earnings and the dangers associated with riding for Deliveroo. Here, it was said, the pressure of being paid per drop means that riders are forced to deliver more meals, and more quickly, which involves taking more chances on the road. One rider reported on the need for, 'perhaps slightly reckless driving so I could try and make more deliveries in one hour when it's busy, to make up for the loss of wages when it's calm', while another said that, 'we will often have to break road laws just so we can be quicker and make money.'

Deliveroo informed us that, in 2017, 183 riders had an accident while riding with Deliveroo. The vast majority were minor injuries, such as cuts or bruises. So far in 2018, there have been 149 accidents. As we mentioned earlier, Deliveroo recently introduced access to free accident insurance to protect riders and their earnings should they be unable to ride as a result of an injury while online. This includes paying out 75 per cent of average earnings of 30 days if a rider has an accident while online. Cyclists are also enrolled onto a public liability insurance scheme free of charge.

The evidence we have received suggests that riders need to make at least two deliveries per hour to earn the equivalent of the National Living Wage. However, for reasons we outline in Figure 5, such deliveries are not always forthcoming and, as a result, riders told us that, 'I have done shifts where I have averaged less than £4 per hour', '[I have] often no or only one delivery per hour which means £0-£4.25 for an hour of work', 'there are areas where you can make as little as £3 per hour', 'I waited an hour for my first order and another hour for my second order [...] I logged in at 2pm, worked until 10pm, and earned £56

before taxes', 'at times [I have] two hours with no orders or maybe one order an hour', 'it used to be busier a year ago. When I log in now [at a certain time], I have to wait [an hour] for my first job', 'with a pay per delivery system, if there are no orders coming in, or if for some reason Deliveroo decides not to assign any to me, then I don't make any money', '[I've] had days where in 9.5 hours I've been offered six deliveries', and, 'I can earn an acceptable (though still low) wage if I deliver at least 2.5 deliveries an hour. As a delivery takes an average of around 20 minutes to complete (from the time I receive the order to the time it is delivered) this is about as many as I can do if I am consistently offered deliveries while on shift. However, the number of deliveries I am actually offered usually drops to about 1.5 an hour and I often spend 30-60 minutes at a time waiting for an order to come through'.

In one recent instance, 'I worked [...] for 2.5 hours from 11.30am - 2pm. During that 2.5 hour period I was only offered one delivery. This is not uncommon. That means that I was only paid £4.25 for 2.5 hours work, which is totally unacceptable. Out of this, I then have to pay for 'hire & reward' insurance, paid by the hour to Zego, at the rate of £1.15 per hour. In this instance I had to pay for 3 hours of insurance (if you go over an hour by 1 second or more, you have to pay for an extra hour's insurance). The insurance cost me £3.45 that day. Therefore I only earned 80p for 2.5 hours work!! This is absolutely unbelievable I know, but this is how Deliveroo is treating its workers'.

Another rider informed us of how, 'I haven't been able to get any shifts in my other job this week (zero hour contract, that's another story) so was around during the day. I knew there wouldn't be many orders going around Thursday during the day but I thought I would cycle up to a more central zone where office workers order lunch to their offices. The Deliveroo app was telling me that orders were at a 'normal' level in this zone. I cycled around the zone between midday and 1:30pm hoping to pick up some lunch-time orders but didn't receive a single order. I could have hung around a bit longer but after an hour and a half I was fed up and went home. So my lowest rate was £0 an hour during a time I thought it was reasonable to expect the app to be busy. In my mind I was at work, but Deliveroo only pay me

when I am performing a task that makes them a profit’.

### Figure 5 – Downward pressures on earnings that were identified by riders

#### Surplus of riders

‘At the moment Deliveroo over hires massively which means people’s wages go down’

‘The problem lately seems to be with the fact they’ve hired far too many new riders. This doesn’t affect their service as there’s less waiting for riders to collect but it does mean less drops per hour for each rider’

‘One problem [...] where I live, is that there are a lot of ‘riders’ (cars & motorcycles) coming from out of the area [...] when this happens there is less work for everybody else. Deliveroo is aware of this and allows it to happen’

‘Sometimes you’ll have two hours and you won’t get an order. It’s so we’re all there, ready at their whim. So as soon as someone orders they can get their food in half hour, because I’ve been waiting there for two hours. The business relies on the fact that I’m sat there waiting for that order’  
‘Over hiring is making the job untenable, this is deliberate on the part of Deliveroo to keep employees in a precarious situation’

