



Online-Platform Companies Faced with Far-Reaching Dutch Employment Laws

Contrary verdicts regarding self-employed may impact employers.

A Dutch court ruled that delivery riders working for an online-platform company called Deliveroo are not self-employed, but their legal relationship qualifies as an employment agreement with corresponding rights including the collective labor agreement applicable to the transport industry. The biggest trade union in the Netherlands, FNV, filed a lawsuit after Deliveroo last year decided to stop offering employment agreements and only engage in contracts for services with riders. The court ruled that the nature of the activities performed and relationship between parties is not fundamentally different enough to conclude the activities are no longer performed on the basis of an employment agreement. The court further explained that a relationship of authority still existed. It determined that because the riders' instructions were more general and not specific to each instance of employment, the situation in this case was not dramatically different from that of other, more standard working arrangements. For the court the fact that the delivery riders are dependent on Deliveroo outweighed the independence of the deliverer. Consequently, the riders must be treated as employees with corresponding rights.

In an earlier verdict from July 2018 the same court ruled an individual rider was correctly qualified as a self-employed worker. The current contrary verdict may have far-reaching consequences for the growing job economy where customers and job seekers meet via an online platform. By not employing "platform workers" the workers are among others not protected against dismissal, and the platform companies do not have to guarantee minimum wage, offer salary continuation during illness, and pay employer's social premiums. The impact of this verdict on self-employed workers in other companies/industries is still to come. Deliveroo has announced it will appeal the verdict.



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