



Background Checks - A guide for UK employers

Know your candidate 

VERIFYING THE FACTS ON AND BEHIND YOUR CANDIDATE'S CV

Introduction

The concept of employment screening is rapidly gaining popularity with UK employers. And no wonder – a highly mobile workforce, increasingly sophisticated fraudsters and a relentlessly competitive and increasingly litigious business environment only serves to make finding honest, suitably skilled employees a much more difficult task. Those businesses that pay close attention to who they hire will give themselves a much better chance of success than those who don't as the quality of each new employee will either take a business forwards or backwards. The significance of each hiring decision means that the days of assessing a candidate's suitability based on an interview and a couple of references are consigned to history.

The majority of UK employers still rely on two previous employment references as their only check on a new employee. However, the majority of references now only contain limited factual information giving employers very little information to base their recruitment decisions on. In addition, many employers are confused about the other checks they can make and how to use the information they generate. This guide aims to help employers by providing:

✓ **Hints and tips on how to speed up and get more information from the traditional referencing process**

✓ **Practical information on additional background checks which provide employers with more information to base their recruitment decisions on:**

- **Identity and Address Checks**
- **Employment References**
- **Criminal Record Checks**
- **Credit Checks**
- **Qualifications Checks**
- **Driving Licence Checks**
- **Sanctions Checks**
- **Directorship Checks**

About the Author

Barry Hetherington is an employment screening consultant providing knowledge and expertise to companies based in the UK looking to improve their employment screening processes. Barry's extensive knowledge of background checks has developed from managing his own employment screening company, Know Your Candidate Ltd and his various roles at Experian where he was responsible for sales of background checking services, electronic identity and credit data applications. Experience gained from having processed many hundreds of checks coupled with in-depth knowledge regarding the data and processes that sit behind them make Barry uniquely positioned to explain background checks to UK employers.



Barry Hetherington
Managing Director
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About Know Your Candidate Limited

Know Your Candidate was established to provide UK employers of all sizes with a straightforward way to make their employment screening more robust. Know Your Candidate achieves this by making a range of background checks available via a low-cost, user-friendly, web-based service combined with a transparent, refreshingly honest and efficient approach to customer service. Learn more at www.knowyourcandidate.co.uk

Identity and Address Check

Confirming your candidate's identity is the cornerstone of the employment screening process. Results of other background checks will prove more reliable if you are confident your candidate is who they claim to be and live at the address they claim. The manipulation of identity and address details can range from the simple omission of a name or an address through to creating a completely fictitious identity. Job seekers motives for manipulating their identity and address range from those looking to mask a criminal record or poor financial record through to those looking to obtain work they are not entitled to or to commit crime.

5000 – the number of fraudulent UK Passport applications that went undetected in 12 months 2007/08*

290,996 the number of UK Passports stolen in 2007*

*UK Identity and Passport Service

How to check

There are 2 methods open to employers to verify a candidate's identity and address:

- 1. Checking documentary evidence**
- 2. Performing an electronic identity and address check**

Documentary evidence ID and Address Check

Using documentary evidence as an identity check effectively means employers putting their trust in the checks made by the organisation that originally issued the document. Employers simply instruct their candidates to bring documents that confirm their identity and address to the first interview. The document to confirm identity (name and date of birth) ideally should include a photograph such as a Passport and the document that confirms where they live should be a recent bank statement or utility bill, ideally issued within the last 3 months. The following checks should be made on the documents provided:

- **Basic checks on the look and feel of a document to ensure it isn't a fake**
- **Check the likeness of any photographs and signatures the documents contain**
- **Cross-reference name, DOB and address details with those provided on the application**

Photocopies of documents should be taken to provide an audit trail and for future reference.

Identity and Address Check

Electronic ID and Address check

Electronic identity and address authentication works by comparing details of the candidate’s identity and biographic information provided within their job application against details held about them in public (e.g. Electoral Roll) and private databases (e.g. credit account data). The systems are provided by Credit Reference Agencies and use the hundreds of millions of records they hold on the UK population. The concept of Electronic ID and Address authentication is well established and widely used within the financial services and public sectors.