‘The constant and overwhelming hiring of more and more workers [...] puts a strain on the amount a rider can earn [...] I personally work in a free zone where I get paid £4.25 per delivery. But now because there are too many riders I feel, I barely get enough deliveries to pick up to make a living. Luckily I’m just a student and don’t consider doing this as a permanent job but for other riders it’s a different story’

‘I believe Deliveroo has a goal to deliver food to its customers as quickly as possible. To achieve this they want to have as many riders as possible in every restaurant proximity possible. Doing so, beating their competition of other food courier companies, but the people who suffer from this are the riders. Once again in short, too many riders, not enough deliveries to go around meaning less for all’

‘When it is busy 7-9 Fri, Sat, Sun they put too many riders on the road so you get less orders. If you don’t work the above hours it affects your stats and you have difficulty booking shifts. Hence you’re forced to work hours that don’t pay well to get hours that do.’

‘Not enough orders, too many riders’

‘Orders are not available despite being told through the app there is demand for riders’

‘Perhaps because Deliveroo has too many people working’

‘Lack of orders and too many riders means that I am unable to do more than one order (or sometimes no orders) each hour’

‘Deliveroo over-employ. Meaning because of the constant ranking of riders’ using stats, when the expected order numbers drop, if your stats aren’t in the top 25 percent, you’ll suddenly find yourself unable to book shifts. Basically every time the students break up they make 75 per cent of their riders unemployed’

‘If there are not enough orders to go around, the riders simply get nothing whilst having to spend their time waiting for orders to come through. Deliveroo can book on more riders than it needs, so it is secure in knowing that the orders will be covered, without having to pay any extra’

‘On average I do 1.5 to 1.9 [deliveries per hour], Deliveroo promise 1.9 but it didn’t happen most of the time due to the multiple riders available’

‘They over-employ people and they prefer to share small amounts to a big group instead of having a structured team in each zone’

‘I do less deliveries an hour since they made the working zone larger and didn’t increase the pay with it’

‘There are always new riders and less available shifts.’

Pay ‘can fall below minimum wage if no orders within an hour as there are so many riders working with little orders’.

‘Stop the over-hiring of riders and then basically making 75 per cent of the workforce unemployed when the workload drops.’

‘There are too many riders in my city. The problem started a year ago and I am sure it was the cause for many people being forced to move on to other things.’

‘The only bad business practice is how much staff they’ve hired at once.’

### Expenses

‘I didn't receive any orders all day and couldn't cover my weekly expenses i.e. train fare’

‘I have to work extra hours to cover my needs and costs’

‘My insurance and petrol cost at least £15 a day. So when I make £30-£40 for a whole day it’s deffo not worth it’

‘After all these expenses I wouldn’t be surprised if we made less than minimum wage, especially in summer when it gets a lot quieter’

‘The average hourly rate falls well below the minimum wage once expenses are taken into account’

‘The costs in petrol are very high and sometimes you don’t make the money expected to cover all the expenses plus the time spent on the roads’

### Delayed deliveries

‘Waiting at restaurants (we don’t get paid for that)’

‘Waiting time, travelling between restaurants, food not ready at restaurants, customers not ready for delivery, high flats with no lift [again all risk onto rider]’

‘Deliveroo’s method to overcome long restaurant waiting times was to over hire more riders, so when it isn’t very busy, the whole fleet is getting very little work’

‘The thing that causes the biggest impact on delivery rates is restaurants not having food ready

on time. Certain restaurants are definitely more infamous for this than others’

Our central recommendation to Deliveroo, in seeking to strike a more just balance between flexibility and security, is to ensure no rider who is logged in and available for work takes home less than the National Living Wage. A guaranteed minimum payment for riders who have made their services available to the company, thereby enabling it to fulfil the level of service expected by consumers, would signal a much needed redistribution of risk between Deliveroo and individual riders, without necessarily impacting on the flexibility many of them enjoy.

Crucially, this recommendation establishes a floor, not a ceiling, for riders’ earnings.

## Conclusion

Deliveroo seeks to provide consumers with a reasonably uniform service that is fast and reliable. To fulfil that service, it requires a certain number of riders to be available for work at any given time in a given area. Without those riders logging in and making themselves available to the company, Deliveroo would not be able to provide this service as successfully as it does now. Riders are, in both substance and presentation, an integral part of the company.

The result of this arrangement for consumers, as well as Deliveroo, is hugely beneficial. Advantages are gained too by people who fit their work with Deliveroo around other family, business, or study commitments and view the job as a supplementary source of income.

However, this arrangement would not be possible without the continued oversupply and underutilisation of riders who place themselves on duty without being given much, if any, work and often feel that they are in a grey area of being neither in work nor out of it. To have any chance of booking their preferred shifts in any given week, riders know they have only limited control over when they can log in and make themselves available for work.

The evidence we have received suggests that the absence of minimum labour standards in a workforce that has a large surplus of readily available riders, is the root cause of the insecurity that has been described to us throughout this inquiry. This is because companies are incentivised to enrol as many riders as they can, without having to pay the National Living Wage, pension contributions, holiday pay or sick pay, for example, to improve their response times to consumers and grow their share of the market. In the words of one rider, ‘we are effectively employed by them as couriers, I feel they register us as self-employed to avoid the work associated with taking care of a workforce’.

Such incentives result in a certain proportion of the workforce, and particularly those who rely on Deliveroo for their keep, living an insecure

existence from one week to the next and unable to increase their earnings. When Ernest Bevin identified similar conditions in Britain’s shipyards, he argued that this could only be dealt with by decasualising the industry and providing a guaranteed minimum wage.<sup>18</sup>

Hence our firm belief that those Deliveroo riders who are left exposed to insecurity by their existing pay and working conditions require new forms of protection.

A minimum guaranteed level of earnings, as part of a redistribution of risks and rewards between companies and their workforce, would achieve two objectives. It would immediately protect the most vulnerable riders from extreme insecurity. It would also open up a vital longer term debate on how gig economy platforms should reorganise their workforce, or find ways of meeting the costs of maintaining large numbers of riders who are inevitably going to be underutilised at different times of the week in response to changes in consumer demand.

In the development of our case for reforming the gig economy, and reflecting the dual labour market that currently exists, we suggest from this report on Deliveroo the following:

- Those people requiring more stability and certainty in their work should be able to look to their firm to offer this prospect after they have built up a record over a certain period of time. Deliveroo should commit itself to offering a flexible worker status to those riders who form the backbone of its workforce.
- That group of workers who prize flexibility and only wish to work a smaller number of hours to suit their own needs, or wrap around other jobs, should be able to continue embracing the current model which enables Deliveroo to expand its workforce when needed. However, the company should guarantee hourly pay rates of no less than the National Living Wage for all the time that people are logged in and available for work.

<sup>18</sup> Alan Bullock, *The Life & Times of Ernest Bevin – Volume One: Trade Union Leader, 1881-1940* (London: Heinemann, 1960): p. 120

- The Director of Labour Market Enforcement should conduct deep dives into those sectors offering platform jobs, and report on both levels of pay for different groups of workers as well as the reality of the self-employed status and the validity of each firm's defence of that status, such as workers being able to substitute somebody else's labour for their own and remain on the company's books.
- The fines imposed by those agencies acting on behalf of the Director of Labour Market Enforcement should be ploughed back into building up a common workforce which, over time, takes on in a proactive way the task of protecting workers' rights in the modern economy. This would entail an increasing number of both random checks as well as deep dive exercises in those sectors known to compel flexibility on a workforce in a way that enables companies to evade the National Living Wage.
- To counter the cat and mouse game of individuals having to take companies to employment tribunals, the Director of

Labour Market Enforcement should be given the powers to require companies to establish that individuals are:

- a. free from its control and direction in connection with the performance of their work, both under the contract for the performance of the work and in fact;
- b. performing work that is outside the usual course of its business; and
- c. customarily engaged in an independently established trade, occupation, or business.

If companies are unable to satisfy these three criteria, the Director of Labour Market Enforcement should be able to rule that they are not engaging with individuals as self-employed contractors. This move, which would require a change in legislation, would put the boot on the other foot: rather than ask David to take on Goliath, Goliath would have to defend its own actions.

This report was published on 23 July 2018. The document can be accessed online at [www.frankfield.co.uk](http://www.frankfield.co.uk).

Should you have any enquiries regarding this report, please email [andrew.forsey@parliament.uk](mailto:andrew.forsey@parliament.uk).