Stage 1

Validation - Does the identity exist?

Validation takes place by counting the number of times the name and date of birth combination can be found, the quality of those records i.e. the due diligence in place when they were produced and the length of time they represent.

Stage 2

Verification - Is the candidate the true owner of the identity?

Verification takes place by corroborating details that only the individual should know such as address history and time spent at each address with the same data held in the databases.

Stage 3

High Risk database check - Does the candidate appear on any high-risk databases?

Checks are made on additional databases such as mortality registers and mail re-direction services to counter identity fraudsters using deceased impersonation and address fraud as a means of deception.

Which ID authentication method is best?

There are advantages and drawbacks to both methods:

Documentary ID Check

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- Works for all candidates
- Ability to verify photographs and signatures

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- Documents can be easily forged or bought
- Genuine documents can be obtained from using ‘breeder’ documents
- Training staff to evaluate security features contained within the documents is costly and impractical due to the large range of documents in circulation.
- Very difficult to verify previous names or addresses

Electronic ID Check

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- Very fast
- Can be conducted remotely without the candidate present
- Can validate or uncover previous names and addresses

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- Can produce limited results for young people or those recently arrived in the UK due to the lack of data held on those individuals

Having the ability to check identity face to face and being able to verify any previous names and addresses would be the best scenario, therefore, combining both documentary evidence and electronic methods offers the most reliable and robust check.

Key points:

- An effective Identity Check is the foundation of the employment screening process
- A combination of both paper and electronic identity checks performs best

Employment References

While employment references often return limited information they can still provide a useful insight into a candidate's reliability and integrity. The verification of employment details against the factual information supplied on most references (dates of employment, position held, reason for leaving) provides employers with a basic level of confidence that the candidate is honest and reliable. For some organisations, the verification of previous employers and positions held can provide some assurance that the candidate could actually fulfil the demands of the role offered, where previous industry or specific experience is required.

How to check

Like all background checks, employment references should be completed prior to the candidate commencing employment. All too often references arrive late or not at all placing employers at risk. Here we describe practical steps employers can take to improve completion rates, response times and amount of information gained from references.

1. Make it the candidate's responsibility to supply accurate contact details for the referee.

The most common cause of delays in the referencing process is candidates supplying incorrect contact details for their referees. This problem arises because candidates make assumptions regarding where they think the reference request should be sent but more often than not have not taken the time to actually contact their previous employer and check. Those employers who send written reference requests through the post or via fax often only realise there's an issue when they have not received a reply after a few weeks.

To reduce instances of this issue arising, request that the candidate contacts their former employers and confirms the correct route and contact details for the reference to be obtained. Make candidates aware that their start date will be delayed if the references are not returned on time to give them an incentive to do the task properly.

2. Verify employment over a time period rather than asking for a set number of references

Many UK employers still take the approach of collecting a set number of references on their

potential employees. Most commonly two references are requested, with one of those being the most recent employer. This approach provides candidates with the opportunity to be selective about which references are supplied and avoid providing references from employers which would reveal:

- *They were dismissed*
- *They were not employed for the length of time claimed*
- *They did not hold the position claimed or did not even work for that employer*

Verifying all employment over a set period, e.g. 2, 3 or 5-years has the following benefits:

- ✓ *It's harder for the candidate to omit employers where they had a negative experience*
- ✓ *Inconsistencies in employment dates are easier to identify*

3. Attempt to source references verbally

Requesting and receiving references by paper-based methods is a time-consuming process that results in slower completion times and lower completion rates. In short, employers sourcing and receiving references on paper have very little control over the process. Experience shows that on average, 50% of references can be conducted over the telephone. Even if the employer will only provide a reference in writing, attempting to source it verbally should see it arrive sooner as the correct contact, process and timeframe for delivery can all be verified.

Employment References

Verbal referencing



- **Greater control over the process – contacts and process verified**
- **Faster completion times**
- **Higher completion rates**

Paper based referencing



- **Slow - faxes and letters can go missing**
- **No confirmation is supplied that the reference request has been received**
- **No individual contact is provided to call for progress reports**

4. Set a fixed time period for making verbal contact with the reference provider

To even stand a chance of being completed in the 10-15 day timeframe acceptable for most employment screening programmes, contact must be made with the candidate's previous employers as soon as possible. A set process must be followed for every reference with a set number of attempts made to contact the referee over the first 5 days. Experience shows that it is highly unlikely that a reference will ever materialise if contact has not been established in the first 5 contact attempts. Making extra contact attempts only produces a very small uplift in the number of references obtained.

5. Contact your candidate's previous manager for more detailed information

Most employers will only provide limited factual information on references such as dates of employment, position held and the reason for leaving. While useful, what most recruiting employers want to know is how their potential new employee performed in their previous jobs and information which enables the judgements made from the interview process to be corroborated, such as:

- **Honesty and integrity**
- **Reliability and time-keeping**
- **General attitude**
- **Ability to work with others**
- **Verification of specific skills or experience**
- **Whether they would re-employ your candidate**

The only way to source this information is to attempt to speak to the candidate's line manager directly. The approach most likely to succeed is to pitch the request as a favour on behalf of the candidate e.g. to help them secure the position or commence work earlier. In a significant percentage of attempts you will find line managers willing to provide such information. In instances where they won't you should at least be able to pick up whether this is due to a strict 'written references only' policy or because your potential employee left in negative circumstances.

Key points:

- A time based approach to employment references is much more effective than just requesting references from two previous employers
- Verbal references can be obtained in typically 50% of requests on average
- Attempt to speak to your candidate's line manager to gather more useful information that is not normally found on written references

Criminal Record Checks

Criminal Record Checks enable employers to make more informed recruitment decisions in order to protect their employees and customers. Organisations employing people in roles that involve contact with children, care of the vulnerable or other roles exempt under the Rehabilitation of Offenders Act 1974 must carry out criminal record checks. Employers in other sectors should carry out Criminal Record Checks as a duty of care to their current employees by ensuring they don't employ violent or dangerous individuals and to ensure that individuals with specific convictions are not offered roles where they could pose a high risk e.g. an individual with a conviction for fraud being employed within the finance department.

What information is returned?

The information returned is determined by the level of the criminal record disclosure. There are three levels of disclosure - **Basic, Standard** and **Enhanced**.

	Basic	Standard	Enhanced
Unspent Convictions	X	X	X
Spent Convictions		X	X
Cautions		X	X
Inclusion on children's lists			X
Inclusion on adult's lists			X
Other relevant information held by police forces			X

Basic disclosures are available to any employer with the individuals consent. Access to Standard and Enhanced disclosures is limited to job roles that are exempt from the Rehabilitation of Offenders Act 1974.

The Rehabilitation of Offenders Act 1974

The Rehabilitation of Offenders Act 1974 was designed to protect individuals from the unfair disclosure of their criminal record information. The Act states that after a given time - the rehabilitation period, the conviction will become classified as 'spent' as the offender is deemed to be successfully rehabilitated. This means that for most job roles an employer cannot see and potentially discriminate against an individual on the basis of spent convictions.

Employers are only allowed to see spent convictions if the job role is exempt under the Act. Generally these roles involve contact with children, care of the vulnerable, working within law enforcement and the justice system and other regulated industries including healthcare. A full list of job roles exempt under the Act can be found on the Criminal Record Bureau website at www.crb.gov.uk - search for 'disclosure access category code'.

How long are convictions classified as unspent?

How long a conviction is classified as 'unspent' for, and therefore can be taken into consideration by employers in their recruitment decisions, is determined by the rehabilitation period. The rehabilitation period is determined by:

- 1. The type of sentence passed (e.g. custodial, fine, community service order etc) and;**
- 2. The age of the individual at the time the sentence was passed**

A custodial sentence of more than 2 ½ years can never become spent (regardless of the time actually spent in custody) and therefore would always be displayed on a Basic Disclosure. Convictions where the sentence passed was a fine, a community service order etc remain as 'unspent' for 5 years if the individual was 18 or more when convicted. A table explaining how long it takes for different sentences to become spent can be found in [Appendix 1](#).

Criminal Record Checks

Using the information from a criminal record disclosure

Employers should not automatically discriminate against a candidate with convictions on their disclosure. Time should be taken to consider the nature of the offence, the relevance to the job role the individual is applying for and a range of other factors such as:

- ***The age of the candidate at the time of conviction***
- ***How long ago the conviction was made***
- ***Whether the conviction was a one-off or part of a pattern of repeat offending***
- ***Whether the candidate actually declared the unspent conviction on their application***

How to check

Standard and Enhanced level disclosures can only be obtained by becoming a Registered Body or through using the services of an Umbrella Body. While there are no such restrictions to obtaining Basic Disclosures most organisations will find it easier to use the services of an employment screening company. The specialist knowledge and experience these companies have from processing many disclosure applications will provide a faster and smoother disclosure application.

Where to make the criminal record check

There are 3 bodies that provide criminal record disclosures in the UK. The body that is used to source the criminal record disclosure depends on where your candidate lives and the level of disclosure required.



Access Northern Ireland

- ***Basic, Standard and Enhanced disclosures for people living in Northern Ireland***

Disclosure Scotland

- ***Basic disclosures for England & Wales and Scotland***
- ***Standard and Enhanced disclosures for people living in Scotland***

Criminal Records Bureau

- ***Standard and Enhanced disclosures for people living in England and Wales***

Key points:

- There are 3 levels of Criminal Record Check (disclosure) Basic, Standard and Enhanced
- Basic disclosures return details of any convictions deemed as 'unspent' under the Rehabilitation of Offenders Act 1974 and can be made for any employee with their consent
- Standard and Enhanced disclosures can only be obtained for individuals working in job roles that are exempt under the Rehabilitation of Offenders Act

Credit Checks

Employers typically make Credit Checks to search for details of Court Judgements and other publicly available financial information such as Bankruptcy Orders. This type of information can only appear if the candidate has failed to pay a debt, so a Credit Check provides employers with another angle from which to assess the honesty and integrity of a candidate. It's reasonable for employers to ask that if a candidate cannot honour their debts with their creditors are they likely to be the sort of individual that works hard to serve your business and your customers?

182,490 – the number of new judgements issued against individuals in England & Wales in Q1 2009

£3275 – the average value of judgements issued against individuals in England & Wales in Q1 2009

Source: The Registry Trust

What information is returned?

Publicly available financial information

- Dates and amounts of any County Court Judgements and the equivalent Scottish Decrees
- Administration Orders
- Bankruptcy Orders

Details of recent credit applications

- Application date and lender type

Electoral Roll registration history

- Edited Electoral Roll only

Summary Credit Account information

- Numbers of active and closed accounts
- Numbers and types of lenders

Notices of Correction entered by candidate

Using the information returned

In using adverse publicly available financial information to assess a candidate's honesty and integrity, employers should bear in mind that creditors will typically attempt to retrieve money owed to them by reaching informal agreements rather than immediately pursuing legal action. Therefore, when a candidate has a judgement on their credit report they were either not willing to pay or did not have the means to repay the debt. In attempting to distinguish the 'Won't Pay's' from the 'Can't Pay's' employers should:

- **Ask the candidate if there were mitigating circumstances that contributed to the debt being incurred – e.g. loss of employment**
- **Note and read any Notice of Correction entered**
- **Note if any of the Judgements are paid (satisfied)**
- **Provide the candidate with an opportunity to supply any evidence to demonstrate that they have taken steps to reduce the likelihood of future debt issues – e.g. reducing the amount of credit available to them**

Credit Checks

How to check?

The best approach is for employers to retain control over the Credit Check rather than requesting that the candidate sources a copy of their own credit report. This removes the opportunity for candidates to manipulate their credit report and means that the candidate cannot delay the check – whether intentionally or unintentionally.

Given the registration and annual fees incurred in setting up relationships with Credit Reference Agencies, the most economical solution for most employers is to use the services of an employment screening company to make the Credit Check.

Finally, whilst the Credit Check will leave a 'footprint' of the search on your candidate's credit file, the type of footprint made is only visible to the candidate and no-one else. Therefore, the search made for employment screening purposes will not affect your candidate applying for credit in the future.

Key points:

- Credit Checks are relevant to all employers not just those in the Financial Services Industry
- Credit Checks provide useful information for employers to check the integrity of their candidates
- Publicly available financial information and summary credit account information is available for the purposes of employment screening

Qualifications Check

Surveys by employment screening companies and online job boards consistently find that qualifications are one of the credentials most frequently manipulated by job seekers. If the role being hired for requires a qualification to guarantee a certain level of competence then it is vital that the particular qualification is verified. Checking qualifications is also strongly recommended for any graduate level position and any other role where a minimum qualification is required for entry into the recruitment process.

How to check

In most instances it will only be necessary to verify the applicant's highest or most relevant qualification. Checking the applicant's complete education history is likely to prove too time consuming and yield little extra useful information. Professional Memberships should also be verified if relevant to the job role being offered. There are 2 methods open to employers to verify qualifications:

- 1. Checking paper certificates**
- 2. Direct verification with the education establishment / professional body**

Checking certificates affords employers some protection but the quality of fake certificates available is so good that spotting them is becoming increasingly difficult – even the education establishments themselves acknowledge this. Therefore, verifying qualifications directly with the educational establishment is the only solution to ensure that the applicant has the qualifications they claim. Verification requests with education establishments can take between 2 and 15 working days.

Key points:

- Qualifications are one of the details most often falsified by candidates
- Direct verification of the qualification with the establishment that made the award is the only way to be certain your candidate's qualifications are genuine

Driving Licence Checks

Driving Licence Checks are essential for any employee who will drive on behalf of your organisation. As an employer you must take steps to ensure that drivers are fit and entitled to drive in order to demonstrate that you have taken steps to comply with relevant legislation – the Road Traffic Act and Health and Safety at Work Act. In addition, Driving Licence Checks enable organisations to avoid potentially costly operational issues – how would your organisation cope if one of your field sales people or delivery drivers were banned?

200,000 – the number of driving disqualifications per year in the UK

3 million – the number of cases of penalty points per year in the UK

Source: Office of Public Sector Information

How to check

As with Qualification Checks there are 2 methods open to employers to check driving licences:

- 1. **Checking the physical copy provided by your employees**
- 2. **Making a direct check with the DVLA**

Checking physical copies of driving licences enables employers to demonstrate that they have taken reasonable steps to comply with legislation. However, this approach cannot protect employers from the risks posed by drivers using fake or duplicate licences. Drivers using fake or duplicate licences are highly likely either to be unlicensed, currently banned or have a high number of penalty points. Only verifying the licence directly with the DVLA will avoid the risks and potential consequences of employing these individuals. Checking with the DVLA requires the candidate to complete a simple mandate which then enables periodic checks to be made at any time within a 3-year period. Results are returned in a written report that typically takes 2-3 weeks to arrive. Using a specialist driving licence checking service can see the response times reduced to just 48 hours.

Periodic driving licence checks

Your employees' entitlement to drive and the number of endorsements on their licence is not static and therefore employers need to implement a programme of checking driving licences periodically. The most robust approach is to check licences at least every 12 months and increase the frequency of checks for those drivers with a certain number of penalty points, for example:

Number of penalty Points	Check frequency
0 to 3	Annual
4 to 8	Every 6 months
9 or more	Every 3 months

Drivers with a significant number of penalty points and at the risk of being banned could be placed on a defensive driving course for example which is much more cost effective than having to deal with a banned driver.

Key points:

- Driving Licence Checks are essential for employers to demonstrate they have taken steps to comply with relevant legislation
- Direct checks with the DVLA is the only way employers can protect themselves from drivers using fake or duplicate licences
- Periodic checking of driving licences enables employers to avoid costly operational issues resulting from a driver being banned

Sanctions Check

A Sanctions Check is a check against sanctions and other lists issued by central banks, government agencies, financial regulators and law enforcement bodies. Sanctions lists include details of known terrorists, money launderers and fraudsters, those that have had economic or trade sanctions imposed on them and individuals wanted in connection with a crime.

How to check

The fastest and most robust method to conduct a Sanctions Check is to use an Internet based search facility from a compliance solutions provider. These companies collect and aggregate sanctions lists issued on a daily basis published by hundreds of organisations from around the world. Annual licences are very expensive though, so all but the very largest employers will find that the most cost-effective solution is to use the services of an employment screening company where Sanctions Checks can be purchased on a per check basis.

Information returned from a positive match against a sanctions list will typically include:

- ***The name of the body which issued the sanction e.g. HM Treasury***
- ***The title of the sanction made and publication date***
- ***Details of the individual concerned such as their name, date of birth, known aliases and associates and possibly their address***
- ***Description of the sanction made including details of why the sanction was issued***

You can view a sample report and learn more about Sanctions Checks at
www.knowyourcandidate.co.uk/checks/global-sanctions.cfm

Directorship Check

Directorship Checks enable employers to avoid possible conflict of interest scenarios such as the applicant being a current director of a competing company or attempting to appoint a director who is currently disqualified. Knowing whether the candidate has been a director of any companies that have gone into liquidation or involved in a string of dissolved companies could also prove useful. This check should be carried out for job roles categorised 'high risk' or 'very high risk'.

How to check

Specialist services check directorships and disqualification data simultaneously. Searches are made on an individual's name and date of birth meaning that any directorship the candidate has held will be returned as well as checking the Disqualified Directors Register. Again, licence fees can be expensive so finding a provider that operates on a pay-as-you-go basis will be the most economical option given the small numbers of Directorship Checks most organisations are likely to make.

Information returned from a directorship search can include:

- ***Name and registered number of the company of which they were a director***
- ***Status of the company e.g. trading, dormant, dissolved etc***
- ***Date of appointment and resignation if applicable***
- ***Dates and basic details regarding any disqualification period***

You can view a sample report and learn more about Directorship Checks at
www.knowyourcandidate.co.uk/checks/directorship.cfm

Appendices

Appendix 1

Tables explaining rehabilitation periods for convictions

Sentence	Rehabilitation period	
	People aged 18 or more when convicted	People aged 17 and under when convicted
Prison and young offender institution term of 6 months or less	7 years	3.5 years
Prison and young offender institution term of more than 6 months, up to 2.5 years	10 years	5 years
Fine, compensation, probation (1), community service or combination order (2), action plan, curfew, drug treatment and testing order or reparation order	5 years	2.5 years
Absolute discharge	6 months	6 months

(1) For people convicted on or after 3 February 1995. Probation Orders are now called community rehabilitation orders.
 (2) Community service orders are now called community punishment orders. Combination orders are now called community punishment and rehabilitation orders.

Sentence	Rehabilitation period	
	People aged 12, 13 or 14 when convicted	People aged 15, 16 or 17 when convicted
Detention and training order of 6 months or more	1 year after order ends	3.5 years
Detention and training order of more than 6 months	1 year after order ends	5 years

Sentence	Rehabilitation period	
Probation (1), supervision, conditional discharge and bind over	1 year or until the order ends (whichever is longer)	
Attendance centre order	1 year after the order ends	
Referral Order	Once the order ends	

(1) For people convicted before 3 February 1995.

Next steps

Call us on 0161 265 1717 to discuss your employment screening requirements.

Register online at www.knowyourcandidate.co.uk for fast and reliable employment screening.

Invite us to benchmark your organisation's current employment screening processes.

Download 'A Practical Guide to Employment Screening' from our website to learn more about how to implement and operate a robust employment screening process.



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